

LEGAL DISCLAIMER

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This contract has been compiled by solicitors who wish to emphasise that these notes and agreements are not a substitute for specific legal advice and are designed for very general guidance only.

Option Agreement

(for previous work)

This is a guideline only and should not be relied upon without taking legal advice.

THIS AGREEMENT is made as of the day of 20....

BETWEEN

.....(hereinafter called "the Owner")
of of the one part

AND

.....(hereinafter called "the Purchaser")
of..... of the other part.

WHEREAS

(A) The Owner is the absolute owner free from encumbrances except as hereinafter mentioned of the entire copyright and all other rights throughout the world in an original literary work entitled "....." (hereinafter called "the Work") written by..... (hereinafter called "the Author") which expression shall if the Author and the Owner are the same person be construed as a reference to the Owner.

(B) The Owner has (as is witnessed by the Owner's execution of these presents) agreed to grant to the Purchaser the sole and exclusive option to acquire by way of partial assignment of copyright, the sole and exclusive film and other rights hereinafter referred to for the consideration and upon and subject to the terms and conditions hereinafter contained

NOW THIS AGREEMENT WITNESSETH as follows:-

1. In this Agreement the following expressions shall unless the context otherwise requires bear the following meanings:-

"First Option Sum" :Pounds (£.....)

"Second Option Sum":Pounds (£.....)

"First Option Date" : A datefrom the date hereof

"Second Option Date": A date.....following the First Option Date

2. (a) In consideration of the immediate payment by the Purchaser to the Owner of the First Option Sum (the receipt of which sum the Owner hereby acknowledges) the Owner hereby grants to the Purchaser the sole and exclusive option (hereinafter called "the First Option") exercisable by notice in writing to the Owner in the manner hereinafter mentioned at any time on or before the First Option Date to purchase from the Owner by way of partial (or full) assignment of copyright the sole and exclusive rights in the Work as more particularly specified in the form of the Deed of Assignment ("the Deed") annexed hereto and by this reference made a part hereof for the sums and upon and subject to the terms and conditions set out in the Deed.

(b) The Owner agrees to grant to the Purchaser a further sole and exclusive option (hereinafter called "the Second Option") upon the same terms and conditions as for the First Option provided that the Purchaser pays the Owner the Second Option Sum on or before the First Option Date. Such further Second Option shall be exercisable by notice in writing as aforesaid at any time on or before the Second Option Date

(c) Notwithstanding anything to the contrary herein contained the First Option Period and (if applicable) the Second Option Period shall be extended until such time as the Owner has provided the Purchaser with evidence of it's title to the rights expressed to be granted in the Deed sufficient to enable the Purchaser if the Purchaser should require to obtain errors and omissions insurance in respect of such title upon customary terms.

3. The sums paid to the Owner pursuant to Clause 2 above shall be non returnable in any event and shall be deemed to be paid in advance and on account of the sum payable pursuant to Clause 2 of the Deed.

4. (a) The Owner hereby warrants that the Owner is the absolute owner free from encumbrances (save as expressly provided in the Deed) of all such rights in the Work as are referred to in the Deed.

(b) The Owner agrees and undertakes during the subsistence of the aforesaid option periods not to dispose of nor deal in any way with any of the rights in the Work which are the subject of the options hereby granted.

5 (a) The Purchaser agrees and undertakes not later than ten (10) days after the exercise of the applicable Option to submit an engrossment in the form of the Deed to the Owner for signature and further agrees agrees forthwith upon signature of the same by the Owner to pay to the Owner in exchange for the executed Deed the consideration therein expressed to be immediately payable.

(b) In the event that the Purchaser fails to submit an engrossment of the Deed to the Owner for signature within the time limited as aforesaid the consideration in the Deed expressed to be immediately payable shall become due and payable forthwith upon the expiration of the said period of ten (10) days without prejudice to the right of the Purchaser to call upon the Owner at any time thereafter to execute an engrossment of the Deed.

6. The Purchaser shall be entitled to write or cause to be written film treatments and /or screenplays and/or adaptations of the Work and undertake so-called pre-production work for the purpose of enabling the Purchaser to decide whether or not the Purchaser wishes to exercise any of the options hereby granted and in connection with the financing production distribution and exploitation arrangements for the film or films to be based on the Work.

7. The notice in writing referred to in Clause 2 hereof shall be deemed to have been duly and properly served if addressed to the Owner and sent by prepaid post or if sent by telex or if sent by

facsimile transmission to the above address or any subsequent address duly notified to the Purchaser and the date of service shall be deemed to be the day of delivery in the normal course of posting if posted or the day of sending such telex if telexed or the day of sending such facsimile if sent by facsimile.

8. The Purchaser shall be entitled to assign the benefit of this agreement to any third party but shall not thereby be relieved of its obligations hereunder.

9. (a) All sums mentioned herein are exclusive of any Value Added Tax that may be payable thereon

(b) All sums payable to the Owner hereunder shall be paid to the irrevocably appointed Agent at its address above whose receipt thereof shall be a good and valid discharge therefor

10. This agreement shall be construed and shall take effect in accordance with the laws of England and subject to the exclusive jurisdiction of the English Courts.

AS WITNESS the hands of the parties hereto or their representatives the day and year first above written

*SIGNED by.....
in the presence of:-*

*SIGNED by.....
For and on behalf of:-.....
(if a limited company)*

in the presence of:-.....