

Byron Preiss Visual Publications, Inc.
24 West 25th Street—11th Floor
New York, New York 10010

Letter of Intent

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AGREEMENT made this 2nd day of February 1994 by and between Andre Norton, hereinafter referred to as "AUTHOR," whose address is c/o Russell Galen, Scovil Chichak Galen Literary Agency, 381 Park Av. S, Suite 1112, New York, NY 10016, and Byron Preiss Visual Publications, Inc., hereinafter referred to as "PREISS," whose address is 24 W. 25th St.—11th Floor, New York, NY 10010, with regard to her work for an illustrated young adult series created and owned by PREISS in whole and in part, under the series title "Dragonflight," and specifically for one volume of said series, hereinafter referred to as "THE BOOK."

In consideration of the mutual promises and conditions contained herein, it is agreed as follows:

1. AUTHOR grants to PREISS the sole and exclusive right to produce, publish, present, assign, print, license, republish, reprint, distribute, sell, and otherwise control her work for THE BOOK in all languages, in all media, in all countries throughout the world.
2. PREISS shall have the sole and exclusive right to license, sell, assign, lease, or otherwise dispose of the following rights to the AUTHOR's work for THE BOOK in whole or in part:
 - a) Book club, all foreign language and foreign country editions, trade paperback editions, serial rights, hardcover editions, mass market editions, special editions, condensations, mail order, limited deluxe editions, and all other book editions and book rights.
 - b) ~~Any reproduction, transmission, storage and interactive use such as microprint, microfilm, computer software, video disc, CD-ROM disk, videotape and other optical and electronic reproduction and transmission in use now or hereinafter developed; all merchandising rights, such as toys, games, calendars, coloring book rights; all dramatic rights, such as radio, television, and film rights, and all other rights in all media in all languages throughout the world.~~
3. It is understood that AUTHOR's work for THE BOOK shall contain the following material:
 - a) The story, as required by PREISS and in the series format, which shall be no less than 45,000 words in length and in typewritten form.
 - b) AUTHOR agrees to sign, at no further charge, up to 500 (FIVE HUNDRED) copies of a limited edition of THE BOOK. In such event, PREISS shall assume the cost of shipping said copies to and from AUTHOR.
4. The copyright to AUTHOR's text for THE BOOK shall be in the name of AUTHOR. The copyright to THE BOOK as a whole shall be registered in the name of PREISS or its assigns.
5. AUTHOR shall be credited on the spine, front cover, and title page of THE BOOK for her work for THE BOOK as follows: "Andre Norton."
6. In consideration of the mutual promises and conditions herein contained, AUTHOR will receive:
 - a) After signing of this agreement by both parties, a payment for services to be rendered of \$3,334.00 (THREE THOUSAND THREE HUNDRED AND THIRTY-FOUR DOLLARS).
 - b) After acceptance of the draft of the manuscript for THE BOOK by PREISS and PREISS's publisher, a payment for services rendered of \$3,333.00 (THREE THOUSAND THREE HUNDRED AND THIRTY-THREE DOLLARS).
 - c) After acceptance of all completed revisions requested in said manuscript by PREISS and PREISS's publisher, a payment for services rendered of \$3,333.00 (THREE THOUSAND THREE HUNDRED AND THIRTY-THREE DOLLARS).

- d) AUTHOR shall further receive FIFTY PERCENT (50%) of the net royalties received by PREISS from the exercise of all rights contained in paragraph 2a of this Agreement. It is understood that "net royalties" does not refer to the monies received by PREISS for preparation and production of THE BOOK in whole or in part.
7. It is understood that THE BOOK is part of a series, and that AUTHOR's work for THE BOOK must conform to all specifications of said series, including, but not limited to, the following:
- a) No sexual or violent content unsuitable for young adults.
 - b) A reading level reasonably appropriate for teenage readers, and an interest level also appropriate for adult readers.
 - c) Reference for artist in the event that special or relatively obscure concepts are to be portrayed.
 - d) AUTHOR shall make reasonable revisions and corrections in the text as requested by PREISS and/or PREISS's publisher. Said revisions are to be made within six weeks of request by PREISS.
9. AUTHOR shall deliver her completed work for THE BOOK no later than 1 September 1994.
- a) In the event that AUTHOR does not submit her work for THE BOOK within two months of said date, or at a new date mutually agreed upon in writing by AUTHOR and PREISS, then PREISS shall have the right to request the return of all advance monies paid to AUTHOR to date, and this agreement shall be considered null and void. AUTHOR shall conform to said request for return of advance monies within one month of notification by PREISS.
 - b) AUTHOR shall further be required to return all monies paid to her hereunder on the same terms as in paragraph 9a above if her work does not reasonably conform to the requirements of the "Dragonflight" series, as specified to the AUTHOR by PREISS; i.e. that THE BOOK be appropriate in age level and general content for young adults and of the correct length as specified herein; or if AUTHOR's work for THE BOOK is delivered to PREISS in such a way as to make it indecipherable or unprintable.
10. The term of this agreement shall be from date of signing through all terms of copyright and all renewals thereof of THE BOOK, in whole or in part.
11. For all purposes of this agreement, the differences between net and gross royalties shall be deemed strictly and exclusively to be a deduction of all agents' fees, reasonable attorneys' fees, and accountants' fees incurred in the sale and protection of rights outlined in paragraph 2 of this agreement.
12. In the event that PREISS shall act as his own agent in the sale of said rights, then there shall be no difference between net and gross royalties, except the fees outlined above. In the event that PREISS and/or PREISS's publisher cancels THE BOOK at any time prior to its completion and acceptance by PREISS due to no fault of AUTHOR, AUTHOR shall be entitled to retain all sums paid to her to date, but no additional sums whatsoever shall be due or owing to AUTHOR subsequent to written notification of said cancellation by PREISS to AUTHOR.
13. AUTHOR warrants to PREISS that she is the sole author of the work she does and delivers for THE BOOK; that it does not infringe on any statutory rights or any other right whatsoever; that she is the sole and exclusive owner of the rights conveyed herein to PREISS; that she has not previously encumbered the same for similar or identical purposes as herein contained; and that she has the full power to enter into this Agreement and to make the grants herein contained.
14. AUTHOR fully indemnifies PREISS from and holds PREISS harmless against any loss, expense (including reasonable attorneys' fees), or damages and costs occasioned by any claim, suit, demand, or recovery against PREISS arising from any breach sustained in a court of competent jurisdiction of any of

