

MEISHA MERLIN PUBLISHING, INC.
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AGREEMENT, made this **February 10, 2000** by and between Meisha Merlin Publishing, Inc., having its office at PO Box 7, Decatur, GA 30031, hereinafter termed "Publisher," and **Andre Norton** whose address is: **Jack Byrne at Sternig & Byrne Lit. Agency, 3209 South 55th Street, Milwaukee, WI 53219-4433**

hereinafter termed the "Author."

WITNESSETH

WHEREAS, the Author has agreed to deliver to Publisher two manuscripts entitled ~~Gate of~~ *the Cat and Year of the Rat* hereinafter termed the "Work", and

WHEREAS, Publisher agrees to publish the Work and reprints thereof, on the terms and conditions specified hereinafter,

NOW, THEREFORE, in consideration of the mutual promises and covenants herein set forth, the parties covenant and agree with each other as follows:

Author's Undertakings

1. (a) The Author, on behalf of themselves and their heirs, executors, administrators, successors and assigns, exclusively grants and assigns to the Publisher and its licensees, successors and assigns, for **ten (10)** years from date of first publication, the right to publish the Work In the English throughout North America together with

(b) the following subsidiary rights: Publication or sale by book clubs, if this right is not enacted on by the publisher within twenty-four (24) months of publication it will be returned to the author. All other rights are fully explained in section 9.

Author retains the right of additional publication in magazines or newspapers before book publication, Author agrees that not more than ten percent (10%) of the work shall be so unitized with out Publishers prior approval. Author agrees to consult with Publisher as to the timing of publication in magazines or newspapers before book publication. In the event of any such publication, Author shall promptly notify Publisher and supply Publisher with the name and address of the publication so that Publisher can receive one copy of such publication. The publisher agrees that it will not use more that 2,500 words of the manuscript on its web site to help promote the Work. Publisher also agrees that it will not use any part of the Work for promotional purposes without the prior approval of the Author.

(c) **All rights not expressly granted herein to Publisher are reserved to the Author.**

2. (a) The Title of the Work shall be determined by mutual agreement between the Author and Publisher. The Title of the Work will appear as the tentative title named in this contract if there is no further discussion of the matter.

(b) It is understood and agreed that Author shall supply Publisher with all necessary permissions and/or releases all at Author's sole expense to enable Publisher and its licensees to Publish the Work.

(c) The Work shall consist of **two titles, listed above, In one omnibus edition.**

(d) Publisher will make no developmental changes to the Work without prior Author approval, which shall not be unreasonably withheld.

3. (a) Author agrees to deliver to Publisher one complete copy of the Work on **computer disk, or manuscript or book to be scanned, satisfactory in form and content to Publisher** together with all necessary permissions and clearances, all at the Author's own expense.

(b) In the event of non-delivery, Publisher shall not make any further payments to Author and Author shall repay to Publisher all monies previously paid by Publisher to Author with respect to each individual work. In the event Author does not promptly repay such monies Publisher shall have the right to offset such monies from monies due to Author's account pursuant to any other agreement between Author and Publisher and thereupon all rights granted then shall revert to Author.

(c) If the physical condition of the manuscript and or disc is unsatisfactory for Publisher's and printer's use, Publisher shall have the right, after giving the Author a reasonable opportunity to rectify the deficiency, to have all or a portion of the manuscript retyped or duplicated and to charge the reasonable cost thereof to the Author's royalty account.

(d) Author represents that he shall have retained a copy of the manuscript, and that Publisher shall not be liable for any loss resulting to the Author from the injury, destruction, or loss of the manuscript of the Work.

4. The Author agrees to read, revise, correct, and return within twenty-one (21) days of receipt all proofs supplied by Publisher.

5. (a) Author warrants with respect to the Work and every part thereof, that (s)he is the legal proprietor of all rights therein hereby granted and has the full power to enter into this agreement and that, as submitted, the Work will not violate any statutory or other copyright or any other right of third parties (including right of privacy), or be libelous or obscene, or in any way illegal and that any recipe, formula, or instruction contained in the Work is not injurious to the user.

