

Hollywood Production Company  
c/o "The Producer"  
1234 Hollywood Blvd.  
Hollywood, CA 90046

January 1, 20XX

Mr. Book Writer  
123 Main Street  
Small Town, NC 12345

### Literary Option and Purchase Agreement

THIS AGREEMENT, made and entered into as of \_\_\_\_\_ (date), by and between Mr. Book Writer ("Seller") and Hollywood Production Company ("Buyer").

#### 1. SELLER'S REPRESENTATIONS AND WARRANTIES:

(a) Sole Proprietor: Seller represents and warrants to Buyer that Seller is the sole and exclusive proprietor, throughout the world of that certain original literary material written by \_\_\_\_\_ entitled \_\_\_\_\_ ("the Literary Material")

(b) Facts: Seller represents and warrants to Buyer that the following statements are true and correct in all respects with respect to said literary material:

(i) Seller is the sole author of the Literary Material.

(ii) The Literary Material was first published on (date) by \_\_\_\_\_, under the title \_\_\_\_\_, and was registered for copyright in the name of \_\_\_\_\_, under copyright registration number \_\_\_\_\_, in the Office of the United States Register of Copyrights, Washington, D.C.

No Motion Picture or dramatic version of the literary Property, or any part of it, has been manufactured, produced, presented or authorized; no radio or television development, presentation or program based on the Literary Property, or any part of it, has been manufactured, produced, presented, broadcast or authorized; and no written or oral agreements or commitments at all with respect to the Literary Property or with respect to any right therein, have previously been made or entered into by or on behalf of Seller (except with respect to the publication of the Literary Material as set forth above.)

(c) No Infringement or Violation of Third Party Rights: Seller represents and warrants to Buyer that Seller has not adapted the Literary Property from any other literary, dramatic or other material of any kind, nature or description, nor, excepting for material which is in the public domain, has Seller copied or used in the Literary Property the plot, scenes, sequence or story of any other literary, dramatic or other material; that the Literary Property does not infringe upon any common law or statutory rights in any other literary, dramatic, or other material; that to the best of Seller's knowledge, no material in the Literary Property is libelous or violative of the right of privacy of any person and the full use of the rights in the Literary Property which are covered by the within option would not violate any rights of any person, firm or corporation; and that the

Literary Property is not in the public domain in any country in the world where copyright protection is available.

(d) No Impairment of Rights: Seller represents and warrants to Buyer that Seller is the exclusive proprietor, throughout the world, of the rights in the Literary Property which are covered by within option; that Seller has not assigned, licensed nor in any manner encumbered, diminished or impaired these rights; that Seller has not committed nor omitted to perform any act by which these rights could or will be encumbered, diminished or impaired; and that there is no outstanding claim or litigation pending against or involved the title, ownership and/or copyright in the Literary Property, or in any part of it, or in the rights which are covered by the within option. Seller further represents and warrants that no attempt hereafter will be made to encumber, diminish or impair any of the rights herein granted and that all appropriate protections of such rights will continue to be maintained by Seller.

Without limiting any other rights Buyer may have in the premises, Seller agrees that if there is any claim and/or litigation involving any breach or alleged breach of any such representations and warranties of Seller, the option period granted hereunder and any periods within which Buyer may, pursuant to the provisions of Clause 3 hereof, extend the option, shall automatically be extended such representation and warranties of seller is outstanding, but in any event for a period not more than one (1) additional year. Any time after the occurrence in the premises, rescind this agreement and in such even, despite anything else to the contrary contained herein, Seller agrees to repay Buyer any monies paid by Buyer to Seller hereunder concerning the Property and any reasonable amounts expended by Buyer in developing or exploiting the Property. Without limiting the generality of the foregoing, Seller agrees that Seller will not, any time during the option period, exercise or authorize or permit the exercise by others of any of the rights covered by the option or any of the rights reserved by Seller under the provisions of Exhibit A which are not to be exercised or licensed to others during any period therein specified.

2. CONSIDERATION FOR OPTION: In consideration of the payment to Seller of the sum of \$ \_\_\_\_\_ (U.S.), receipt of which is hereby acknowledged, Seller agrees to and does hereby give and grant to Buyer the exclusive and irrevocable option to purchase from Seller the rights in the Property as described in Exhibit A for the total purchase price specified and payable as provided in Exhibit A, provided that any sums paid under this Clause 2 or any other provision of this agreement with respect to the option shall be credited against the first sums payable on account of such purchase price. If Buyer shall fail to exercise this option, then the sums paid to Seller hereunder with respect to the option shall be and remain sole property of Seller.

3. OPTION PERIOD: The within option shall be effective during the period commencing on the date hereof and ending \_\_\_\_\_ ('the Initial Option Period').

The Initial Option Period may be extended for an additional 12 months by the payment of \$ \_\_\_\_\_ (U.S.) on or before the expiration date specified above ('the Second Option Period").

