

JD 0-380-78416-5

Agreement,

made this

24th

day of

May

, 19 95

between

Andre Norton

c/o Scovil, Chichak, Galen Literary Agency

381 Park Avenue South, Suite 1020

New York, NY 10016

Attention: Russell Galen

(hereinafter, and AVON BOOKS THE HEARST CORPORATION, 1350 Avenue of the Americas New York, N.Y. 10019 (hereinafter called "the Publisher");

THE AUTHOR AND THE PUBLISHER MUTUALLY AGREE AS FOLLOWS:

FIRST: The Author Kasakatakaka is engaged in writing, a work presently entitled (which title may be changed by mutual agreement)

THE SCENT OF MAGIC

(hereinafter called "the Work").

AUTHOR'S WARRANTY

SECOND: The Author represents and warrants that the Author is the sole author and proprietor of the Work, and has the sole and exclusive right to make the grant of rights set forth herein; that the Work is original and not in the public domain and has not heretofore been published in book form or published in any form without notice of copyright as required by the copyright law of the U.S.A.; that it contains no matter which is libelous, an invasion of privacy or otherwise unlawful; that (if the Work is not a work of fiction) all facts stated as true are true or are based upon reasonable research for accuracy and that it contains no injurious formula, recipe, procedure or instruction; and that neither the Work nor the title will plagiarize or infringe upon any copyright or proprietary right of any third party. The warranties and representations of the Author hereunder are true on the date of the execution of this Agreement and shall be true on the date of the actual publication of the Work, and at all intervening times. The Publisher may rely conclusively on the truth of the warranties and representations herein in dealings with any third party in connection with the exercise or disposition of any rights in the Work. Further, the warranties and indemnities contained in this Agreement will survive its termination and extend to licensees, distributors and assigns.

RIGHTS ASSIGNED AND LICENSED

*military bases,

THIRD: The Author hereby grants and assigns to the Publisher during the whole term of its copyright the following rights in the Work:

- a. The sole and exclusive right to print, publish and sell the Work in book form in the English language in the United States of America ("U.S.A.") and its territories and dependencies, in the Republic of the Philippines and in the Dominion of Canada ("Canada"), and to license others to do so.
- b. The nonexclusive right to sell copies of any U.S.A. editions throughout the world except in the British Commonwealth of Nations, the Republic of South Africa and the Irish Republic, and to license others to do so, except that, if the British Commonwealth rights have not been licensed within twenty four (24) months of publication of the U.S.A. edition, then the Publisher's nonexclusive rights hereunder will be extended throughout the world, including the British Commonwealth of Nations, the Republic of South Africa and the Irish Republic, antil such time as such rights are licensed.

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1.

- c. The sole and exclusive right to publish or to grant licenses for publication in whole or in part in English language in foreign countries (including the British Commonwealth), to grant licenses for translations into foreign languages and for publication of such translations, and for the exercise by foreign publishers of any of the other rights (including first serial) enumerated in the following paragraphs, in any foreign country-
- d. The sole and exclusive right to license reprint publishers to publish and sell hardcover and/or softcover reprint, as well as large-type, editions or adaptations as a textbook in the territories specified in THIRD a and the nonexclusive right to so license in the territories specified in THIRD b.
- e. The sole and exclusive right to license book clubs and/or mail-order houses to publish and sell editions of the Work in the territories specified in THIRD a provided, however, that if Canada is not an exclusive sertitory, the Publisher may still liceuse to any U.S.A. book club the nonexclusive right to publish and sell the Work in Canada subject to the provisions of NINTH b hereof, and the nonexclusive right to so license in the territories specified in THIRD b.
- f. The sole and exclusive right to license the following subsidiary rights in the territories specified in THIRD a: abridgment or condensation, digest, newspaper syndication, for quotations in other books, second serial and first serial, and the nonexclusive right to so license in the territories specified in THIRD b.
- g. The sole and exclusive right to license Braille transcriptions; photocopying; microfilm, microfiche and reproduction or utilization in a computer information storage and retrieval system; nondramatic recorded readings of part or all of the Work; visual projections of part or all of the printed Work, including filmstrips, sound filmstrips, transparencies, slides, TV cartridges, and programs for teaching machines; and production or utilization in any form by any mechanical, electronic or other means, now known or hereafter invented, in the territories exclusive to the Publisher hereunder, and the nonexclusive right to so license in the territories specified in THIRD b. The above rights do not include dramatic, motion picture, videodisc, videocassette, radio and television rights or promotional use of material incidental thereto.
- h. All rights of dramatization, motion picture rights (including sound and talking motion picture rights), videodisc and videocassette rights, of transmission and reproduction by radio and television, whether educational or commercial, in the U.S.A., its territories and dependencies, and in all foreign countries, and the promotional
- i. The sole and exclusive right to publish in book form any motion picture, videodisc or videocassette, dramatic version, radio or other dramatic versions of the Work in the territories specified in THIRD a, and to exercise or license the other rights set forth herein (other than the rights set forth in THIRD h) in and to any such version, in accordance with the royalty and all other provisions of this Agreement, and the nonexclusive right to so publish or license in the territories specified in THIRD b.
 - j. The sole and exclusive right to license the use of the Work or any portion thereof, or the title of the Work, or any characters from the Work, in connection with the merchandising of any commercial product and any advertising or promotion thereof, and the right to use the Author's name in connection with any such use, provided that no endorsement by the Author of any commercial product shall be authorized by the Publisher without the Author's prior consent.

