



## Film Rights Option and Non-Disclosure Agreement

Binding Deal Terms

***Production Budget: \$90,000,000***

1. **Parties – Fox Entertainment** (“**Fox Entertainment**” or “**Producer**”) and ‘**QDL NUDC**’ (“**Owner**”)
2. **Property:** The book ‘**QDL NUDC**’ as written by Owner (the “**Property**”).
3. **Rights:**
  - a. **Optioned Right** – upon payment of the Option Fee (as defined below) and execution of a long form agreement to be negotiated by the parties in good faith, **Fox Entertainment** shall enjoy the exclusive option to acquire the sole and exclusive license to the Property and the related requirement as written by Owner (the “**Movie Treatment**”) for the purpose of producing (i) a live action motion picture/feature film (excluding sequel, prequel, remake, and spin-off rights) but including allied and ancillary rights (e.g. production related merchandising rights) in any languages, to be exploited in any media now known or hereafter devised (“**Rights**”).
  - b. **Frozen Rights** – During the Option Period and extending for as long as **Fox Entertainment** controls any rights to create new productions based on the Property per Section 6 below, the equivalent rights in a sixth book (the “**Sixth Book**”) and/or a future Seventh book (the “**Seventh Book**”) in the Property-related Film Franchise shall be frozen as between the parties and cannot be disposed of absent the approval of both parties.
  - c. **Reserved Rights** – all other rights to the Property not specified above (including, but not limited to, literary rights, video game developing and publishing rights, television series production rights, animated film rights, the merchandising rights and rights to produce marketing material, podcasting rights, theatrical stage rights, etc.) in relation to the Property (collectively, the “**Reserved Rights**”) shall be expressly reserved to Owner.
4. **Option:**
  - a. **Option Fee:** \$575,000.00 (the “**Option Fee**”), applicable against the first Purchase Price paid (defined below) for 12 months (subject to force majeure suspension), payment subject to Owner’s delivery of the **Requirement**.
  - b. **Extension Fee:** \$105,000.00 for an additional 12 months (not applicable against the first Purchase Price paid) (subject to force majeure suspension).
  - c. **Purchase Price:** 10% of the total production budget with a floor of Nine million dollars (\$9,000,000.00), plus ten percent (10% of 100%) of the gross revenue generated by the film.
  - d. **Contingent Compensation** – ten percent (10% of 100%) of the gross profits derived from the exploitation of the film (defined on a ‘most favored nations’ basis with all profit participants)
5. **Reversion:** If **Fox Entertainment** timely pays the Purchase Price but fails to commence principal photography of the project within four (4) years of such exercise, then the corresponding film production Rights shall automatically and immediately revert to Owner. Owner to have the right, but not the obligation, to acquire all right, title, and interest in and to any or all development materials to the extent transferable and subject to the conditions in any related agreements (e.g., screenplays, etc.) prepared by or at the direction of **Fox Entertainment** within one (1) year of such reversion upon Owner’s delivery of written notice together with reimbursement of all of **Fox Entertainment**’ actual, documented, out of pocket expenses associated with the particular development material(s) identified in such notice.

6. **Rolling Reversion:** In the event **Fox Entertainment** timely commences principal photography of a film in accordance with Section 5 above, then in order to avoid the Rights reverting, **Fox Entertainment** must obtain equivalent Rights in the Sixth Book (or Seventh Book) on terms to be negotiated in good faith (but no less favorable to Owner than those terms set forth herein) and commence principal photography with respect to production of the Sixth Book (or Seventh Book) (each, a “**Subsequent Production**”) on or before the date which is four (4) years from the initial commercial release of the then-current production or, if the then-current production has not been released at all, then the date which is seven (7) years from commencement of principal photography of the then-current production.
7. **Consultation:** Owner to have right of meaningful consultation on: writer; key cast; final screenplay; and director subject always to **Fox Entertainment**’right of final approval.
8. **Copyright in any Production:** **Fox Entertainment** shall own the copyright of every production produced in accordance with the Rights, however Owner shall own the copyright in the Property and all related underlying works.
9. **Source Material Credit:** Owner to receive customary source material credit with a logo as well as a “written by” credit on a single card in the main titles, and two EP credits on shared card in the main titles in a size and placement consistent with all other EP credits.
10. **Marketing and Promotion:**
  - a. **Marketing Budget:** Fox Entertainment agrees to allocate a budget of \$1,750,000.00 for the marketing and promotion of the Property.
  - b. **Reimbursement:** The Author's contribution to marketing will be reimbursed or recouped during the filming stage as part of production costs.
11. **Total Author Compensation** (10% of production budget = \$90,000,000.00 × 0.10 = \$9,000,000.00)
  - a. Advance Payment (one quarter upon submitting requirements): 25% of total compensation = \$2,250,000.00
  - b. Pre-Production Milestone: 20% = \$1,800,000.00
  - c. Start of Filming (principal photography): 30% = \$2,700,000.00
  - d. Post-Production Completion: 15% = \$1,350,000.00
  - e. Theatrical Release: 10% = \$900,000.00
12. **Summary of Payment Schedule:**

| Payment Stage              | Percentage  | Amount                |
|----------------------------|-------------|-----------------------|
| Advance Payment            | 25%         | \$2,250,000.00        |
| Pre-Production Milestone   | 20%         | \$1,800,000.00        |
| Start of Filming           | 30%         | \$2,700,000.00        |
| Post-Production Completion | 15%         | \$1,350,000.00        |
| Theatrical Release         | 10%         | \$900,000.00          |
| <b>Total Compensation</b>  | <b>100%</b> | <b>\$9,000,000.00</b> |
13. **Non-Disclosure Agreement (NDA):**
  - a. **Confidentiality:** Both parties agree to keep all terms of this Agreement, as well as any proprietary or sensitive information related to the Property, strictly confidential.
  - b. **Permitted Disclosures:** Disclosures are permitted only to individuals or entities directly involved in the negotiation, financing, or production of the film adaptation and only under similar confidentiality agreements.
  - c. **Duration:** The confidentiality obligations will continue in perpetuity, surviving the termination or expiration of this Agreement. Any breach of this NDA by either party will be considered a material breach of the Agreement
14. **Governing Law; Dispute Resolution:** California law. Parties and witnesses residing more than 50 miles from such venue shall be permitted to testify telephonically.

ACCEPTED AND AGREED:

OWNER:

\_\_\_\_\_  
(REMOVED), Individually

PRODUCER:

  
\_\_\_\_\_  
Kevin Lord, Executive Vice President  
**Fox Entertainment**

CONFIDENTIAL