4. EXERCISE OF OPTION:

(a) Notice of Exercise: If Buyer elects to exercise the within option, Buyer (any time during the Option Period) shall serve upon Seller written notice of the exercise of it by addressing such

notice to Seller at his address as specified in Exhibit a and by depositing such notice, so addressed by certified mail, return receipt requested with postage prepaid, in the United States mail. The deposit of such notice in the United States mail as herein specified shall constitute service of it, and the date of such deposit shall be deemed to be the date of service of such notice.

(b) The purchase price shall be paid to Seller according to Exhibit A.

(c) The option may be exercised only by notice in writing as aforesaid; no other action or oral statement by Buyer or his agents, representatives or employees shall constitute and exercise of the option.

(d) Additional Documents: If Buyer exercises the within option, Seller, without cost to Buyer (other than the consideration provided for herein or in Exhibit A) shall execute, acknowledge and deliver to Buyer, or shall cause the execution, acknowledgement and delivery to Buyer of, such further instruments as Buyer may reasonably require to confirm unto Buyer the rights, licenses, privileges and property which are the subject of the within option. If Seller shall fail to execute and deliver or to cause the execution and delivery to Buyer of any such instruments, Buyer is hereby irrevocably granted the power coupled with an interest to execute such instruments and to take such other steps and proceedings as may be necessary concerning it in the name and on behalf of proceedings as may be necessary concerning it in the name and on behalf of Seller and as Seller's attorney-in-fact. Seller shall supply all supporting agreements and documentation requested by Buyer.

(e) Failure to Execute Documents: If Seller shall fail to execute, acknowledge or deliver to Buyer any agreements, assignments or other instruments to be executed, acknowledged and delivered by Seller hereunder, then Buyer is hereby irrevocably appointed Seller's attorney-in-fact with full right, power and authority to execute, acknowledge and deliver the same in the name of and on behalf of Seller, Seller acknowledging that the authority and agency given Buyer is a power coupled with an interest. If the property has not been published or registered for copyright in the United States Copyright Office, and as a result thereof Exhibits "A," "B" and "C," attached hereto, have not been completed with respect to the publication and copyright data and other data, then Buyer is authorized and instructed by Seller to insert the correct publication and copyright data in the appropriate blanks in Exhibits "A," "B" and "C" or after the property has been published and registered for copyright, specifying in such notice the name of the publisher, the date and place of publication, the name of the copyright proprietor and the date and entry number of the copyright registration in the United States Copyright Office, all of which information may be inserted by Buyer in the appropriate blanks in such documents.

5. EFFECTIVENESS OF EXHIBITS "A," "B" AND "C": Concurrently with the execution of this agreement Seller has executed Exhibits a (Literary Purchase Agreement), B (Short Form Option Agreement for Recordation) and C (Assignment of the Copyright), which are undated, and it is agreed that if Buyer shall exercise the option (but not otherwise) then the signature of Seller to Exhibits A, B and C shall be deemed to be effective and these Exhibits shall constitute valid and binding agreements and assignment effective as of the date of exercise of such option, and

Buyer is hereby authorized and empowered to date such instruments accordingly. If Buyer shall fail to exercise the option, then the signature of Seller to Exhibits A, B and C shall be void and of no further force or effect whatever, and Buyer shall not be deemed to have acquired any rights in or to the Property other than the option hereinabove provided for. If Buyer exercises the option, Buyer will execute and deliver to Seller copies of Exhibit A, dated as of the date of the exercise of the option, and Seller will, if so requested by Buyer, execute and deliver to Buyer additional copies of Exhibits A, B, and C. Notwithstanding the failure or omission of either party to execute and/or deliver such additional documents, it is agreed that upon the exercise of the option by Buyer all rights in and to the Property agreed to be transferred to Buyer pursuant to the provisions of Exhibit A shall be deemed vested in Buyer, effective as of the date of exercise of the option, which rights shall be irrevocable.

6. RIGHT TO ENGAGE IN PREPRODUCTION: Seller acknowledges that Buyer may, at its own expense, during the option period, undertake pre-production activities in connection with any of the rights to be acquired hereunder including, without limitation, the preparation and submission of treatments and/or screenplays based on the Property.

7. RESTRICTIONS: During the Option Period, Seller shall not exercise or otherwise use any of the rights herein granted to Buyer and as more particularly described in Exhibit A hereof nor the rights reserved to Seller pursuant to Clause 2 (Rights Reserved) of Exhibit A, nor shall Seller permit the use of nor shall Seller use any other right Seller has reserved in a way that would in any manner or for any purpose unfairly compete with, interfere with or conflict with the full and unrestricted use of the rights herein granted to Buyer and as described in Exhibit A.

8. ASSIGNMENT: This Option Agreement and the rights granted hereunder may be assigned by Buyer to any other person, firm or corporation.

9. OPTION REVERSION AND TURNAROUND RIGHT:

(a) If the Buyer does not timely exercise the option during its original or extended term and timely pay the purchase price, the option shall end and all rights in the Literary Property shall immediately revert to the seller. The seller shall retain all sums therefore paid. Buyer shall immediately execute and deliver to seller any assignments and documents required to effectuate the Reversion. If Buyer shall fail or be unable to do so, Buyer hereby grants seller a power coupled with and interest to execute and deliver such documents as Buyer's attorney-in-fact.