DELIVERY OF MANUSCRIPT, ETC.

FOURTH: The Author agrees:

- a. 1. To deliver to the Publisher on or before September 1, 1995, 1996 legibly typed manuscript of the entire Work (not including materials, if any, deliverable under FOURTH b and a clean. FOURTH c hereof), satisfactory to the Publisher in form and content, consisting of not fewer than 85,000 words and not more than 100,000 words in length, in its final words in length, in its final form ready in all aspects for the press except for the Publisher's styling and copy editing.
- 2. If the Author fails to deliver a complete and final manuscript, satisfactory to the Publisher in form and content, on or before the date and within the word length as agreed, the Publisher will not be bound by the time limit for publication specified in SIXTH b hereof, and will have the option, exercisable at its sole discretion: (i) in case there has been no delivery, to demand delivery; or (ii) in case there has been delivery, but the manuscript is unsatisfactory to the Publisher, to request specific changes or to declare the manuscript unsatisfactory. If by the end of ninety (90) days of the Publisher's written demand for delivery the Author has failed to deliver a complete manuscript on the subject matter and within the word length as agreed, the Publisher will thenceforth, despite any subsequent delivery, have the right to recover from the Author any amounts which the Publisher may have advanced on account, upon receipt of which in full by the Publisher this Agreement shall terminate. If the Author has made delivery of a complete manuscript on the subject matter and within the word length as agreed and within the time limits defined above, but the Publisher determines that the manuscript is unsatisfactory as submitted or as revised pursuant to the Publisher's request for changes, if any, the Publisher may terminate this Agreement and the Author shall thereafter be free to arrange for publication by another publisher. In such event, the Author or the Author's duly authorized representative agrees to make every effort to sell the Work elsewhere and to pay the Publisher any sums advanced or earned under any sale or exploitation of the Work or a substantially similar Work to another party. The Author hereby assigns to the Publisher the right to receive all sums due to the Author from any subsequent sale or other exploitation of the said Work. No further acts shall be necessary to perfect this assignment, and presentation of a copy of this Agreement to any third party shall be sufficient evidence of this assignment. This assignment and the Author's obligation to make payments under this paragraph shall be limited to the amounts paid to or on behalf of the Author under this Agreement. The Author shall notify the Publisher concerning the financial terms of all contracts with third parties involving said subsequent exploitation and will promptly pay to the Publisher all proceeds from such exploitation subject to the foregoing limitations.

*(including non-dramatic CD-ROM)

**nor the

right to adapt into an interactive software format, a

primarily audiovisual in nature

- 3. If, in the opinion of the Publisher, any manuscript delivered under this Agreement requires retyping as proper preparation for the press, then upon receipt of written notification by the Publisher, the Author will have thirty (30) days in which to deliver a retyped manuscript. Upon the Author's failure to do so, the Publisher will have the right either to cause said retyping to be made at the expense of the Author or to charge to the Author any composition penalty imposed upon the Publisher by the compositor as the result of the improper preparation of the manuscript for the press.
- b. To supply and pay for a copy (suitable for reproduction) of each and every color transparency, photograph, drawing, map or chart (including captions) necessary to the completion of the Work, the number of which is agreed to as follows: color transparencies, 0 0 drawings, maps and charts; and to procure and deliver 0 to the Publisher, at the Author's own expense, free of charge to the Publisher, all permissions necessary to reprint in the Work any and all material, whether textual or graphic, which is the copyrighted property of others, such permissions to cover the territories and rights granted to the Publisher under THIRD hereof. If the Author fails to deliver all of the foregoing, satisfactory to the Publisher in form and content, within sixty (60) days of the Publisher's receipt of the complete and final manuscript, then the Publisher will not be bound by the time limit for publication under SIXTH b hereof, and, further, notwithstanding the Author's compliance with FOURTH a hereof, the Publisher will have the right (i) to supply the same and charge the cost thereof to the Author; or (ii) to recover from the Author any amounts which it may have advanced on account, upon receipt of which in full by the Publisher this Agreement shall terminate.
- c. To supply an index of a size directed by the Publisher reasonable to the size and scope of the Work or to direct the Publisher to supply said index at the Author's expense. If the Author fails to do so, the Publisher, so as not to delay publication of the Work, may supply the index and charge the cost thereof to the Author.
- d. That in the event of termination under FOURTH a, FOURTH b or FIFTH d, 3 hereof, in addition to all remedies provided by law, all moneys paid to the Author under this Agreement will be recoverable by the Publisher from the Author's earnings on any other books by the Author published by the Publisher.
- e. To read, revise, correct and return promptly all proof sheets of the Work; to pay all charges in excess of ten percent (10%) of the cost of composition for alterations which the Author makes in proof after the type has been set in strict conformity with the manuscript, and, likewise, to pay in full for any corrections in the plates or film required or which are necessary for the correction of actual errors (excluding printer's errors) after the plates or film have been made in conformity with the last proof as corrected by the Author. It is understood that the Publisher will inform the Author of the amount of any excess proof correction charges. In the absence of instructions to the contrary, the Author authorizes the Publisher to make the manuscript of the said Work conform to its standard style in punctuation, spelling, capitalization and usage.
- f. That the Publisher will charge the Author for any galley proofs, page proofs and photocopies of the manuscript specifically ordered by the Author or the Author's representative, except that the Publisher will accept no such order unless it is given in writing.
- g. That any and all charges against the Author under this Agreement will be charged to the Author's royalty account or applied against any sums due or accruing to the Author under this Agreement except that if Publisher so requests, payment will be made by the Author in cash or by check upon presentation by the Publisher of an itemized bill.