(b) The Author shall indemnify Publisher, its licensees and assigns against any loss, expense or damage, including any reasonable attorneys' fees, occasioned by any finally sustained claim, demand, suit, or recovery arising out of the breach or alleged breach of any of the foregoing warranties, but shall not be liable for any matter inserted in the Work by Publisher or its licensees. All warranties and indemnification's made by the Author herein shall survive the termination of this Agreement.

6. Publisher shall have the first option to acquire Author's next book-length sequel set in this same universe, as to be determined by Publisher, on mutually agreed upon conditions. Author shall submit a detailed outline and sample chapter(s) of such to Publisher before submitting the work to any other publisher, and Publisher shall have a period of 30 (thirty) days in which to review the submission and determine whether or not to exercise the right of option. If Publisher declines to exercise its option, then Author may submit the work to other publishers or otherwise dispose of the work.

Publisher's Responsibilities

7. Within eighteen (18) months of the Publisher's acceptance of the complete and finished manuscript of each volume of the Work, the Publisher agrees to publish the that volume of the Work, at the Publisher's own expense, in such style and manner and at such price as the Publisher deems best. The Publisher shall not be held responsible for delays caused by acts of God or nature. In no event shall the Publisher be obligated to publish or to continue to publish the Work, if, in the Publisher's opinion, the Work violates the common law or statutory copyright, or the rights of privacy, publicity, or any other right of any person, or contains libelous or obscene matter.

The Publisher shall have the right to have the Work reviewed by its counsel and, if the Author refuses to make changes or deletions requested by the Publisher's counsel, or if, notwithstanding such changes or deletions, there is still risk of litigation in the Publisher's opinion, the Publisher may postpone publication or may, by written notice to the Author, decline to publish the Work. If the Publisher notifies the Author that it declines to publish the Work for such reason, the Author shall repay to the Publisher all monies advanced to the Author with respect to the work in question, and this agreement shall terminate. No changes made in the Work upon the advice of the Publisher's counsel shall be deemed to diminish the Author's warranties and indemnities under this Agreement.

If the Publisher has not published the Work within the time specified, unless publication has been delayed for an act of God and/or nature, and if the Publisher after written demand from the Author, does not schedule the Work for publication within six (6) months following receipt of such demand, the Author shall have the right, as the Author's sole and exclusive remedy, to terminate this agreement by written notice to the Publisher, and to keep any advances therefore paid to the Author hereunder.

8. The Publisher shall register the copyright in the Work with the United States Copyright Office in the name of **Andre Norton** and shall publish the Work with the copyright notice in such name pursuant to the United States Copyright Act and the Universal Copyright Convention. Both parties agree to execute, at any time, all such papers and documents as may be advisable, in the Publisher's opinion, in order to protect, assign, record, renew, or otherwise effectuate the rights herein, whether granted to the Publisher or reserved by the Author.

9. Publisher shall pay to Author as a royalty advance against all royalties and other payments to be earned, pursuant to this paragraph, the sum of **five-thousand Dollars (\$5,000.00)** payable as follows:

\$1,000.00 upon signing

\$2,000.00 upon turning In the manuscript of the Work

\$2,000.00 upon publication of the of the Work

Publication dates: **Summer 2001**

(a) Publisher shall credit the Author with the following royalties for English Language editions:

(i) on net hardcover copies sold by Publisher, a royalty of ten percent (10%) of the U.S. suggested cover price per copy for the first five thousand (5,000) copies sold. Twelve and a half percent (12.5%) on the next five thousand (5,000) copies sold. Fifteen percent (15%) on all copies sold above that.

(ii) on net non-mass market (trade) softcover copies sold by Publisher, a royalty of ten percent (10%) of the U.S. suggested cover price per copy for the first five thousand (5,000) copies sold. Twelve and a half percent (12.5%) on the next five thousand (5,000) copies sold. Fifteen percent (15%) on all copies sold above that.

(iii) on copies destroyed, given away, or sold at a 60% or higher discount, no royalties shall be paid.

(iv) on net copies of any edition sold by the Publisher through special arrangements with book clubs or upon selling the mass-market rights to another publisher, a royalty of fifty percent (50%) of the net amount Publisher receives, less any unearned advance. Fifty percent (50%) of any monies collected as an advance for any such sale will be passed on to the author within thirty (30) days of Publisher receipt, less any unearned advance.