(b) If the option is timely exercised and the purchase price paid and if a motion picture company does not produce a motion picture based on the Literary Property within years from purchase of the Literary Property, seller shall have a turnaround right to reacquire and set up the Literary Property elsewhere and upon obtaining such other commitment to reimburse the Buyer or Motion Picture company for its actual direct out-of-pocket development costs in connection with the Literary Property, such as fees to scriptwriters, buy excluding payments to Seller and any payments to Buyer not directly related to scripting services.

(c) In addition, if Buyer decides not to exercise the option in Clause 1 above, any time before the expiration of the Option Period, or decides not to extend such option for , Buyer agrees to

notify Seller of such decision as soon as reasonably possible, but in no event later than the applicable option or extension deadline. When such notice is given, the option granted hereunder to Buyer shall automatically revert to Seller.

10. FORCE MAJEURE: "Force Majeure" means any fire, flood, earthquake, or public disaster; strike, labor dispute or unrest; embargo, riot, war, insurrection or civil unrest; any act of God, any act of legally constituted authority; or any other cause beyond the buyer's control which would excuse buyer's performance as a matter of law. If because of force majeure, buyer's performance hereunder is delayed or prevented then the option period provided herein and any performance by purchase shall be extended for the time of such delay or prevention.

11. SECTION HEADINGS: The headings of paragraphs, sections and other subdivisions of this agreement are for convenient reference only. They shall not be used in any way to govern, limit, modify, construe this agreement or any part of provision of it.

12. ARBITRATION: Any controversy or claim arising out of or relating to this agreement or any breach thereof shall be settled by arbitration in accordance with the Rules of the American Arbitration Association; and judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. The prevailing party shall be entitled to reimbursement for costs and reasonable attorney's fees. The determination of the arbitrator in such proceeding shall be final, binding and non-appealable.

13. ENTIRE AGREEMENT: This agreement, including the Exhibits attached hereto, contains the complete understanding and agreement between the parties with respect to the within subject matter, and supersedes all other agreements between the parties whether written or oral relating thereto, and may not be modified or amended except by written instrument executed by both of the parties hereto. This agreement shall in all respects be subject to the laws of the State of applicable to agreements executed and wholly performed within such State. All the rights, licenses, privileges and property herein granted to Buyer are irrevocable and not subject to rescission, restraint, or injunction under any or all circumstances.

IN WITNESS WHEREOF, the parties hereto have signed this Option Agreement as of the day and year first hereinabove written.

SELLER:

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BUYER:

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#### **EXHIBIT A**

This Agreement made on \_\_\_\_\_ (date) by and between \_\_\_\_\_ ("Seller") and \_\_\_\_\_ ("Buyer").

WITNESSETH

WHEREAS, Seller is the sole and exclusive seller throughout the world of all rights in and to the literary work entitled: \_\_\_\_\_, written by \_\_\_\_\_, which work has been filed in the United States Copyright Office under Copyright Registration Number \_\_\_\_\_; this work including all adaptations and/or versions, the titles, characters, plots, themes and storyline is collectively called the "Property"; and

WHEREAS, Buyer wants to acquire certain rights of the Seller in consideration for the purchase price provided herein and in reliance upon the Seller's representations and warranties;

NOW, THEREFORE, the parties agree to as follows:

1. RIGHTS GRANTED: Seller hereby sells, grants, conveys and assigns to Buyer, its successors, licensees, and assigns exclusively and forever, all motion picture rights (including all silent, sound dialogue and musical motion picture rights), all television motion picture and other television rights, with limited radio broadcasting rights and 7,500 word publication rights for advertisement, publicity and exploitation purposes, and certain incidental and allied rights, throughout the exploitation purposes, and certain incidental and allied rights, throughout the world, in and to the Property and in and to the copyright of it and all renewals and extensions of copyright. Included among the rights granted to Buyer hereunder (without in any way limiting the grant of rights hereinabove made) are the following sole and exclusive rights throughout the world:

(a) To make, produce, adapt and copyright one or more motion picture adaptations or versions, whether fixed on film, tape, disc, wire, audio-visual cartridge, cassette or through any other technical process whether now known or from now on devised, based in whole or in part on the Property, of every size, gauge, color or type, including, but not limited to, musical motion pictures and pictures in series or serial form, and for such purposes to record and reproduce and license others to record and reproduce, in synchronization with such motion pictures, spoken words taken from or based upon the text or theme of the Property and any kinds of music, musical accompaniments and/or lyrics to be performed or sung by the performers in any such motion picture and any other kinds of sound and sound effects.

(b) by all means or technical processes whatsoever, whether now known or from now on devised including, by way of example only, film, tape, disc, wire, audio-visual cartridge, cassette or television (including commercially sponsored, sustaining and subscription or pay-per-view television, or any derivative of it; and (i) anywhere whatsoever, including homes, theaters and elsewhere, and whether a fee is charged, directly or indirectly, for viewing any such motion picture.