OTHER PUBLICATION

FIFTH: The Author further agrees:

a. To notify the Publisher promptly of any arrangement made for publication of said Work in whole or in part in any language, including English, which would precede book publication by the Publisher in the U.S.A. and to provide the Publisher with the documents necessary to secure copyright registration and to discharge all legal obligations relating to publication in the U.S.A.; and to deliver or cause to be delivered to the Publisher two (2) complete copies of any editions of said Work, or two (2) complete copies of any periodical or newspaper containing a part or all of said Work, which may be published in the English language anywhere in the world prior to the book publication contemplated under this Agreement, and said copies will be accompanied by a written notice of the date or dates of the publication thereof. Said copies and said notice will be delivered to the Publisher not later than six (6) weeks after the publication of the said copies. In no event shall any license granted by the Author to a foreign publisher permit the sale of a paperback edition of the Work in the English language anywhere in the world except in the British Commonwealth, the Republic of South Africa and the Irish Republic until one (1) year after the Publisher's first publication hereunder.

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- b. That the Work will be the Author's next book (whether under the Author's own name, or in collaboration with anyone, or otherwise) and that the Author will not undertake to write any other work for publication in book form before delivery to the Publisher of the complete and final manuscript in accordance with FOURTH and other materials in accordance with FOURTH b hereof.
- c. That in case the Work is one of nonfiction, not to publish or permit to be published during the term of the Agreement any similar material in book or pamphlet form that is likely to conflict with the sale of the Worls. In case the Work is one of fiction, not to publish or permit to be published within nine (9) months of the Publisher's first publication hereunder any new novel.

INDEMNIFICATION

- d. 1. Except as limited by subparagraph 5 below, to hold harmless and indemnify the Publisher and its licensees, distributors and assigns from all manner of claims, demands, actions or proceedings the basis of which would constitute a breach of any of the Author's representations or warranties set forth in paragraph SECOND hereof, and to reimburse the Publisher for any sums, including reasonable counsel fees, that the Publisher may have to pay in satisfaction of a judgment against it or in settlement of any claim, as well as for any liability, loss or damage sustained by the Publisher as a result of any breach of any of said representations and warranties and that if it is finally determined by judgment or by abandonment of any claim, demand, action or proceeding without liability to the Publisher that no breach of the warranties in this Agreement has occurred, then the Author and the Publisher will share equally the counsel fees and other expenses incurred in the defense. The Author will have the right, but not the obligation, to have separate counsel at any time during the course of any action brought by a third party, provided that the conduct of the defense shall remain under the Publisher's control, that the Author will in any event cooperate with the Publisher in the defense and that the Author will bear all counsel fees and expenses as may be individually incurred by the Author in this connection. If a court or other tribunal shall rule that because of a potential conflict of interest or other impediment the Publisher's counsel may not represent the Author, the Publisher shall not be required to provide, or be responsible for the costs of, separate counsel for the Author. The Publisher will have the right to settle any claim, demand, action or proceeding hereunder upon such terms and sharing of costs as are appropriate under the circumstances, proxided that the Author's monetary liability shall be limited by the provisions of subparagraph 5 below. However, if the Author opposes settlement and posts a bond in an amount sufficient in the Publisher's reasonable discretion to cover the continuing expenses of litigation or other defense and any potential award, then the Publisher will either not settle or, if it does, the costs of the settlement shall be borne solely by the Publisher.
- 2. The Publisher will have the right, upon the assertion of any claim or demand or on the commencement of any action or proceeding which, if sustained, would constitute a breach of the Author's representations and warranties herein, to withhold any payments of royalties or other earnings due the Author hereunder to the extent reasonably necessary to conduct the defense thereof and to satisfy any liability therein, but in no event shall the Publisher withhold moneys in excess of the Author's maximum liability to the Publisher under subparagraph 5 hereof. Any moneys so withheld will be placed in an interest-bearing account pending disposition of the claim, demand, action or proceeding, and such moneys and the interest thereon will be applied in satisfaction of the Author's indemnity hereunder and the excess will be remitted to the Author. If no litigation is instituted within twenty-four (24) months of the assertion of a claim or demand the Publisher shall release any funds previously withheld.
- 3. If, in the opinion of the Publisher, the manuscript for the Work contains material which may be libelous or otherwise involve the Publisher in litigation, the Publisher will not be bound by the time limit for publication in SIXTH b and will not be required to publish the Work unless the Author makes changes as the Publisher, upon the advice of its counsel, deems necessary. The legal cost of a libel reading will be shared equally between the Author and the Publisher, and the Author's share of such cost will be charged according to the provisions of paragraph FOURTH g hereof. If the Author refuses to make such changes as are advised by the Publisher's counsel, the Publisher shall not be obligated to publish the Work and will have the right to recover any moneys advanced to the Author on account, together with other out-of-pocket costs incurred by the Publisher, upon receipt of which in full by the Publisher this Agreement will terminate. However, neither the recommending nor requesting of such changes nor the failure to do so will in any way affect the Author's obligations hereunder, and acceptance of the Work by the Publisher or the payment of advances pursuant to paragraph NINTH f shall not preclude the Publisher from subsequently requesting changes in the manuscript for legal reasons.
- 4. If, during the term of this Agreement, either party believes that the copyright or some proprietary right to the Work is being infringed or injured by the act of another, such party will give written notice thereof to the other. If, after consultation, the Publisher and the Author proceed jointly, then the costs and recovery arising out of such prosecution will be shared equally. If no agreement is reached for joint action, either party may proceed as it shall see fit, bearing all costs incidental thereto and enjoying all of the benefits arising therefrom. If either party declines to proceed, it will, upon being indemnified against all costs connected with own benefit.
- 5. The Publisher shall designate the Author as an "insured" in all libel or errors and omissions insurance policies purchased by the Publisher covering its book publishing activities and shall, except as provided in the following sentence, look solely to the proceeds of such insurance coverage for payment of any sums that may become due from the Author by reason of the indemnification undertaken by the Author hereunder regarding risks which are covered by the Publisher's libel or errors and omissions policies unless the Author's breach of the warranties herein is done willfully. The Author's obligation to indemnify the Publisher shall be limited to the lesser of either fifteen percent (15%) of the total advance due the Author hereunder for the Work which is the subject of the claim, or one half (½) the amount of the deductible for the insurance policy covering the Author).

