

Royalties

- (a) on the first 150,000 copies sold in the U.S. and its dependencies and in the Philippines 10%
~~X%~~ of the retail cover price
- on additional copies over 150,000 sold in the U.S. and in its dependencies and in the Philippines 10%
~~X%~~ of the retail cover price
- on all copies sold in foreign countries 10%
~~X%~~ of the retail cover price

(and proportionately for variations in retail price) except as hereinafter provided with respect to copies sold as "premiums" or "remainders".

- (b) On net copies sold through special arrangements with book clubs, charitable, fraternal, professional, business or similar organizations, a royalty of one-half (1/2) of the prevailing royalty specified in paragraph 7(a). Copies sold pursuant to this paragraph 7(b) shall not be counted in computing sales of the first 150,000 copies as provided in paragraph 7(a).
- (c) If in the opinion of ACE, the Book shall have ceased to have a remunerative sale, or should ACE find itself with overstock or a stock of damaged copies of the Book, ACE shall be at liberty to dispose of all or part of the existing stock at the best price it can secure and will pay the Seller a royalty of ten percent (10%) of the net amount received from the sale thereof in excess of the manufacturing cost thereof.
- (d) No royalties shall be payable on copies destroyed, given away or sold at or below cost.

Royalties are payable on net sales only, and if royalties in excess of the advance guarantee have been paid on copies which may thereafter be returned, ACE shall have the right to deduct said royalties so paid from earned royalties thereafter payable to the Seller under this agreement

Accounting

8. ACE shall render statements and make payments to the Seller as follows:

<i>Statements rendered and Payments Made</i>	<i>For the Period</i>
September 30	January 1 – June 30
March 31	July 1 – December 31

Delay in Publication

9. If ACE shall fail to publish the Book within the time provided in paragraph 4, the Seller may terminate this agreement by notice in writing and sent by registered mail, which shall become effective six (6) months after receipt thereof by ACE unless the Book is published before the expiration of that period. Upon such termination all rights granted hereunder shall revert to the Seller and except as hereinafter provided the portion of the advance previously paid shall be retained by the Seller and any unpaid portion of the advance stipulated in paragraph 7 shall become due and payable immediately upon termination.

Should such failure of ACE to publish the Book as hereinbefore provided be the result of strikes, fires, shortages of labor or material, mechanical difficulties, governmental restrictions, the breakdown of market distribution facilities or any other circumstances beyond its control, whether similar or dissimilar to those enumerated, notice of termination shall be effective only after ACE shall have continued its failure to publish for a period of three (3) months after the termination of the situation which prevented compliance with the Seller's demand.

Exhaustion
of Edition

10. If ACE's edition of the Book goes out of print and if ACE fails or refuses to reprint the Book within six (6) months after receipt of a written demand from the Seller, the Seller may terminate this agreement by written notice. Except as hereinafter provided, such notice shall become effective thirty (30) days after receipt thereof by ACE. Upon such termination, all rights granted hereunder, except the right to dispose of existing stock and printings in progress, shall revert to the Seller and ACE shall be under no further obligation or liability to the Seller except that all royalties, including advances, called for by this agreement shall be paid as they become due.

If ACE shall have been prevented from reprinting by strikes, fires, shortages of labor or material, mechanical difficulties, governmental restrictions, the breakdown of market distribution facilities or any other circumstances beyond its control, whether similar or dissimilar to those enumerated, notice of termination shall be effective only after ACE shall have continued its failure to reprint for a period of three (3) months after the termination of the situation which prevented compliance with the Seller's demand.

The Book shall not be deemed "out of print" within the meaning of this paragraph 10 as long as it is available for sale either from stock from ACE's warehouse or in the field.

Text for
Reprint

11. The Seller shall furnish to ACE six (6) copies of the trade edition of the Book, and ACE shall reprint the text of the Book faithfully. ACE shall print on the copyright page of each Book the copyright notice as contained in such trade edition, or such other copyright notice as may be supplied in writing by the Seller. * The license herein granted also applies to any illustrations contained in the Seller's edition of the Book. Upon request the Seller shall supply to ACE original artwork, glossy prints or other matter suitable for reproducing such illustrations in ACE's edition of the Book. * and the notice "This edition published by arrangement with THE VIKING PRESS, INC."

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Reprint of
Other
Titles
Law
Applicable

12. The Seller agrees to offer to ACE the exclusive rights to a softcover reprint edition in English of the next work by the author of the Book which shall be at the disposal of the Seller before offering such rights to any other publisher, directly or indirectly.

13. This agreement shall be interpreted according to the laws of the State of New York, regardless of the place of its execution or performance.

Arbitration

14. Any controversy arising out of or relating to this agreement, or the performance thereof, shall be determined by arbitration in New York City in accordance with the rules then obtaining of the American Arbitration Association and judgment on the award rendered may be entered in any court having jurisdiction thereof.

Parties
Affected

15. This agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors, legal representatives and assigns, but no assignment shall be binding on either of the parties without the written consent of the other party.

16. ACE shall submit jacket art, cover and promotion copy for Seller's approval, which shall not be unreasonably withheld.

17. ACE shall deliver to the Seller without charge, ten (10) copies of its reprint edition.

18. ACE shall not without the Seller's approval include in or insert in the Book any advertising or promotional matter that does not pertain to the Book or other books published by ACE.

SELLER'S PUBLICATION DATE: _____

THE VIKING PRESS, INC.

Seller

Witness:

Marianne Moloney

By

Morton L. Levin

Morton L. Levin
Executive Vice President

ACE BOOKS
CHARTER COMMUNICATIONS, INC.

Witness:

[Signature]

By

XXXXXXXXXXXX

XXXXXXXXXXXX
XXXXXXXXXXXX President

Date signed: _____

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19. Should the Buyer fail to make payments when and as required hereunder, the Seller shall have the right to notify the Buyer of its default (by Certified Mail) and if such default is not cured within 30 calendar days after receipt of said notice, then the Buyer shall automatically lose the right to publish or sell the Book under this contract between the Buyer and Seller.

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THE SCHEDULE OF THE BRITISH PUBLISHERS' TRADITIONAL MARKET

~~Republic of Egypt~~
Ascension
Australia
Bangladesh
Botswana
British West Indies, comprising
Bahamas
Barbados, Bermuda
Guyana
British Honduras
The Caicos, Cayman, Leeward,
Turks and Windward Islands

Brunei
Burma
~~Canada~~
Ceylon
Cocos Island
Cyprus
Falkland Islands
Fiji
Gambia
Gibraltar
Ghana
Hong Kong
India
Iraq
Irish Republic

~~Israel~~
Jamaica
Jordan
Kenya
Kuwait
Lesotho
Malawi
Malaysia, comprising
the Malayan Union
Sabah
Sarawak
Malta & Gozo
Mauritius (inc: Rodrigues)

New Zealand (inc: Ross)
Nigeria
Northern Ireland
Pacific Islands, comprising
British Solomon Islands
Tonga
Western Samoa
Nauru Islands
New Hebrides
Gilbert and Ellice Islands
Union Islands (New Zealand)
Norfolk Island (Auckland)
Papua and New Guinea (Aust)
Pitcairn Island
Pakistan
Rhodesia
St. Helena
Seychelles
Sierra Leone
Singapore
Somali Republic
South African Republic
South-West Africa
South Yemen
Sudan
Swaziland
Tanzania
Tasmania
Trinidad and Tobago
Tristan da Cunha
Uganda
United Kingdom (inc:
Northern Ireland
the Isle of Man
and the Channel Islands)
Zambia

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