



INTERNATIONAL CREATIVE MANAGEMENT PROPERTIES

WRITERS DIRECT DIAL NO.
(213) 550- 4381

As of July 21, 1980

Louisiana State University Press
Louisiana State University
Baton Rouge, LA 70803

Gentlemen:

This will confirm the agreement between the undersigned, ICM PROPERTIES, a division of Marvin Josephson Associates, Inc., ("Purchaser"), and you with respect to the literary work entitled "A CONFEDERACY OF DUNCES" (which, together with the title, themes, contents and characters and other versions thereof, is hereinafter called the "Property"), written by John Kennedy Toole ("Author"), published by Louisiana State University Press and copyrighted in the name of Thelma D. Toole in the United States Copyright Office, registration number TX 537692, as follows:

1. In consideration of the sum of Ten Thousand Dollars (\$10,000), receipt of which you hereby acknowledge, you hereby grant to Purchaser a twelve (12) month exclusive and irrevocable option to purchase all motion picture, television and allied rights specified in Paragraph 4 hereof in the Property. The initial option period ("initial option period") shall commence on the date hereof and may be extended for an additional twelve (12) month period by the payment to you of an additional Ten Thousand Dollars (\$10,000) at any time prior to expiration of the initial option period. During said initial option period or extension thereof, Purchaser shall have the right to engage in pre-production (including the preparation of a script) with respect to a motion picture or other production intended to be produced based on the Property. LSU Press acknowledges that Purchaser is entering into agreement on its own behalf and on behalf of Scott Kramer, 1260 N. Hayworth, Apt.9; Los Angeles, California 90046.

2. If Purchaser exercises its option, the foregoing payments with respect to the option will apply and be credited against the consideration for the Property ("purchase price") as follows:

(a) Basic Compensation: the sum of \$150,000, payable upon commencement of principal photography, but not later than 6 months from exercise.

(b) Contingent Compensation: a sum equal to 5% of 100% of producer's share of net profits derived from the distribution/exploitation of the first motion picture produced hereunder



based on the Property ("Picture") from all sources in all media. For the purpose of this Agreement, the term "producer's share of net profits" shall be deemed to mean the total share of profits payable by the distributor to the producer/production company for the Picture, and shall be defined, computed, accounted for and paid in accordance with the terms of the

agreement between Purchaser and/or the producer/production company and the third party financier of the Picture, without reference to any overbudget provision, cross-collateralization, or abandonment charges.

3. You hereby represent and warrant that: (a) the Property was written solely by and is original with Author; (b) neither the Property nor any element thereof infringes upon any other literary property; (c) the production or exploitation of any motion picture or other production based on the Property will not violate the rights to privacy of any person or constitute a defamation against any person, nor will production or exploitation of any motion picture or other production based thereon in any way violate the rights of any person whomsoever; (d) you own all rights in the Property as specified in Paragraph 4 hereof free and clear of any liens, encumbrances, claims or litigation, whether pending or threatened; (e) you have full right and power to make and perform this agreement; and (f) the Property has not previously been exploited as a motion picture, television production, play or otherwise than in book form, and no rights have been granted to any third party to do so. You hereby indemnify Purchaser against any loss or damage (including reasonable attorneys' fees) incurred by reason of any breach or claim of breach of the foregoing representations and warranties. The term "person" as used herein shall mean any person, firm, corporation or other entity.

4. The foregoing option covers the sole, exclusive, perpetual and worldwide motion picture, television and allied and incidental rights in the Property (and any and all screenplays or other adaptations thereof whether heretofore or hereafter written by Author or any other person), including theatrical, television (whether filmed, taped or otherwise recorded, and including series rights), cassette and other compact devices, sequel, remake and advertising and publicity rights (including 7500 word synopsis publication rights so long as not offered for sale, except that Purchaser will have the right to authorize direct sale of souvenir programs as point of sale items sold at theatres where the Picture is being exhibited); all rights to exploit, distribute and exhibit any motion picture or other production produced hereunder in all media now known or hereafter devised; all rights to make any and all changes to and adaptations of the Property; merchandising, sound track, music publishing and exploitation rights; the right to use Author's name in and in connection with the exploitation of the rights granted hereunder; and all other rights customarily obtained in connection with formal literary purchase agreements, as referred to in Paragraph 10 hereof.