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- *science fiction or fantasy novel, with the exception of the Author's ongoing series
- ** comprehensive outline and sample chapters

/to be mutually agreed upon.

OPTIONS

e. To give to the Publisher the first refusal for the publication of the Author's next book-length*work of fiction and/or nonfiction on the same terms of this Agreement, with the exception that the Author's advance and rate of royalty on the regular trade editions will be open to negotiation based on the sale of the preceding Work and on such other circumstances as may be properly considered, the settlement of which terms will be fair and reasonable. This option will lapse if not exercised on the above-mentioned next book-length work provided said the recepted for publication within twenty four (24) months by another American publisher. The Publisher will have thirty (30) days after receipt of a complete manuscript to exercise its option. However, anything licrein to the contrary notwithstanding, the Publisher will not be required to exercise its option until sixty (60) days after the delivery and acceptance of the full and complete manuscript of the Work which is the subject of this Agreement.

COPYRIGHT

SIXTH: The Publisher agrees:

a. To copyright the Work at its own expense, in the name of Andre Norton

and to preserve and record such ownership in compliance with Title 17 of the United States Code and with such foreign statutes, treaties, and conventions as it, in its sole discretion, considers necessary and appropriate.

PUBLICATION

publication.

b. To publish and promote the Work at its own expense in such style and manner, binding and price as it may deem best suited to its sale. The Publisher further agrees to publish the said Work within 24 months from the date of receipt by it of the complete and final manuscript, in accordance with FOURTH a, or of +and in paper - the items necessary for completion of the Work, if any, in accordance with FOURTH a, or of back within

12 to 36 month However, in case of strikes, shortages of materials, magazine selection, newspaper syndication, or other delays of hardcover from causes beyond the control of the Publisher, or in case the Author fails to return proofs within the date of receipt by it of the complete and manuscript, in accordance with FOURTH a, or of back within

12 to 36 month However, in case of strikes, shortages of materials, magazine selection, newspaper syndication, or other delays of hardcover from causes beyond the control of the Publisher, or in case the Author fails to return proofs within the control of the Publisher. the items necessary for completion of the Work, if any, in accordance with FOURTH b, whichever is later.+ from causes beyond the control of the Publisher, or in case the Author fails to return proofs within thirty (30) days after they have been delivered to the Author, the above time limit will be extended to cover such delays. Should the Publisher fail to publish the said Work before the expiration of said period, except as provided herein, its failure to do so will be deemed cause for the Author, if the Author so desires, to terminate this Agreement, by written notice to the Publisher. Upon such termination, the Author shall retain any amounts advanced on account by the Publisher hereunder, in full settlement of any and all claims the Author may have against the Publisher by reason of its failure to publish.