(c) To broadcast, transmit or reproduce the Property or any adaptation or version of it (including without limitations any motion picture produced hereunder and/or any script or other material based on or using the Property or any of the characters, themes or plots of it), by means of television or any process analogous thereto whether now known or from now on devised (including commercially sponsored, sustaining and subscription or pay-per-view television), by motion pictures produced on films or by means of magnetic tape, wire, disc, audio-visual cartridge or any other device known or from now on devised including such television

productions presented in series or serial form, and the exclusive right generally to exercise for television purposes all the rights granted to Buyer hereunder for motion picture purposes.

(d) Without limiting any other rights granted Buyer, to broadcast and/or transmit by television or radio or any process analogous thereto whether now known or from now on devised, all or any part of the Property or any adaptation or version of it including any motion picture or any other version or versions of it, and announcements about said motion picture or other version or versions, for advertising, publicizing or exploiting such motion picture or other version or versions, which broadcasts or transmissions may be accomplished with living actors performing simultaneously with such broadcast or transmission or by any other method or means including the use of motion pictures (including trailers) reproduced on film or by means of magnetic tape or wire or through other recordings or transcriptions.

(e) To publish and copyright or cause to be published and copyrighted in the name of Buyer or its nominee in any languages throughout the world, in any form of media, synopses, novelizations, serializations, dramatizations, abridged and/or revised versions of the Property, not exceeding 7,500 words each, adapted from the Property or from any motion picture and/or other version of the Property for advertising, publicizing and/or exploiting any such motion picture and/or other version.

(f) For the foregoing purposes to use all or any part of the Property and any of the characters, plots, themes and/or ideas contained therein, and the title of the Property and any title or subtitle of any component of the Property, and to use said titles or subtitles for any motion picture or other version of adaptation whether the same is based on or adapted from the Property and/or as the title of any musical composition contained in any such motion picture or other version or adaptation.

(g) To use and exploit commercial or merchandise tie-ups and recordings of any sort and nature arising out of or connected with the Property and/or its motion picture or other versions and/or the title or titles of it and/or the characters of it and/or their names or characteristics.

All rights, licenses, privileges and property herein granted Buyer shall be cumulative and Buyer may exercise or use any or all said rights, licenses, privileges or property simultaneously with or in connection with or separately and apart from the exercise of any other of said rights, licenses, privileges and property. If Seller from now on makes or publishes or permits to be made or published any revision, adaptation, translation or dramatization or other versions of the Property, then Buyer shall have and Seller hereby grants to Buyer without payment therefore all of the same rights therein as are herein granted Buyer. The terms 'Picture' and "Pictures' as used herein shall be deemed to mean or include any present or future kind of motion picture production based upon the Property, with or without sound recorded and reproduced synchronously with it, whether the same is produced on film or by any other method or means now or from now on used for the production, exhibition and/or transmission of any kind of motion picture productions.

2. RIGHTS RESERVED: The following rights are reserved to Seller for Seller's use and disposition, subject, however, to the provisions of this agreement:

(a) Publication Rights: The right to publish and distribute printed versions of the Property owned or controlled by Seller in book form, whether hardcover or softcover, and in magazine or other periodicals, whether in installments or otherwise subject to Buyer's rights as provided for in Clause 1 supra.

(b) Stage Rights: The right to perform the Property or adaptations of it on the spoken stage with actors appearing in person in the immediate presence of the audience, provided no broadcast, telecast, recording, photography or other reproduction of such performance is made. Seller agrees not to exercise, or permit any other person to exercise, said stage rights earlier than 12 years after the first general release or telecast, if earlier, of the first Picture produced hereunder, or 12 years after the date of exercise of the buyer's option to acquire the property, whichever is earlier.

( c ) Radio Rights: The right to broadcast the Property by sound (as distinguished from visually) by radio, subject however to Buyer's right always to: (i) exercise its radio rights provided in Clause 1 supra for advertising and exploitation purposes by living actors or otherwise, by using excerpts from or condensations of the Property or any Picture produced hereunder; and (ii) in any event to broadcast any Picture produced hereunder by radio. Seller agrees not to exercise, or permit any other person to exercise, Seller's radio rights earlier than 12 years after the first general release or initial telecast, if earlier, of the first Picture produced hereunder or 12 years after the date of exercise of buyer's option to acquire the property, whichever is earlier.

( d ) Author-Written Sequel: A literary property (story, novel, drama or otherwise), whether written before or after the Property and whether written by Seller or by a successor in interest of Seller, using one or more of the characters appearing in the Property, participating in different events from those found in the Property, and whose plot is substantially different from that of the Property. Seller shall have the right to exercise publication rights (i.e., in book or magazine form) any time. Seller agrees not to exercise, or permit any other person to exercise, any other rights (including but not limited to motion picture or allied rights) of any kind in or to any author-written sequel earlier than 12 years after the first general release of the first Picture produced hereunder, or 12 years after the date of exercise of buyer's option to acquire of said author-written sequel rights shall be extended to any period during which there is in effect, in any particular country or territory, whether such period occurs wholly or partly during or entirely after the year period first referred to in this clause. Any disposition of motion picture or allied rights in an author-written sequel made to any person or company other than Buyer shall be made subject to the following limitations and restrictions:

(e) Since the characters of the Property are included in the exclusive grant of motion picture rights to Buyer, no sequel rights or television series rights may be granted to such other person or company, buy such characters from the Property which are contained in the author-written sequel may be used in a motion picture and remakes of it whose plot is based substantially on the plot of the respective author-written sequel.