5. Purchaser hereby acknowledges that you reserve all publication rights in and to author-written sequels to the Property (including the right to permit the production of one, and only one, full-length

motion picture with respect to each such author-written sequel(s)), nonseries live television, radio, legitimate stage rights, subject to Purchaser customary limited advertising and promotion rights. You will not exercise or dispose of or permit the exercise or disposition of such reserved stage rights for a period of three (3) years after release of the first motion picture based upon the Property (the "Picture"), or five (5) years from the date on which Purchaser exercises its option, whichever first occurs; nor will you exercise or dispose of or permit the exercise or disposition of your reserved live television or radio rights or "one picture" rights as to each author-written sequel for a period of five (5) years after release of the Picture or seven (7) years after the date on which purchaser exercises its option, whichever first occurs. At any time that you are entitled to exercise or dispose of any such reserved rights, Purchaser shall have the right of first negotiation and of first refusal to acquire such rights upon such bona fide terms and conditions as you are offered and are prepared to accept from a third party within thirty (30) days after you notify Purchaser in writing of such terms and conditions. You agree that you will not cause Purchaser to enter into any negotiations regarding Purchaser's first negotiation/first refusal rights with respect to any such reserved right not more than once during any twelve (12) month period. Notwithstanding the above, Purchaser agrees that you may cause the production of non-commercial (i.e. college drama department) live domestic stage presentations of a stageplay based on the Property prior to the expiration of the holdback period.

6. You agree to execute at Purchaser's request any and all additional documents or instruments, including a short form option agreement and a short form assignment for purposes of recording in the Copyright Office (attached as Exhibits B and C), and to do any and all things necessary or desirable to effectuate the purposes of the agreement. If such short form assignment is undated, Purchaser is authorized to date such short form assignment and to file the same in the Copyright Office immediately upon exercise of the option herein granted. If you fail to do anything necessary including, but not limited to, renewing copyrights and instituting and maintaining actions for infringement of any rights herein granted to Purchaser under copyright or otherwise, you hereby irrevocably appoint Purchaser your attorney-in-fact with the right, but not the obligation, to do any such things and renew copyrights and institute and maintain actions in your name and behalf, but for Purchaser's benefit, which appointment shall be coupled with an interest and irrevocable.

7. Subject to the provisions of the applicable Producers/Writer Guild Theatrical Basic Agreement, Purchaser agrees to accord Author single card (if available) credit on the positive prints of the Picture substantially as follows:

(a) If the Picture has the same title as the title of the Property, such credit shall read: "Based on the book by John Kennedy Toole."

(b) If the Picture does not have the same title as the Property, such credit shall read: "Based on the book A CONFEDERACY OF DUNCES by John Kennedy Toole."

Subject to the foregoing, the presentation of such credits shall be determined by Purchaser. Any casual or inadvertent failure by Purchaser, or any failure by any third party, to comply with the provisions of this paragraph shall not be deemed to be a breach of this agreement. In the event of a breach of Purchaser's obligation under this paragraph, it is expressly agreed that your sole remedy shall be to seek damages in a court of competent jurisdiction, and that in no event shall you be entitled to obtain any injunctive or other equitable relief or undertake any legal efforts to restrict Purchaser's right to exploit the Property.

8. All checks and notices from Purchaser to you shall be sent to you c/o Ernst, Cane, Berner & Giltin, 7 West 51st Street, New York, New York 10019, attention: Eugene Winick. All notices from you to Purchaser shall be sent to Purchaser at the following address, ICM Properties, 8899 Beverly Boulevard, Los Angeles, CA 90048, with a copy to International Creative Management, 8899 Beverly Blvd., Los Angeles, CA, attention: Business Affairs Dept.

