

SAMPLE OPTION AGREEMENT

BETWEEN

PRATER PRODUKTION

Gartenstr. 65

1020 Vienna

Austria

hereinafter referred to as the "PRODUCER"

represented by Anton Grass, duly authorised for the purposes hereof,

AND

L'ÎLE

45, rue Eiffel

75001 Paris

France

hereinafter referred to as the "COPYRIGHT OWNER"

represented by Antoine Avignon

WHEREAS

The COPYRIGHT OWNER is the sole owner of all copyrights in the literary work described below throughout the world:

Title: La Fontaine

Author: André Dupont

which literary work is hereinafter referred to as

"The property".

WHEREAS

In view of the guarantees given by the COPYRIGHT OWNER and laid down herein, the PRODUCER wishes to acquire the adaptation and exploitation rights relating to the property.

NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

1. The recitals constitute an integral part hereof.

2. **Assigned Rights**

The COPYRIGHT OWNER hereby grants the PRODUCER the exclusive right for the entire world to:

- a) produce a feature-length film based on the property, in whole or in part, irrespective of the format, style or genre, the target or exploitation of such film;
- b) produce such film in as many languages as necessary to respond to the requirements of marketing;
- c) commercially or non-commercially distribute, publicize, broadcast via television or cable, sell or lease such film in any form or media of reproduction or broadcasting, mechanical or electronic, either directly or by approved agents, and to submit said film to film festivals;
- d) use any material based on the property, including the title, sub-titles, any of the characters, subjects or plots on written or electronic media for the purposes of marketing, releasing, promoting or advertising such film, provided that said utilisation is conducted in accordance with the PRODUCER's quality standards and general practice and that the note "based on the novel "La Fontaine" by André Dupont" appears;
- e) require that copyrights be filed and registered or renewed in any language anywhere in the world;

- f) change, amend, modify, add and (or) remove any part of the property, to rewrite and (or) transpose the property, to change its order and (or) characters and the descriptions of characters contained in the property, provided that the spirit of the work is not altered thereby;
- g) exploit the remake rights.

3. **Description of the Scope of Rights**

The PRODUCER shall be the sole holder exclusively entitled to enjoy all rights, licences and privileges relating to the property assigned hereunder in the entire world and for an unlimited period of time, as long as said property rights are recognised in law.

4. **Option**

The COPYRIGHT OWNER grants the PRODUCER a first exclusive option valid for twelve (12) months as of the date of signing. In consideration of said option, the PRODUCER undertakes to pay the COPYRIGHT OWNER an amount of two thousand Euros (2,000€) as of the signing of the agreement. The PRODUCER may renew the option for two additional periods of twelve (12) months; it shall pay the COPYRIGHT OWNER an additional amount of two thousand Euros (2,000€) for each such additional period.

During said period, the PRODUCER undertakes to take all required actions to initiate the development of the project. If, following the term of thirty-six (36) months, the PRODUCER has not initiated the development of the project and has not benefited from Clause 5 below, the option granted shall automatically become void and all rights shall revert to the COPYRIGHT OWNER.

5. **Financial Considerations for the Assignment of Rights**

By way of consideration for the rights granted to the PRODUCER and the COPYRIGHT OWNER's warranties and representations hereunder, the PRODUCER agrees to pay the COPYRIGHT OWNER, who accepts such payments,

- a) two thousand Euros (2,000 €) for exercising the option, which shall be due at the time of signing this Agreement;
- b) two thousand Euros (2,000 €) for exercising the second option, which shall be due on the first day of the renewed period;

- c) two thousand Euros (2,000 €) for exercising the third option, which shall fall due on the first day of the renewed period;
- d) 1.5% of the overall cost estimate for the film falling due on the first day of shooting with a base amount of fifty thousand euros (50,000 €) and a maximum amount of one hundred and twenty five thousand euros (125,000 €) less any sum already paid to the COPYRIGHT OWNER pursuant to paragraphs a) and b) above.

