

OPTION/PURCHASE AGREEMENT

This agreement is made as of the 31st day of December, 1999

BETWEEN:

Production Company

123 Main Street
Toronto, Ontario
M1M 2M2
Facsimile (416) 555-5555

(“**Production Company**”)

- and -

Jack Writer

456 South Street
Toronto, Ontario
M2M 1M1
Facsimile (416) 222-2222

(“**Writer**”)

RECITALS:

- A. Writer is the author and owns all rights with respect to a screenplay entitled *Film Title* (the “**Property**”);
- B. Production Company wishes to produce a documentary film based on or inspired by all or part of the Property; and
- C. Production Company wishes to option certain rights in the Property as more particularly set out in this Agreement.

IT IS AGREED:

1.0 Option

- 1.1 The Writer hereby grants to the Production Company an irrevocable and exclusive option (the “**Option**”) to acquire all right, title and interest in and to the Property, including

without limitation:

(a) the exclusive right to make, adapt and produce by any means now known or hereafter devised, a documentary film (the “**Film**”) comprised of a series of moving pictures based on, adapted from, or suggested by the Property (including a fictionalization of the Property in whole or in part) and fixed on film, tape, disc (compact, computer, laser or otherwise), wire, audiovisual cartridge, cassette or by any other technical process now known or hereafter devised and to exploit the Film in all language versions and in all manner and media of communication now known or in future developed including, without limitation, by all means of theatrical, television, home video, multi-media and interactive media exploitation;

(b) the exclusive right to use all or any part of the Film and/or Sequel in any other film or for any kind of promotional, advertising, or publicizing purpose, and the right to broadcast and/or transmit by means of television, radio or any process analogous thereto now know or hereafter devised, and the right to license others to do any of the foregoing; and

(c) the exclusive right in perpetuity to exhibit, release, distribute, rent, lease, telecast, transmit and generally exploit, deal in and with the Film and Sequel in any place whatsoever, including homes, theatres, and elsewhere, whether or not a fee is charged directly or indirectly for viewing the Productions and in any and all media whether now known or hereafter devised. For greater certainty, it is acknowledged and agreed that the forgoing includes, without limitation, standard and non-standard television release, theatrical release, non-theatrical release, video-cassette release, Internet release, World Wide Web, CD-ROM, DVD, CD-I and other interactive media release, (collectively the “**Rights**”). The Film and the Sequel shall be referred to collectively as the “**Productions**”.

1.2 For the purposes of this Agreement, the term “**Property**” includes all incidents, plot-lines, themes, stories, lyrics, musical works, ideas, concepts, formats, characters, names, images and titles.

2.0 Option Price

2.1 In consideration for the granting of the Option, the Writer shall be paid the sum of \$_____ (the “**Option Price**”) on the execution of this Agreement. The Option Price shall constitute an advance against the Purchase Price payable pursuant to Section 5.1 below.

3.0 Term and Extension

3.1 Unless extended as provided in Section 3.2, the Option shall terminate at midnight on the day that is 24 months from the date of this Agreement (the “**Option Period**”).

3.2 The Production Company may extend the Option Period for a further 24 months (the “**Renewal Period**”) terminating at midnight on the day that is 48 months from the date of this Agreement upon payment to the Writer of the sum of \$_____ on or before the last day of the Option Period. Such payment shall constitute an advance against the Purchase Price.

4.0 Preproduction Activities

4.1 During the Option Period or the Renewal Period the Writer acknowledges that the Production Company may undertake preproduction activities in connection with any of the rights to be acquired under this Agreement, including, without limitation, the preparation and distribution of proposals, treatments, outlines, and/or teleplays based on the Property.

4.2 If any such preproduction activities are prevented or interrupted due to epidemic, fire, action of the elements, strikes, labour disputes, governmental action or order, court order, act of God, public enemy, wars, riots or civil commotion, the Option Period, Renewal Period or Second Renewal Period, as the case may be, shall be extended for the number of days such an event existed.

5.0 Exercise of Option

5.1 The Production Company may exercise the Option, at any time during the Option Period, the Renewal Period or the Second Renewal Period and on or before the first day of principal photography of the Film by payment to the Writer of the sum of \$_____ (the “**Purchase Price**”) less any amounts pursuant to Section 2.1 and Section 3.2.

5.2 The Production Company agrees that the Writer shall receive an amount equal to _____% of the Production Company’s share of net profits received by the Production Company.

5.3 No further compensation shall be paid to the Writer for any of the rights in connection with the Property.

6.0 Grant of Rights

6.1 Upon the exercise of the Option, Writer shall irrevocably and unconditionally assign, grant, and convey to Production Company throughout the universe and in perpetuity any and all rights which Writer may have with respect to all the rights granted to Production

Company herein, without further formality.

- 6.2 The Writer and the Production Company agree that if the Option is exercised, this document shall constitute a valid assignment, grant and conveyance of the Rights. If, however, the Production Company in its sole discretion determines that further documents are required or desired to evidence or effect such assignment, grant and conveyance, the Writer shall execute such further documents within 10 days of such request by the Production Company, failing receipt thereof the Writer hereby grants to the Production Company a power, coupled with an interest, to execute and deliver such documents as the Writer's attorney in fact.