It is expressly agreed that Seller's reserved rights under this subclause related only to material written or authorized by Seller and not to any revision, adaptation, sequel, translation or



dramatization written or authorized by Buyer, although the same may contain characters or other elements contained in the Property.

3. RIGHT TO MAKE CHANGES: Seller agrees that Buyer shall have the unlimited right to vary, change, alter, modify, add to and/or delete from the Property, and to rearrange and/or transpose the Property and change the sequence of it and the characters and descriptions of the characters contained in the Property, and to use a portion or portions of the property or the characters, plots, or theme of it with any other literary, dramatic or other material of any kind. Seller hereby waives the benefits of any provisions of law known as the "droit moral" or any similar law in any country of the world and agrees not to permit or prosecute any action or lawsuit on the ground that any Picture or other version of the Property produced or exhibited by Buyer, its assigns or licensees, in any way constitutes an infringement of any of the Seller's droit moral or is in any way a defamation or mutilation of the Property or any part of it or contains unauthorized variations, alterations, modifications, changes or translations.

4. DURATION AND EXTENT OF RIGHTS GRANTED: Buyer shall enjoy, solely and exclusively, all the rights, licenses, privileges and property granted hereunder throughout the world, in perpetuity, as long as any rights in the Property are recognized in law or equity, except as far as such period of perpetuity may be shortened due to any now existing or future copyright by Seller of the Property and/or any adaptations of it, in which case Buyer shall enjoy its sole and exclusive rights, licenses, privileges and property hereunder to the fullest extent permissible under and for the full duration of such copyright or copyrights, whether common law or statutory, and any renewals and/or extensions of it, and shall after that enjoy all such rights, licenses, privileges and property non-exclusively in perpetuity throughout the world. The rights granted herein are in addition to and shall not be construed in derogation of any rights which Buyer may have as a member of the public or pursuant to any other agreement. All rights, licenses, privileges and property granted herein to Buyer are irrevocable and not subject to rescission, restraint or injunction under any circumstances.

5. CONSIDERATION: As consideration for all rights granted and assigned to Buyer and for seller's representations and warranties, Buyer agrees to pay to Seller, and Seller agrees to accept:

( a ) For a theatrical or television motion picture \$ \_\_\_\_\_ (U.S.) besides any sums paid in connection with the option periods so payable upon exercise of the option to acquire the Property.

( b ) For any mini-series, \$ \_\_\_\_\_ per hour, pro-rated for part hours.

( c ) For any sequel or remake of a theatrical or television motion picture based on the Property, one-half and one-third, respectively, of the amount paid for the initial motion picture, payable upon commencement of principal photography of the subsequent production.

( d ) For any television series produced, based on the Property, Buyer will pay the following royalties per initial production upon completion of production of each program: up to 30 minutes \$ \_\_\_\_\_ ; over 30, but not more than 60, minutes \$ \_\_\_\_\_ ; and in addition to the foregoing, as a buy-out of all royalty obligations, one hundred percent (100%) of the applicable initial royalty

amount, in equal installments over five (5 ) reruns, payable within thirty (30) days after each such rerun.

As and for contingent compensation \_\_\_\_\_% Percent of one hundred percent of the net profits (including allied and ancillary rights) of each motion picture and television program or series based on the Property, in whole or in part, with profits defined according to the same definition obtained by Buyer; provided, however, that Seller's percentage shall not be subject to any reductions or preconditions whatsoever.

## 6. REPRESENTATIONS AND WARRANTIES:

(a ) Sole Proprietor: Seller represents and warrants to Buyer that Seller is the sole and exclusive proprietor, throughout the universe, of that certain original literary material written by Seller entitled " \_\_\_\_\_ ."

( b ) Facts: Seller represents and warrants to Buyer as follows:

( I ) Seller is the sole author and creator of the Property.

( II ) The Property was first published in 20\_\_ by \_\_\_\_\_ (publisher) under the title \_\_\_\_\_ , and was registered for copyright in the name of \_\_\_\_\_ , under copyright registration number \_\_\_\_\_ , in the Office of the United States Register of Copyrights, Washington, D.C.

( III ) No motion picture or dramatic version of the Property, or any part of it, has been manufactured, produced, presented or authorized; no radio or television development, presentation, or program based on the Property, or any part of it, has been manufactured, produced, presented, broadcast or authorized; and no written or oral agreements or commitments at all with respect to the Property, or with respect to any rights therein, have been made or entered by or on behalf of Seller (except with respect to the Publication of the Property as set forth above).