ROYALTIES: HARDBOUND

published by Avon or by William Morrow & Company, Inc. ("Morrow"), SEVENTH: With respect to hardbound copies, the Publisher will pay to the Author:

a. On all copies of the Work sold by the Publisher in the U.S.A. in a regular trade-edition binding or in a reinforced (i.e., library) binding at discounts of less than forty-eight percent (48%), less returns, a royalty on the catalog price of such editions as follows (as used herein, "catalog price" means the price printed on the jacket or cover of copies of the Work [excluding copies in a library binding] less any freight-pass-through surcharge and will be the price at which the Publisher invoices copies of the Work to the regular retail/wholesale book trade):

Ten percent (10%) on copies sold up to and including five thousand (5,000) copies; twelve and one-half percent (12-1/2%) on copies sold over and above five thousand (5,000) copies up to and including ten thousand (10,000) copies; and fifteen percent (15%) on copies sold thereafter.

- b. No royalty will be paid on copies given to the Author, travelers' samples, damaged copies, copies given away for the purpose of aiding the sale of the Work (including copies for review), sales promotion or special free offers to booksellers, or copies sold at or below cost when a decline in profitable sales in any style of binding requires a disposal of overstock as specified in ELEVENTH hereof.
- c. On all copies of the Work sold by the Publisher by mail order, either by coupon or by direct mail, a royalty of five percent (5%) of the offering price.
- d. Where the discount to wholesalers, retail distributors, book clubs, reading circles or special markets in the U.S.A. is forty-eight percent (48%) or forty-nine percent (49%), a rate of royalty one percent (1%) lower than that provided in SEVENTH a; and with each one percent (1%) of discount in excess of forty-nine percent (49%), the royalty rate provided in SEVENTH a will be further reduced by an additional one half of one percent (.5%). In no event, however, will the royalty be less than ten percent (10%) of the amount received per copy by the Publisher. If the royalty rate under SEVENTH a is to increase by reason of the number of copies sold, then for purposes of determining the number of copies sold all sales at discounts of fifty percent (50%) or less will be accumulated.
- e. On all copies of the Work or abridgments thereof sold as a premium or to commercial firms for use or distribution by them in connection with the sale of their own products or services, in whatever format, five percent (5%) of the actual amount received by the Publisher or thirty-three and one third percent (331/3%) of the net proceeds received by the Publisher, whichever sum is less. "Net proceeds" herein will mean the proceeds of such premium sales less the Publisher's cost of manufacture, commissions to sales agents, or other direct expenses (other than normal overhead expenses) incurred by the Publisher.

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- f. On all copies of the Work sold in Canada or exported elsewhere, a royalty equal to ten percent (10%) of the actual amount received by the Publisher.
- g. 1. On all copies of the Work sold at "remainder" prices (i.e., at discounts of seventy-five percent [75%] or larger from the catalog price) to "remainder" jobbers or others for resale to the trade except when sold at or below cost as provided in SEVENTH b hereof, in which case no royalty is payable, or as provided in SEVENTH e hereof, an amount equal to ten percent (10%) of the amount received after deducting all manufacturing costs of
- 2. On all copies of the Work sold as "remainders" directly to the retail book trade by the Publisher's own sales force, except when sold at or below cost as provided in SEVENTH b hereof, an amount equal to ten percent (10%) of the amount received by the Publisher. But no such sale shall be considered a "remainder" sale unless the catalog price of the Work so offered has been reduced by at least forty percent (40%) from the catalog price of the Work when first published by the Publisher.

/published by Morrow

ROYALTIES: **PAPERBOUND**

EIGHTH: With respect to trade paperbound copies the Publisher will pay to the Author:

a. On all copies of the Work sold by the Publisher in the U.S.A. as a trade paperbound book (or in a binding of "paper-over-boards") published under the Publisher's own imprint or under an imprint owned or controlled by the Publisher, at discounts of less than fifty-two percent (52%), less returns, a royalty on the catalog price of such editions as follows (as used herein, "catalog price" means the price printed on the jacket or cover of copies of the Work less any freight-pass-through surcharge and will be the price at which the Publisher invoices copies of the Work to the regular retail/wholesale book trade):

Six percent (6%) on all copies sold, up to and including twenty-five thousand (25,000) copies; and seven and one-half percent (7 1/2%) on all copies sold thereafter.