(b) Publisher shall render to the Author on or before March 31st and September 30th of each year statements of net sales up to the preceding December 31st and June 30th respectively, and shall make simultaneous settlement in cash. Initial statement will include the number of copies printed. In making accountings, Publisher shall have the right to allow for a reasonable reserve against returns of fifteen percent (15%). If royalties in excess of the guaranteed advance payment have been paid on copies which are thereafter returned, Publisher shall have the right to deduct royalties on such returned copies from future payments under this agreement.

Upon forty-five days written notice Author may cause to be examined through an independent Certified Public Accountant the books of account of Publisher insofar as they relate to the sale or the licensing of the Work at his own expense unless errors amounting to five percent (5%) or more of the total sums earned by Author pursuant to his agreement shall be found to his disadvantage, in which case the cost shall be borne by Publisher. Audits shall occur no more than once a year during the normal working hours of Publisher. Publisher shall not be required to retain supporting records for a period of more than two years after the rendition of any statement, such statement being deemed conclusive for all purposes after the elapse of such two-year period.

10. The Author hereby designates Jack Byrne of the Sternig & Byrne Literary Agency, 3209 S. 55 Street, Milwaukee WI 53219-4433, as the Author's sole and exclusive Agent to collect and receive all sums of money payable under the terms of this agreement and the receipt of such sums are a good and valid discharge of the Publisher's obligation thereof. The said Agency is hereby fully authorized and empowered to act on the Author's behalf in all matters any way arising out of this agreement and any communication from Agent shall be deemed binding upon the Author. All payments due under the terms of this agreement shall be payable to and in the name of said Agency.

11. Publisher shall deliver to the Author without charge **twenty (20)** copies of each soft cover edition of the Work and **ten (10)** copies of the hardcover edition of the Work published by Publisher and shall permit the Author to purchase additional copies at a discount of sixty percent (60%) from the retail price. The Author agrees not to resell any of such copies. Royalties shall not be paid on said copies sold to the author. The Author may buy copies of his book at a discount of forty percent (40%) from the retail price if he wishes to resell them himself.

12. (a) If at any time following the date of Publisher's first publication of the Work it goes out of print in all book editions and if publisher fails to reprint or to cause a licensee to reprint an edition within (6) six months after receipt of a written demand from the Author, provided Author is not in default or breach of this agreement, the Author may have the rights for that book returned to them by written notice, subject to the Publisher's obligation to pay to Author any sums then due or becoming due. Publisher shall notify Author within three (3) months of such demand of its intention to reprint the Work or revert its rights in the Work.

(b) If, pursuant to the United States Copyright Act, Author (or, if deceased, the successors of Author) has the right to terminate the rights granted hereunder, and elects to exercise such rights as provided pursuant to such Act, after such termination, Author shall not exercise or dispose of such rights except in accordance with the following procedure: commencing with the date of such termination, Author and Publisher shall negotiate in good faith for a period of not less than sixty (60) days with respect to mutually agreeable terms and conditions. If the parties are unable in good faith to arrive at a mutually satisfactory agreement, Author shall be free to offer the rights terminated elsewhere, provided, however, that the Author agrees not to accept terms less favorable than those offered by the Publisher.

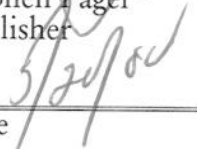
(c) In the event of the termination of this Agreement, any rights reverting to the Author shall be subject to all licenses and other grants of rights made by Publisher to third parties, and to the rights of Publisher to the proceeds of such agreements subject to the payment to Author of Author's share of such proceeds.

13. In the event that the Publisher shall be adjudicated a bankrupt, or a receiver or a trustee shall be appointed for all or substantially all of the Publisher's property, and the order appointing the receiver or trustee shall not have been vacated within sixty (60) days from its entry, or if the Publisher shall seek to take advantage of any insolvency law, all rights hereby granted to the

Date

Meisha Merlin Publishing, Inc.

By: 
Stephen Pagel
Publisher


Date