( iV ) None of the rights herein granted and assigned to Buyer have been granted and/or assigned to any person, firm or corporation other than Buyer.

(c ) No Infringement or Violation of Third Party Rights: Seller represents and warrants to Buyer that Seller has not adapted the Property from any other literary, dramatic or other material of any kind, nature or description, nor, except material which is in the public domain, has Seller copied or used in the Property the plot, scenes, sequence or story of any other literary, dramatic or other material; that the Property does not infringe upon any common law or statutory rights in any other literary, dramatic or other material; that no material contained in the Property is libelous or violative of the right of privacy of any person; that the full utilization of any and all rights in and to the Property granted by Seller pursuant to this Agreement will not violate the rights of any person, firm or corporation; and that the Property is not in the public domain in any country in the world where copyright protection is available.

( d ) No Impairment of Rights: Seller represents and warrants to Buyer that Seller is the exclusive proprietor, throughout the universe, of all rights in and to the Property granted herein to Buyer; that Seller has not assigned, licensed or in any manner encumbered, diminished or

impaired any such rights; that could or will be encumbered, diminished or impaired; and that there is no outstanding claim or litigation pending against or involving the title, ownership herein to Buyer. Seller further represents and warrants that no attempt shall be made hereafter to encumber, diminish or impair any of the rights granted herein and that all appropriate protection of such rights will continue to be maintained by Seller.

#### 7. INDEMNIFICATION:

( a ) Seller agrees to indemnify Buyer against all judgments, liability, damages, penalties, losses and expense (including reasonable attorney's fees) which may be suffered or assumed by or obtained against Buyer by reason of any breach or failure of any warranty or agreement herein made by Seller.

( b ) Buyer shall not be liable to Seller for damages of any kind in connection with any Picture it may produce, distribute or exhibit, or for damages for any breach of this agreement (except failure to pay the money consideration herein specified) occurring or accruing before Buyer has had reasonable notice and opportunity to adjust or correct such matters.

( c ) All rights, licenses and privileges herein granted to Buyer are irrevocable and not subject to rescission, restraint or injunction under any circumstances.

8. PROTECTION OF RIGHTS GRANTED: Seller hereby grants to Buyer the free and unrestricted right, but at Buyer's own cost and expense, to institute in the name and on behalf of Seller, or Seller and Buyer jointly, any and all suits and proceedings at law or in equity, to enjoin and restrain any infringements of the causes of action relative to or based upon any such infringement, as well as any and all recoveries obtained thereon. Seller will not compromise, settle or in any manner interfere with such litigation if brought; and Buyer agrees to indemnify and hold Seller harmless from any costs, expenses or damages which Seller may suffer as a result of any such suit or proceeding.

9. COPYRIGHT: Regarding the copyright in and to the Property, Seller agrees that:

( a ) Seller will prevent the Property and any arrangements, revisions, translations, novelizations, dramatizations, or new versions thereof whether published or unpublished and whether copyrighted or not copyrighted, from vesting in the public domain, and will take or cause to be taken any and all steps and proceedings required for copyright or similar protection. Any contract or agreement entered into by Seller authorizing or permitting the publications of the Property or any arrangements, revisions, translations, novelizations, dramatizations or new versions thereof in any country will contain appropriate provisions requiring such publisher to comply with all the provisions of this clause.

( b ) Without limiting the generality of the foregoing, if the Property or any arrangement, revision, translation, novelization, dramatization or new version thereof is published in the United States or in any other country in which registration is required for copyright or similar protection in accordance with the laws and regulations of such country, Seller agrees to affix or cause to be affixed to each copy of the Property or any arrangement, revision, translation, novelization, dramatization or new version thereof which is published or offered for sale such notice or

notices as may be required for copyright or similar protection in any country in which such publication or sale occurs.

( c ) At least months prior to the expiration of any copyright required by this provision for the protection of the Property, Seller will renew ( or cause to be renewed) such copyright, as permitted by applicable law, and any and all rights granted Buyer hereunder shall be deemed granted to Buyer throughout the full period of such renewed copyright, without the payment of any additional consideration, it being agreed that the consideration payable to Seller under this agreement shall be deemed to include full consideration for the grant of such rights to Buyer throughout the period of such renewed copyright.

( d ) If the Property, or any arrangement, revision, translation, novelization, dramatization or new version thereof, shall ever enter the public domain, then nothing contained in this agreement shall impair any rights or privileges that the Buyer might be entitled to as a member of the public; thus, the Buyer may exercise any and all such rights and privileges as though this agreement were not in existence. The rights granted herein by Seller to Buyer, and the representations, warranties, undertakings and agreements made hereunder by Seller shall endure in perpetuity and shall be in addition to any rights, licenses, privileges or property of Buyer referred to in this subclause ( d ).

10. CREDIT OBLIGATIONS: Buyer shall have the right to publish, advertise, announce and use, in any manner or medium, the name, biography and photographs or likenesses of Seller in connection with any exercise by Buyer of its rights hereunder, provided such use shall not constitute an endorsement of any product or service.