- b. No royalty will be paid on trade paperbound copies given to the Author, travelers' samples, damaged copies, copies given away for the purpose of aiding the sale of the Work (including copies for review), sales promotion or special free offers to booksellers, or copies sold at or below cost when a decline in profitable sales in any style of binding requires a disposal of overstock as specified in ELEVENTH hereof.
- c. On all trade paperbound copies of the Work sold by the Publisher by mail order, either by coupon or by direct mail, a royalty of five percent (5%) of the offering price.
- d. Where the discount to wholesalers, retail distributors, book clubs, reading circles or special markets in the U.S.A. is fifty-two percent (52%), a rate of royalty one percent (1%) lower than that provided in EIGHTH a and with each one percent (1%) of discount in excess of fifty-two percent (52%), the royalty rate provided in EIGHTH a will be further reduced by an additional one half of one percent (.5%). In no event, however, will the royalty be less than ten percent (10%) of the amount received per copy by the Publisher. If the royalty rate under EIGHTH a is to increase by reason of the number of copies sold, then for purposes of determining the number of copies sold all sales at discounts of fifty percent (50%) or less will be accumulated.
- e. On all trade paperbound copies of the Work or abridgments thereof sold as a premium or to commercial firms for use or distribution by them in connection with the sale of their own products or services, in whatever format, five percent (5%) of the actual amount received by the Publisher or thirty-three and one third percent (331/19%) of the net proceeds received by the Publisher, whichever sum is less. "Net proceeds" herein will mean the proceeds of such premium sales less the Publisher's cost of manufacture, commissions to sales agents, or other direct expenses (other than normal overhead expenses) incurred by the Publisher.
- f. On all trade paperbound copies of the Work sold in Canada or exported elsewhere, a royalty equal to five percent (5%) of the actual amount received by the Publisher.
- g. 1. On all trade paperbound copies of the Work sold at "remainder" prices (i.e., at discounts of seventyfive percent [75%] or larger from the catalog price) to "remainder" jobbers or others for resale to the trade except when sold at or below cost as provided in EIGHTH b hereof, in which case no royalty is payable, or as provided in EIGHTH e hereof, an amount equal to ten percent (10%) of the amount received after deducting all manufacturing costs of copies so sold.
- 2. On all trade paperbound copies of the Work sold as "remainders" directly to the retail book trade by the Publisher's own sales force, except when sold at or below cost as provided in EIGHTH b hereof, an amount equal to ten percent (10%) of the amount received by the Publisher. But no such sale shall be considered a "remainder" sale unless the catalog price of the Work so offered has been reduced by at least forty percent (40%) from the catalog price of the Work when first published by the Publisher.

NINTH: The Publisher and the Author agree:

a. In any six (6) months' royalty period following that of publication, if the sales of the Work do not exceed five hundred (500) copies, and provided that such sales are from a reprinting of two thousand five hundred (2,500) copies or fewer, the Publisher will pay to the Author seventy-five percent (75%) of the rate of royalty stated first in SEVENTH a or EIGHTH a, as the case may be, computed on such semiannual sales of five hundred (500) copies or fewer, this reduction in royalty being made by reason of the high cost of manufacture of such small reprintings, and for the purpose of keeping the Work in print.

6.

ROYALTIES

- b. If special editions are licensed for a definite sum or royalty to any book club, mail-order house, or like organization, the Publisher will pay to the Author an amount equal to fifty percent (50%) of the Publisher's net proceeds. However, if the rights to sell in Canada under this Agreement are limited to book club sales, it is agreed that all proceeds received from any such book-club-sales in Canada will be paid by the Publisher directly receipt to the holder of said Canadian rights.
- *license of the rights specified under THIRD
- (75%)
- c. Although no payment will be made by the Publisher when permission is given gratuitously for the publication of extracts from the Work to benefit the sale thereof, the Publisher will pay to the Author an amount equal to fifty percent (50%) of all amounts received from the sale of all rights stipulated under THIRD d, e, f, 87 i, and i hereof, except that, in the case of a first serial sale made by the Publisher, an amount equal to minety. percent (90%) of all amounts received. Should the Work be sold to a newspaper syndicate, the sale will be considered a syndicate sale and the proceeds will be so divided, regardless of the date of syndication, whether prior to or following book publication. However, should the Work be sold to a magazine in more than one installment, if the first installment starts prior to book publication, then the whole sale will be considered a first-**seventy-five serial sale. The Publisher will not enter into any agreement for the licensing of syndication which might appear before book publication without prior approval by the Author or the Author's representative, such approval not to be unreasonably withheld. The Author, in turn, agrees that the Author or the Author's representative will notify the Publisher immediately of any first-serial sale made by the Author. In the event that the Author has retained first-serial rights, the Author and/or the Author's representative will use every reasonable effort to include a provision in any first-serial license that the Publisher shall receive credit as publisher on the page where the first-serial excerpt commences.
 - d. From rights of dramatization, or motion picture rights, or video rights, or radio Publisher will pay to the Author an amount equal to received, after deduction of an outside agent's commission, if any. %) of the amounts percent (
 - e. In the event of a sale by the Publisher of any publication rights in the Work in English in the territories specified in THIRD c, the Publisher will pay to the Author an amount equal to , %), or in translation anywhere in the world, an amount equal to percent of the amounts received for such rights after deduction of an outside agent's fees and taxes withheld abroad, if any. If, however, the Publisher furnishes sheets or bound copies of the Work for foreign publication, the production cost, including a proportionate part of composition and plate costs and any transportation costs paid by the Publisher, will be deducted from the amount received and the Publisher will pay the Author an amount to one half (1/2) of the balance.

ADVANCE

f. As an advance against and on account of all moneys accruing to the Author under this Agreement, the Publisher will pay to the Author:

PLEASE SEE RIDER ATTACHED.

twenty (20)

hardcover

fifty (50)

g. The Author will receive ten (10) copies of the Work in the original edition and three (3) copies of every substantially revised edition or softcover reprint edition, and the Publisher will sell to the Author for cash further copies of the Publisher's own edition for personal use and not for resale at sixty percent (60%) of the retail price plus transportation costs and will pay a royalty on such copies sold.