7.0 Additional Rights

- 7.1 The Writer hereby grants to the Production Company the following additional Rights, effective as of the date of this Agreement:
- (a) the right in its sole discretion to adapt, revise, modify, rearrange, change the sequence of events, add to and/or delete any and all material in respect of the Property and all of its component elements including without limitation, the structure, format, concept, characters, and setting in adapting it for any of the uses provided for under this Agreement;
 - (b) the right to prepare and use excerpts, synopses and summaries from the Property for the purpose of advertising, publicizing, and/or promoting the exploitation of the Film;
 - (c) the right to select and use, in Production Company's sole discretion, any title, including but not limited to, the title of the Property as the title or sub-title in connection with the Productions; and
 - (d) the right to use and display the name, voice, likeness and biographical material of the Writer for the purpose of promoting, publicizing and advertising the Property, provided that no commercial tie-ups, merchandising or endorsements shall be made by the Production Company using such name, voice, likeness or biographical material without the Writer's written consent.
 - (e) the exclusive right to secure copyright registration in the Production Company's own name or otherwise, and to renew such copyrights whenever permitted;
- 7.2 The Writer hereby waives all moral rights in the Property, including without limitation the right to prevent modifications, adaptations, additions, deletions, or any other distortions to the Property.

8.0 Credit

- 8.1 The Production Company shall provide the Writer with a credit on screen in connection with the Productions (subject to standard exclusions and conditions imposed by the distributors and broadcasters of such productions) that recognizes and reflects his role as creator of the concept.
- 8.2 The Production Company shall not be responsible for any inadvertent failure by the Production Company, or the failure of any other party to provide the specified credit.

9.0 Representations and Warranties

- 9.1 The Writer represents, warrants and covenants that:
- (a) Writer is the sole creator of the Property and the sole and exclusive owner of the Rights and has the full right and authority to enter into this Agreement and to grant the Production Company the Rights;
 - (b) Writer has not assigned or licensed to any other person, firm or corporation, or in any such manner encumbered, any of the Rights;
 - (c) Writer has not and will not at any time enter into any agreement which conflicts in any way with this Agreement or undertake or permit activities which will interfere with, diminish or compete with the exercise of any of the Rights, or attempt to sell, license, assign, dispose of or encumber any of the Rights;
 - (d) the Property is wholly original and contains no matter which infringes the copyrights, right of privacy or publicity, or any other right of any person or which appropriates the personality of any person;
 - (e) the Property contains no matter which is libelous, or in any other way unlawful;
 - (f) there are no claims, litigation or other proceedings pending or threatened which could impair, limit, diminish or infringe upon the Rights; and
 - (g) Writer is a Canadian citizen and will remain a Canadian citizen throughout the Option Period as it may be renewed, and, if the Option is exercised, throughout production of the Productions.
- 9.2 The Writer will indemnify and hold harmless the Production Company, its directors, officers, employees, agents, licensees, and assigns from and against any claims, actions, losses and expenses (including legal expenses) occasioned, either directly or indirectly,

by the breach or alleged breach of any of the above representations, warranties or covenants.

10.0 Miscellaneous

- 10.1 The Writer may not assign this Agreement or any of its rights or obligations hereunder without the express written consent of the Production Company. The Production Company may assign this Agreement or any of its rights or obligations hereunder to a financially responsible entity that will assume in writing all obligations contained hereunder, without the consent of the Writer. This Agreement shall be binding upon and enure to the benefit of the parties and their respective successors and permitted assigns.
- 10.2 The Writer shall not, by any means whatsoever, publish or otherwise disseminate (except to his legal and financial advisors) any information, statements or material regarding this Agreement or the Productions, unless the same is first approved in writing by the Production Company.
- 10.3 The parties agree to execute and deliver such documents and perform and cause to perform such further acts as may be necessary or desirable in order to give full effect to this Agreement.
- 10.4 This Agreement constitutes the entire agreement between the parties, supersedes all previous agreements, deal memos and negotiations between the parties and their representatives, and may not be modified except by written agreement of the parties.
- 10.5 The sole remedy of the Writer for any breach or alleged breach of this Agreement by the Production Company shall be limited to the right, if any, to the recovery of money damages at law, and the Writer will have no right by reason of any such breach or alleged breach to rescind this Agreement or to any equitable or injunctive relief, and the rights and waivers granted by the Writer under this Agreement shall not terminate by reason of such breach.
- 10.6 Nothing herein contained shall be construed to create a partnership or joint venture or employment relationship by or between the parties to this Agreement or to make either of the parties the agent of the other.
- 10.7 The failure at any time to require performance of any provision of this Agreement shall not affect the full right to require such performance at any later time. The waiver of a breach of any provision shall not constitute a waiver of the provision of any succeeding breach. Should any provision of this Agreement be held invalid, the remainder of the

Agreement shall be effective as though such invalid provision has not been contained in this Agreement.

10.8 This Agreement shall be construed in accordance with the laws of the province of Nova Scotia and of Canada applicable therein.

IN WITNESS WHEREOF the parties have executed this Agreement.

PRODUCTION COMPANY

Authorized signing officer

JACK WRITER

Witness

Witness name, please print