During the term of the Writer's Guild of America Minimum Basic Agreement ("WGA agreement"), as it may be amended, the credit provisions of the WGA Agreement shall govern the determination of credits, if any, which the Buyer shall accord the Seller hereunder in connection with photoplays.

Subject to the foregoing, Seller shall be accorded the following credit on a single card on screen and in paid ads controlled by Buyer and in which any other writer is accorded credit, and in size of type (as to height, width, thickness and boldness) equal to the largest size of type in which any other writer is accorded credit:

( a ) If the title of the picture is the same as the title of the Property ' \_\_\_\_\_ "; or

( b ) If the title of the Picture differs from the title of the Work, ' \_\_\_\_\_ '.

Additionally, if Buyer shall exploit any other rights in and to the Property, then Buyer agrees to give appropriate source material credit to the Property, to the extent that such source material credits are customarily given in connection with the exploitation of such rights.

No casual or inadvertent failure to comply with any of the provisions of this clause shall be deemed a breach of this agreement by the Buyer. Seller hereby expressly acknowledges that in the event of a failure or omission constituting a breach of the provisions of this paragraph, the damage (if any) caused Seller thereby is not irreparable or sufficient to entitle Seller to injunctive or other equitable relief. Consequently, Seller's rights and remedies in the event of such breach

shall be limited to the right to recover damages in an action at law. Buyer agrees to provide in its contracts with distributors of the Picture that such distributors shall honor Buyer's contractual credit commitments and agrees to inform such distributors of the credit provisions herein.

11. RIGHT OF FIRST NEGOTIATION: The term 'Right of the First Negotiation' means that if, after the expiration of an applicable time limitation, Seller desires to dispose of or exercise a particular right reserved to Seller herein ("Reserved Right"), whether directly or indirectly, then Seller shall notify Buyer in writing and immediately negotiate with Buyer regarding such Reserved Right. If, after the expiration of 120 days of following the receipt of such notice, no agreement has been reached, then Seller may negotiate with third parties regarding such Reserved Right subject to Clause 12 infra.

12. RIGHT OF LAST REFUSAL: The term 'Right of Last Refusal' means that if Buyer and Seller fail to reach an agreement pursuant to Buyer's right of first negotiation, and Seller makes and/or receives any bona fide offer to license, lease and/or purchase the particular Reserved Right or any interest therein ("Third Party Offer"), and if the proposed purchase price and other material terms of a Third Party offer are no more favorable to Seller than the terms which were acceptable to Buyer during the first negotiation period, Seller shall notify Buyer, by registered mail or telegram, if Seller proposes to accept such Third Party Offer, the name of the offerer, the proposed purchase price, and other terms of such Third Party Offer. During the period of \_\_\_\_\_ days after Buyer's receipt of such notice, Buyer shall have the exclusive option to license, lease and/or purchase, as the case may be, the particular Reserved Right or interest referred to in such Third Party Offer, at the same purchase price and interest referred to in such Third Party Offer, at the same purchase price and upon the same terms and conditions as set forth in such notice. If Buyer elects to exercise thereof by registered mail or telegram within such 120 day period, failing which Seller shall be free to accept such Third Party Offer; provided that if any such proposed license, lease and/or sale is not consummated with a third party within 120 days following the expiration of the aforesaid 120 day period, Buyer's Right of last refusal shall revive and shall apply to each and every further offer or offers at any time received by Seller relating to the particular Reserved Right or any interest therein; provided, further, that Buyer's option shall continue in full force and effect, upon all of the terms and conditions of this paragraph, so long as Seller retains any rights, title or interests in or to the particular Reserved Right. Buyer's Right of Last Refusal shall inure to the benefit of Buyer, its successors and assigns, and shall bind Seller and Seller's heirs, successors and assigns.

13. NO OBLIGATION TO PRODUCE: Nothing herein shall be construed to obligate Buyer to produce, distribute, release, perform or exhibit any motion picture, television, theatrical or other production based upon, adapted from or suggested by the Property, in whole or in part, or otherwise to exercise, exploit or make any use of any rights, licenses, privileges or property granted herein to Buyer.

14. ASSIGNMENT: Buyer may assign and transfer this agreement or all or any part of its rights hereunder to any person, firm or corporation without limitation, and this agreement shall be binding upon and inure to the benefit of the parties hereto and their successors, representatives and assigns forever.

15. NO PUBLICITY: Seller will not, without Buyer's prior written consent in each instance, issue or authorize the issuance or publication of any news story or publicity relating to (i) this Agreement, (ii) the subject matter or terms hereof.

16. AGENT COMMISSIONS: Buyer shall not be liable for any compensation or fee to any agent of Seller in connection with this Agreement.