ACCOUNTING

TENTH: The Publisher agrees:

- a. 1. For four (4) years following the Publisher's announced date of publication, to submit on April 1 semiannual statements of sales as of December 31 and on October 1 semiannual statements of sales as of June 30, and to pay to the Author the amounts due the Author thirty (30) days later (May 1 and November 1). After four (4) years, the Publisher reserves the right to render annual statements as of December 31 on April 1 should the sale of the Work be fewer than two hundred (200) copies per year. Whenever the annual sales fall below fifty (50) copies, and after notification of the fact to the Author, no accounting will be made until the next annual settlement date after such sales aggregate fifty (50) copies. In rendering any statement of sales and earnings, the Publisher will have the right to withhold a reasonable reserve against returns of copies of the Work.
- 2. If the Author has received any overpayment of earnings as a result of returns, by way of error, or otherwise, the Publisher may deduct the amounts of this overpayment from any future earnings hereunder other books of the Author which may be published by the Publisher or a company owned by or affiliated with it, it being understood, however, that the term "overpayment" does not apply to an unearned advance. If the Publisher determines, in its reasonable judgment, that such overpayment will not be recouped from earnings which may be payable to the Author at the Publisher's next accounting, the Publisher may forthwith demand repayment from the Author and the Author shall promptly make such repayment.
- 3. The Author or the Author's authorized representative will have the right, upon written request, to examine the books of account of the Publisher insofar as they relate to the Work, which examination will be at the cost of the Author unless errors of accounting amounting to five percent (5%) or more of the total sums paid to the Author will be found to the Author's disadvantage, in which case the cost will be paid by the Publisher.

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b. To report promptly to the Author or the Author's representative any contracts entered into for the sale of any rights granted and licensed hereunder whenever the Author's share of the guaranteed payment or royalty is to be one hundred dollars (\$100.00) or more. Contracts may be examined by the Author or the Author's representative at the Publisher's office, but copies will be furnished only upon written request.

OVERSTOCK

ELEVENTH: One (1) year after the Publisher's announced date of publication or any time thereafter if the Publisher has an overstock of the Work, the Publisher will have the right to dispose of said overstock as it may see fit, subject to the royalties hereinbefore specified; except that, if by disposition of such overstock the Work will no longer be available from the Publisher in the near future, then the Publisher will make a reasonable effort to notify the Author or the Author's representative of its intentions and afford the Author the opportunity to buy all or any part of such overstock at fifteen percent (15%) of the catalog retail price plus a reasonable charge for delivery. If the Author purchases any such overstock at this price no royalties shall be paid thereon.

OUT OF PRINT, TERMINATION AND REVERSION OF RIGHTS

/in either
a trade
hardcover,
trade paperback or
mass-market
edition.

TWELFTH: If all editions of the Work in the U.S.A. and Canada which have been published or licensed by the Publisher are out of print, and if, within six (6) months after written demand by the Author or the Author's representative, the Publisher does not agree to provide within an additional six (6) months adequate stock to meet the normal demand for the Work or to arrange for a reprint or book elub adicion which will be published within eighteen (18) months from the date of the Author's written demand, then, upon repayment of any overpayment of royalties (excluding any unearned advance) or other sums due, such as purchases unpaid for, this Agreement will forthwith terminate and all rights in the Work will revert to the Author who will also have the right for a period of thirty (30) days thereafter to buy the negative or positive film, electrotypes, plates, engravings and stamping dies, if existing, at one third (1/3) their cost to the Publisher, including composition. Termination of this Agreement is subject, however, to any options or licenses previously granted by either party and to the continuing payment to the Publisher of its share of the proceeds from such licenses or options.

PROMOTIONAL EXCERPT

THIRTEENTH: Notwithstanding the rights granted the Publisher under THIRD f hereof, the purchaser of any of the rights enumerated in THIRD h hereof shall be granted the right to publish in any and all forms, but not exceeding seven thousand five hundred (7,500) words in length, excerpts, summaries and dramatizations of the Work, for the sole purpose of advertising and promotion of the particular exploitation of the Work produced by said purchaser.

PUBLISHER'S LIABILITY

FOURTEENTH: The Publisher is not an insurer of manuscripts, drawings or other property of the Author placed by the Author in the Publisher's possession, and the Publisher will not be liable for any loss or damage thereto. In this regard the Publisher will not be required to carry insurance for the benefit of the Author.

BANKRUPTCY

FIFTEENTH: In the case of bankruptcy or liquidation of the Publisher for any cause whatever, provided the Publisher is not in default for thirty (30) days or more on any payments due the Author, the Author will have an option for ninety (90) days to buy back the rights of publication, also plates or film, bound copies and sheets, at their fair market value to be determined promptly by agreement, and thereupon this Agreement will terminate. In the event the Publisher is in thirty (30) days' default to the Author, the above option will be broadened to permit recovery of publication rights without payment for such rights upon purchase by the Author of plates, film, bound copies and sheets.