6. Return of Rights to the COPYRIGHT OWNER

If the PRODUCER fails to make the payments agreed in the provisions of clause 5.a, 5.b, 5.c and 5.d above, the assignment of rights hereunder shall be considered null and void, without further notice. All rights revert to the COPYRIGHT OWNER who will keep any amounts already paid.

7. Remake

- a) In the event that the remake rights are exercised by a third party, the PRODUCER undertakes to pay the COPYRIGHT OWNER 25% of the net profit on such sale, which means the gross price less a commission of 25% plus the direct costs relating to the sale within thirty (30) days as of the transaction.
- b) In the event that the PRODUCER itself produces a remake, it undertakes to pay the COPYRIGHT OWNER an amount equalling 50% of the 1.5% of the overall cost estimate for the production as defined in clause 5.d above on the first day of principal shooting.
- c) In the event that, twenty four (24) months after the first release of the film, the PRODUCER has not benefited from its remake right and if, in such case, the COPYRIGHT OWNER is solicited by a third party who wishes to acquire the remake right, the COPYRIGHT OWNER undertakes to submit such offer to the PRODUCER on a bona fide basis. The PRODUCER shall be given twenty (20) working days to submit an equivalent offer, in the absence of which the COPYRIGHT OWNER shall be entitled to conclude an agreement with the third party, in which the PRODUCER shall intervene, and the COPYRIGHT OWNER shall, in such case, pay the PRODUCER 25% of the net profit on such sale as defined in paragraph 7.a above.

8. Continuation of the Work

- a) In the event that the COPYRIGHT OWNER obtains the rights in any continuation of the literary work contemplated herein, the COPYRIGHT OWNER agrees to grant the PRODUCER a right of first and last refusal for the acquisition of the rights defined in Clause 2 above for said continuation. In both cases, the PRODUCER shall have twenty (20) working days to exercise said rights.

- b) In the event that the PRODUCER decides to produce an audiovisual production (spin-off) based on a character or elements of the initial production, the PRODUCER shall notify the COPYRIGHT OWNER accordingly and conclude an agreement to the effect that it undertakes to pay the COPYRIGHT OWNER an amount equalling 50% of 1.5% of the overall cost estimate for the production as defined in clause 5.d above on the first day of principal shooting.

9. Reserved Rights

- a) Apart from the rights assigned hereunder, the COPYRIGHT OWNER retains all copyrights regarding the exploitation of the work; in the case of a theatre adaptation, however, a clause to the effect that the play adapted from the work shall not be prepared within six (6) months prior to the release of the film shall be incorporated in the agreement concluded between the theatre and the COPYRIGHT OWNER.
- b) The COPYRIGHT OWNER retains the exclusive right to receive, in addition to the payments provided for in Clause 5 above, 50% of the part of the royalties due to it from any collection society, whether french or other, present or future.

The COPYRIGHT OWNER shall obtain registration of the copyright in the work in all countries where the validity of copyrights is subject to registration and obtain the renewal of such registration, where required, and, more generally, preserve the validity of said registration.

- 10. The PRODUCER shall be entitled to assign its profit under this Agreement to any legal or physical person it wishes to name, as well as to invest said profit in a company or to allow a third party to substitute for it, provided, however, that this does not affect the COPYRIGHT OWNER's rights hereunder in any way, and that the PRODUCER remains the guarantor and jointly and severally liable together with the production company or the beneficiary of the investment with respect to the execution in full of the terms and conditions hereof.

The PRODUCER undertakes to inform the COPYRIGHT OWNER by registered letter of any transfer and the terms and conditions thereof within TEN (10) days before said transfer.

Should, however, the PRODUCER or any new subsequent beneficiary resell the rights acquired hereunder to any legal or physical person at a price exceeding the price agreed herein, the excess amount shall be shared in equal parts between the PRODUCER and the COPYRIGHT OWNER.

The PRODUCER shall be the sole judge for the selection of the adapters, dialogue writers, directors, musicians, performers, and, in general, of all persons involved in the work or the audiovisual works.

The PRODUCER does not take on any obligation towards the COPYRIGHT OWNER regarding the broadcasting of the work or works produced; in the event that they are not broadcasted, the COPYRIGHT OWNER shall not assert any claims for any supplementary amount in addition to the amounts already received in the execution of this Agreement.