17. ADDITIONAL DOCUMENTATION: Seller agrees to execute and procure any other and further instruments necessary to transfer, convey, assign and copyright all rights in the Property granted herein by Seller to Buyer in any country throughout the world. If it shall be necessary under the laws of any country that copyright registration be acquired in the name of Seller, Buyer is hereby authorized by Seller to apply for said copyright registration thereof; and, in such event, Seller shall and does hereby assign and transfer the same unto Buyer, subject to the rights in the Property reserved hereunder by Seller. Seller further agrees, upon request, to duly execute, acknowledge, procure and deliver to Buyer such short form assignments as may be requested by Buyer for the purpose of copyright recordation in any country, or otherwise. If Seller shall fail to so execute and deliver, or cause to be executed and delivered, the assignments or other instruments herein referred to, Buyer is hereby irrevocably granted the power coupled with an interest to execute such assignments and instruments in the name of Seller and as Seller's attorney-in-fact.

18. NOTICES: All notices to Buyer under this agreement shall be sent by United States registered mail, postage prepaid, or by telegram addressed to Buyer at \_\_\_\_\_ (address) with a courtesy copy to \_\_\_\_\_ (Buyer's attorney), and all notices to Seller under this agreement shall be sent by United States registered mail, postage prepaid, or by telegram addressed to at \_\_\_\_\_ ( address) seller with notice in the United States mail or the delivery of the telegram message to the telegraph office shall constitute service thereof, and the date of such deposit shall be deemed to be the date of service of such notice.

19. ARBITRATION: Any controversy or claim arising out of or relating to this agreement or any breach thereof shall be settled by arbitration in accordance with the Rules of the American Arbitration Association; and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The prevailing party shall be entitled to reimbursement for costs and reasonable attorney's fees. The determination of the arbitrator in such proceeding shall be final, binding and non-appealable.

20. MISCELLANEOUS:

( a ) Relationship: This agreement between the parties does not constitute a joint venture or partnership of any kind.

( b ) Cumulative Rights and Remedies: All rights, remedies, licenses, undertakings, obligations, covenants, privileges and other property granted herein shall be cumulative, and Buyer may exercise or use any of them separately or in conjunction with any one or more of the others.

( c ) Waiver: A waiver by either party of any term or condition of this agreement in any instance shall not be deemed or construed to be a waiver of such term or condition for the future, or any subsequent breach thereof.

( d ) Severability: If any provision of this agreement as applied to either party or any circumstances shall be adjudged by a court to be void and unenforceable, such shall in no way affect any other provision of this agreement, the application of such provision in any other circumstance, or the validity or enforceability of this agreement.

( e ) Governing Law: This agreement shall be construed in accordance with the laws of the State of Ohio applicable to agreements which are executed and fully performed within said State.

( f ) Captions: Captions are inserted for reference and convenience only and in no way define, limit or describe the scope of this agreement or intent of any provision.

( g ) Entire Understanding: This agreement contains the entire understanding of the parties relating to the subject matter, and this agreement cannot be changed except by written agreement executed by the party to be bound.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement as of the day and year first above written.

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(‘Seller’) (Date)

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(“Buyer’) (Date)

**EXHIBIT B**

OPTION AGREEMENT

(SHORT FORM FOR RECORDATION AT U.S. COPYRIGHT OFFICE)

For good and valuable consideration, receipt of which is hereby acknowledged, the undersigned hereby grants to \_\_\_\_\_ (the ‘BUYER”), its successors and assigns, the sole and exclusive option to purchase all motion picture and certain allied rights, in the original literary and/ or dramatic work (the “Work”) described as follows:

Title:

Author:

Publisher:

Date of Publication:

Copyright Registration:

The Work includes but is not limited to: (i) all contents; (ii) all present and future adaptations and versions; (iii) the title, characters and theme; and (iv) the copyright and all renewals and extensions of copyright.

This instrument is executed in accordance with and is subject to the agreement (the "Option Agreement" ) between the undersigned and the Buyer dated as of (date) relating to the option granted to the Buyer to purchase the above-mentioned rights in the Work, which rights are more fully described in the Purchase Agreement, attached to the Option Agreement.

Date: \_\_\_\_\_

Attest

\_\_\_\_\_  
(name of witness) (name of seller)

**EXHIBIT C**

**SHORT FORM COPYRIGHT ASSIGNMENT**

KNOW ALL MEN BY THESE PRESENTS that, in consideration of One Dollar (\$1.00) and other good and valuable consideration, receipt of which is hereby acknowledged, the undersigned \_\_\_\_\_ ("Assignor") do(es) hereby sell, grant, convey and assign unto \_\_\_\_\_ ("Assignee"), its successors, assigns and licensees forever, all right, title and interest including but not limited to the exclusive worldwide Motion Picture and allied rights of Assignor in and to that certain literary work to wit: that certain original screenplay written by \_\_\_\_\_ entitled \_\_\_\_\_ ("Literary Property"), and all drafts, revisions, arrangements, adaptations, dramatizations, translations, sequels and other versions of the Literary Property which may heretofore have been written or which may heretofore have been written or which may hereafter be written with the sanction of Assignor.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2003.

\_\_\_\_\_  
("Assignor")

AGREED TO:

\_\_\_\_\_  
("Assignee")

Acknowledgment

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_



On the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me personally came \_\_\_\_\_ to me known and known to be the individual described in and who executed the foregoing instrument, and he did duly acknowledge to me that he executed the same.

Notary Public