9. Additional terms and conditions are attached hereto as Exhibit "A" and incorporated herein by reference.

10. This agreement supersedes and replaces all agreements (oral or written) between you and Purchaser relating to the Property. Until a more formal agreement is executed incorporating all of the foregoing and additional detailed representations, warranties, rights of assignment and other provisions customarily included in such formal literary purchase agreements, or if such more formal agreement is never executed, this agreement shall be binding upon and inure to the benefit of the parties hereto and their successors, representatives, assigns and licensees.

Very truly yours,

ICM PROPERTIES

By *[Signature]*

ACCEPTED AND AGREED TO:

LOUISIANA STATE UNIVERSITY PRESS

By *[Signature]*

Rev. 9.28.80

1. In addition, Purchaser agrees that prior to entering into an agreement with any third party financing entity, it will submit the proposed definition of net profits to your attorneys who shall be free to make any comments with respect thereto, but all final decisions with respect to the same shall be Purchaser's alone; provided, however, Purchaser covenants not to permit the inclusion of any so-called "over budget", "abandonment charges" or "cross-collateralization" provisions to be included in any such negotiated definition of net profits.

2. In the event a sequel is produced (other than a television motion picture) then, Purchaser agrees to pay you for each sequel the sum of \$75,000, plus 2½% of 100% of net profits as defined above. In the event a remake is produced (other than a television motion picture) Purchaser agrees to pay you for each such remake the sum of \$50,000, plus 1.66% of 100% of net profits. Any sum due hereunder will be payable, if at all, upon completion of principal photography of the respective picture.

For each episode of a regular series:

3. For each television motion picture: / (I) which does not exceed one-half hour in length, you shall be entitled to a royalty in the sum of \$1,000; (II) which does not exceed one hour in length, you shall be entitled to a royalty in the sum of \$1,250 (III) over one hour, you shall be entitled to a royalty in the sum of \$1,500. Royalties, with respect to repeat broadcasts, shall be: 100% paid in equal installments over the first five (5) repeats. Notwithstanding the foregoing, if the first motion picture produced is a television motion picture, a mini series or other extended television format, \$7,500 per original hour of programming, shall be payable to you with a ceiling of \$35,000. All initial royalties and other payments required to be made under paragraphs 2 and 3 of this Exhibit A shall, unless otherwise specified, be paid upon the completion of principal photography.

4. Purchaser agrees, for republication purposes, to cause the ultimate third party purchaser to furnish you production main titles and promotional artwork (including logos) as well as still photographs of those performers who have consented in writing to the use of such photographs in the republication of the work, subject, of course, to your assumption of such third party purchaser's terms and conditions regarding such use, including the payment of any royalties payable in connection with the use of any performer's name, likeness or image. Purchaser further agrees to attempt to cause the ultimate third party purchaser to furnish you with the above-described materials at no cost to you. You agree to use your best efforts to provide that Purchaser may use the title, cover artwork and logos of the Property, and any softcover or paperback tie-in version thereof in connection with the exercise of each and all of the rights acquired hereunder. You further agree to use your best efforts to obtain such materials on a no-cost basis to Purchaser.

5. You agree that in the event Purchaser does not exercise its option, and a production is thereafter made elsewhere based on and/or utilizing an outline, treatment and/or screenplay written on Purchaser's behalf, Purchaser shall be entitled to reimbursement for all actual out-of-pocket costs and expenses, excluding interest, which it has invested in this project. In no event shall author's representatives be held responsible for such payments unless they authorize and cause the use of same.

6. Purchaser's right of approval of your "chain of title" including receipt of a publisher's release in a form satisfactory to Purchaser, shall survive the execution of this Agreement and Purchaser's disapproval thereof shall be grounds to rescind this Agreement.