the foregoing warranties in this Agreement by AUTHOR, or in connection with AUTHOR's work for THE BOOK.

15. AUTHOR agrees to execute on demand any and all papers and documents as may be necessary to protect, assign, or otherwise effectuate the rights granted to PREISS herein.

16. AUTHOR hereby agrees to provide PREISS with a short biography, which PREISS has the right to use in whole or in part, along with her name, in conjunction with publicity and promotion of all editions of THE BOOK and all rights granted to PREISS hereunder.

17. PREISS shall have the right to extend AUTHOR's warranties and representations as contained herein to third parties, such as PREISS's publishers and purchasers of subsidiary rights granted herein, and AUTHOR shall be liable thereon to the same extent as if such representations and warranties were originally made to such third parties. The warranties and indemnities as stated herein shall survive in the event this Agreement is terminated.

18. AUTHOR acknowledges and agrees that PREISS is dependent on third parties, such as PREISS's American publisher, for the payment of any and all royalties as specified herein, and for the payment of any and all licensing fees and other sums specified herein. Author agrees not to look to PREISS and to hold PREISS harmless for any sums, including but not limited to royalties and licensing fees, that may become due AUTHOR, unless actually received by PREISS. All payments to be made hereunder shall be conditioned upon AUTHOR duly performing all of the terms, covenants, and conditions of this agreement on her part.

19. AUTHOR hereby designates Russell Galen, Scovil Chichak Galen Literary Agency, 381 Park Av. S, Suite 1112, New York, NY 10016, irrevocably as her AGENT in all matters pertaining to or arising out of this agreement or related agreements, and further authorizes that all sums due AUTHOR under this agreement or related agreements shall be paid to and in the name of said AGENT, whose receipt therefor shall constitute the only valid discharge of any such indebtedness. AUTHOR further assigns to Russell Galen, and Russell Galen shall retain, a sum equal to 10% (TEN PERCENT) out of all monies due and payable to the account of AUTHOR under this agreement or related agreements.

20. AUTHOR, or her duly authorized representative, shall have the right, upon reasonable notice, during usual business hours, but not more than once a year, to examine the books and records of PREISS at the place where said records are regularly maintained, only insofar as they relate to THE BOOK. Such examination shall be at the cost of AUTHOR, unless errors aggregating more than TEN PERCENT (10%) of the total sum accrued, including advances, are found to be to AUTHOR's disadvantage, in which case the reasonable cost of such examination shall be borne by PREISS, but in no case shall such cost be more than the sum found due and owing as a result of such an audit. Statements rendered hereunder shall be final and binding upon AUTHOR unless objected to in writing, setting forth the specific objections thereto and the basis for such objections within TWELVE (12) MONTHS after the date the statement was rendered.

21. If PREISS shall become bankrupt or file a petition for an arrangement under the Federal Bankruptcy Acts, or if PREISS shall make a general assignment for the benefit of PREISS's creditors, or if a receiver or a trustee shall be appointed for all or substantially all of PREISS's assets, or if PREISS shall take advantage of any insolvency law in any state of the United States, or shall commence the liquidation of its business, then this agreement shall terminate upon AUTHOR's written notice to PREISS, unless PREISS has assigned all rights granted by AUTHOR to PREISS hereunder to third parties who agree to make all payments to AUTHOR that thereafter would have become due to AUTHOR by PREISS.

22. The provisions herein shall bind and inure to the benefit of the party hereto and her respective heirs, executors, administrators, and assigns.


23. Regardless of the place of its physical execution or performance, this agreement shall be interpreted according to the laws of the State of New York.

24. Royalties due AUTHOR under this agreement shall be paid within THIRTY (30) DAYS of receipt by PREISS.

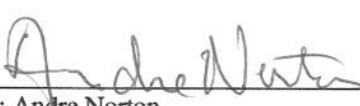
25. The foregoing supersedes any and all previous understandings and constitutes our sole and complete agreement, and may not be altered except by mutual consent in writing.

AGREED:

Byron Preiss Visual Publications, Inc.:



by: Byron Preiss, President



by: Andre Norton

Tax ID#