Thoolie

🎬 Option & Purchase Agreement Clauses Cheat Sheet

For Screenwriters & Indie Filmmakers
By Lex Nova Lawyer x Thoolie

Everything you need to understand and negotiate script and life rights deals — even without a lawyer at your side.

Key Deal Terms & Definitions

Clause	***What It Means***	***Example Clause (Plain English)***	***What to Watch Out For***
Option Period	The window of time the producer has to decide whether to buy your script or rights.	*"Producer shall have the exclusive right to purchase the Property for a period of 12 months, with one 6-month extension upon payment of an additional $2,500."*	Don't allow indefinite options. Insist on a cap and clear expiration date.
Option Fee	The money you get for granting the option (i.e., to take the script off the market).	*"Writer shall be paid $5,000 for the initial Option Period, and $2,500 for each extension."*	Make sure the fee is paid **on signing**, not after delivery or development.
Purchase Price	What they'll pay if they exercise the option and acquire full rights.	*"If the Option is exercised, Producer shall pay Writer $40,000 as the Purchase Price."*	Confirm this is **in addition to** the Option Fee — not inclusive.
Backend (Profit Participation)	Your share of revenue after the film is sold or released.	*"Writer shall receive 5% of 100% of Net Profits, defined as revenues after recoupment of production costs."*	Ask to see the **definition of 'Net Profits'** — it's often written to mean zero.
Credit	What screen credit you're entitled to if the film is made.	*"Writer shall receive 'Written by' credit, subject to WGA credit arbitration if applicable."*	Specify the **exact wording** and whether it's front-end or end credit.
Reversion Clause	What happens if they don't make the movie — and your rights return.	*"If Producer fails to commence principal photography within 36 months of exercising the Option, all rights shall revert to Writer."*	Push for **automatic reversion** without having to return money.

Negotiation Notes + Smart Add-Ons

Development Rights

These define what the producer can do during the Option Period (e.g., pitch to studios, attach talent).

> **Example:**
> *"Producer may pitch, develop, and attach talent during the Option Period but may not exploit or sell the Property without exercising the Option."*

Watch Out For:
Vague rights that let them shop your script forever without commitment.

Extension Options

Don't let producers sit on your rights for years without paying.

> **Example:**
> *"Producer may extend the Option for an additional 6 months by paying $2,500 before the expiration of the initial Option Period."*

Tip:
Negotiate higher fees for each extension — and limit the total option window to 18–24 months max.

Life Rights (if based on a real person)

If your script is based on a real person, make sure the agreement covers rights to their name, likeness, and story — and who's indemnifying what.

> **Example:**
> *"Writer represents that life rights to [Name] have been secured and will be assigned upon exercise of the Option."*

Reversion Triggers

Define exactly when your rights return.

> **Use this:**
> *"If no purchase is made or principal photography has not begun within [36] months of Option exercise, all rights revert without further obligation to Writer."*

BONUS CLAUSE: First Right of Re-Option

Let's you re-license the project if the producer wants to try again later.

> **Example:**
> *"In the event rights revert, Producer shall have a 30-day first right to re-option the Property under mutually agreeable terms."*

Want to skip redlining from scratch?

Use Thoolie's built-in **Option & Purchase Agreement templates**, customized for indie deals and rights protection. Store your clauses, generate redlines, and track reversion timelines all in one place.