EXHIBIT B

For good and valuable consideration, receipt of which is hereby acknowledged, the undersigned, Louisiana State University Press, hereby grant to ICM PROPERTIES, a division of MARVIN JOSEPHSON ASSOCIATES, INC., (the "Purchaser"), 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: A CONFEDERACY OF DUNCES

Author: John Kennedy Toole

Publisher: LSU Press

Date of Publication: May 31, 1980

Copyright Registration: TX 537692

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 copyrights 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 Purchaser dated as of July 1, 1980, relating to the option granted to the Purchaser to purchase the above-mentioned rights in the Work, which rights are more fully described in the Purchase Agreement attached to the Option Agreement.

STATE OF Louisiana)
COUNTY OF East Baton Rouge)

LOUISIANA STATE UNIVERSITY PRESS

BY [Signature]

On the 17th day of November, 1980, before me personally came L. F. Phillabaum to me known, who, being by me duly sworn, did depose and say that he resides at

that he is the Director of Louisiana State University Press; the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation, that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the board of directors of said corporation and that he signed his name thereto by like order.

[Signature]
Notary Public in and for said County and State.

Boyd O. Lewis, Notary Public
E. Baton Rouge, LA.
My Comm. Expires for Life

Exhibit C

ASSIGNMENT

KNOW ALL MEN BY THESE PRESENTS: that in consideration of the payment of One Dollar (\$1.00) and other good and valuable consideration, receipt whereof is hereby acknowledged, the undersigned LSU Press does hereby sell, grant, assign and set over unto ICM PROPERTIES, a division of MARVIN JOSEPHSON ASSOCIATES, INC., (hereinafter referred to as "Purchaser"), and his or its heirs, representatives, successors and assigns forever, the sole and exclusive motion picture rights (silent, sound, talking), television motion picture and other television rights, and certain allied and incidental rights, including limited publication, television and radio broadcasting rights for advertising and exploitation purposes only, throughout the world in perpetuity, in and to that certain original literary work described as follows:

Title: A CONFEDERACY OF DUNCES
Written by: John Kennedy Toole

Publisher: LSU Press

Date and Place of
Publication: May 31, 1980; U.S.A.

Copyright Registration: TX 537692

including all contents thereof, all present and future adaptations and versions thereof, and the theme, title and characters thereof, and in and to the copyright thereof and all renewals and extensions of such copyright.

The undersigned and Purchaser have entered into or are entering into a formal literary purchase agreement dated as of July 21, 1980 relating to the transfer and assignment of the foregoing rights in and to said literary work, which rights are more fully described in said literary purchase agreement, and this assignment is expressly made subject to all of the terms, conditions and provisions contained in said literary purchase agreement.

STATE OF Louisiana)
COUNTY OF East Baton Rouge)

LOUISIANA STATE UNIVERSITY PRESS

By *[Signature]*

On the 4th day of October, 1980, before me personally came

L. E. Phillabaum

to me known, who being by me duly sworn, did depose and say that he resides at

that he is the Director
of Louisiana State University Press; the corporation
described in and which executed the foregoing instrument; that he
knows the seal of said corporation; that the seal affixed to said
instrument is such seal; that it was so affixed by order of the
board directors of said corporation and that he name thereto by
like order.

L. E. Phillabaum
My Commission is for Life

Notary Public in and for said County

TO:

Louisiana State University Press
Louisiana State University
Baton Rouge, LA. 70803

7 WEST 51 STREET
NEW YORK 10019

December 23, 1980

ERNST, CANE, BERNER & GITLIN, DR.

TELEPHONE: (212) JU 6-1640

COUNSELLORS AT LAW

FOR PROFESSIONAL SERVICES

| | |
|-------------------------------------------------------------------------------------------------------------------|--------------------------|
| Commission on 12 month option for all motion picture and allied rights re: A CONFEDERACY OF DUNCES. | \$1,000.00 |
| Disbursements | <u>26.96</u> |
| TOTAL | <u><u>\$1,026.96</u></u> |