The PRODUCER shall inform the COPYRIGHT OWNER of any sales of the film rights to foreign countries and of any intended television broadcasting.

12. The film, which is the subject matter of this Agreement, shall be presented to the author before dubbing and making the credit sequence. Should the author consider that the film distorts the spirit of his work, they shall be entitled to request that the note "freely inspired by" be added at the beginning of the credit sequence and in the publicity material. In the event of a total disagreement, the author shall be entitled to request that any reference to his book be removed from the credit sequence and publicity material.

13. Unless the author has made use of his right laid down in Clause 12 above, the PRODUCER undertakes to include the note below in the credit sequence at the beginning of the film and the trailers as well as on any publicity material (posters, press releases, brochures, etc.):

Based on the novel "La Fontaine" by André Dupont

© 2010 L'ÎLE

The first and last names of the author and the publisher, written in the same font, shall be no smaller than

- 70% of the font size used for the most famous names, for the author;
- 50% of the font size used for the most famous names, for the publisher.

The PRODUCER shall ensure observance of the foregoing clause by the broadcasters.

14. **Warranties and Representations by the COPYRIGHT OWNER**

The COPYRIGHT OWNER hereby warrants and represents as follows:

- a) The author mentioned on page 1 hereof is the sole author of the property and all rights pertaining to the property, including without limitation, all rights assigned to the PRODUCER hereunder. Furthermore, by virtue of a contract concluded between the author and the COPYRIGHT OWNER, the latter is fully authorised to enter into said contract and to assign all rights described herein to the PRODUCER;

- b) the property has been published; it is not encumbered by any claim and has never been the subject matter of any film, television programme, or dramatic work, nor has any other versions or adaptations of the property; it has never been directed, produced, executed, encumbered by any copyright, or been the subject of any registration of copyrights in any country. Furthermore, the property does not belong to the public domain in any country where copyrights or similar industrial property rights are protected;
- c) the property is wholly original with the author and no incident or part thereof is taken from, based upon, or adapted from any literary or dramatic work or film; and full use of the property or any part thereof, in accordance with this assignment, will not in any way violate or infringe upon any copyright under common or statutory law belonging to any person, firm or company, constitute a libel or defamation or an invasion of the rights of privacy or otherwise violate any other right of any kind of any firm, company or person;
- d) the COPYRIGHT OWNER has not assigned or licensed to any person, firm or company any of the rights relating to the property assigned hereunder to the PRODUCER, nor encumbered or mortgaged any of said rights in any way;
- e) the COPYRIGHT OWNER will not execute any other contract at any moment which might be in conflict with the terms of this Agreement.

15. **Use of the Name**

The PRODUCER is hereby granted the right to use the name, portrait, and biography of the author for the purposes of advertising, promoting and exploiting any film produced hereunder and (or) otherwise using or exploiting any of the rights contained herein and assigned to the PRODUCER in relation to the property, provided that the photo and biography of the author have been approved in advance by the author or his assigns.

16. **Notifications:**

Any notifications or payments shall be sent to,

- a) if to the COPYRIGHT OWNER:
L'ÎLE,
45, rue Eiffel
75001 Paris
France
- b) if to the PRODUCER:
PRATER PRODUKTION

Gartenstr. 65

1020 Vienna

Austria

17. **Miscellaneous:**

This Agreement, including all foregoing provisions and all documents that are part thereof, constitutes the entire understanding and agreement of the parties hereto and supersedes all previous contracts or agreements, whether in writing or orally, relating to the subject matter hereof. This Agreement shall be modified, amended or supplemented only by official documents drawn up by the parties hereto. This Agreement shall be governed by the laws of Austria. Any disputes based on this Agreement shall be decided exclusively by the District Court in Vienna, Austria.

IN WITNESS WHEREOF, the parties have signed this Agreement in Paris, on the 5th February 2011.

COPYRIGHT OWNER,

L'ÎLE

PRODUCER,

PRATER PRODUKTION

Antoine Avignon

Anton Grass