ASSIGNMENT

SIXTEENTH: This Agreement will be binding upon and inure to the benefits of the heirs, executors and administrators of the Author and the successors and assigns of the Publisher, provided that no assignment of this Agreement, in whole or in part, by either party shall be valid and binding upon the other without its prior written approval, other than to a successor in business to the Publisher who purchases all or substantially all of the Publisher's assets with the intent to carry on the business of publishing.

COAUTHORS

SEVENTEENTH: Where there is more than one Author executing this Agreement, each Author shall be jointly and severally liable to the Publisher for the full performance of all terms and conditions to be performed by all Authors. In such case, any one or either of their agents, if any, may be designated in this Agreement to act on behalf of all the Authors jointly, and the Publisher may rely on the acts of the Author or agent so designated as representative of and binding upon all the Authors; and in the absence of such designation, the Publisher may deal with any one of the Authors as the agent and representative of all, and may rely on the acts of such Author may rely on the acts of such Author

MARGINAL DESCRIPTIONS

EIGHTEENTH: Descriptive words and statements used in the margin of this Agreement to describe the contents of certain paragraphs thereof are not to be deemed a part of this Agreement or as a representation as to the contents thereof. Each party agrees that that party has read this entire Agreement and understands the contents thereof.

ENTIRE Agreement

NINETEENTH: This Agreement contains the whole understanding of the parties, supersedes all previous oral or written representations or agreements, and may not be changed, modified or discharged orally. No waiver, modification, change or discharge of this Agreement shall be valid unless it is in writing and signed by the Author and the Publisher. No waiver of any breach shall be deemed a waiver of any subsequent breach.

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GOVERNING LAW

TWENTIETH: This Agreement is being made under, and will be governed by, the laws of the State of New York. Any legal proceeding arising out of this Agreement shall be brought only in the courts of record of the County, City and State of New York.

RESERVATION

TWENTY-FIRST: All rights not specifically granted to the Publisher hereunder are reserved by the Author.

NONBINDING

TWENTY-SECOND: This Agreement shall not be binding upon the Publisher until signed by an authorized officer of the Publisher.

(See rider page attached hereto and made a part hereof.)

IN WITNESS WHEREOF, the parties hereto have signed and sealed this Agreement at New York, New York, the day and year first above written.

In the presence of: as to the Author

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AUTHOR

Sugnid A Diedu

AVON BOOKS THE HEARST CORPORATION

Darlene DeLillo

Vice-President/Associate Publisher/Editori

Director

Author to supply the following:

Social Security Numbe.

Tax Identification Number of Agent

or Payec

NOTE: If Author is not a United States resident please complete the attached form and return it with the signed contract in lieu of supplying the above information.

Rider to the Agreement dated May 24, 1995, between Andre Norton, c/o Scovil, Chichak, Galen Literary Agency and AVON BOOKS, The Hearst Corporation, for the publication of a work entitled THE SCENT OF MAGIC

<u>Rider, FIFTH b:</u> (to replace what has been deleted) Author hereby agrees that he will not commence other writings until he has fullfilled his contractual obligations made under this Agreement.

Rider, NINTH f.:

ADVANCE

f. As an advance against and on account of all monies accruing to the Author under this Agreement, the Publisher will pay to the Author the sum of FIFTY THOUSAND DOLLARS (\$50,000.00), as follows:

\$10,000.00 on signing of this Agreement;

\$20,000.00 on delivery and acceptance of the complete and final manuscript for the Work, satisfactory to the Publisher in content and form; \$15,000.00 on Publisher's initial hardcover publication of the Work; and \$5,000.00 on Publisher's initial paperback publication of the Work.

TWENTY-THIRD: AVON ROYALITIES

With respect to Avon's paperback editions of the Work, the Publisher agrees to pay to the Author the following royalties, based upon the net retail sales to the public less a reasonable reserve for returnable copies, at the following rates:

- a. On all rack size copies sold in the USA, its territories and possessions (except for premium, mail order or direct mail use or sales at a discount of 60% or more or to paperback book clubs), a royalty, based on the USA suggested retail list price, of eight percent (8%) on all copies sold, up to and including one hundred fifty thousand (150,000) copies; and ten percent (10%) on all copies sold thereafter.
- b. On all trade paperback copies sold in the USA, its territories and possessions (except for premium, mail order or direct mail use or sales at a discount of 60% or more or to book clubs), a royalty of six percent (6%) of the USA suggested retail list price on all copies sold, up to and including 25,000 copies; and seven and one-half percent (7-1/2%) on all copies sold thereafter.
- c. On all copies sold outside the USA, its territories and possessions, or within said territory for export, a royalty of five percent (5%) of the net amount received.
- d. On copies sold or distributed through the medium of mail order, direct mail or premium sale or to paperback book clubs, such as, by way of illustration, but not limited to, Scholastic or Xerox, and on sales at a discount of 60% or more, a royalty of five percent (5%) of the net amount received.
- e. On copies for review, advertising, sample or like purposes, on copies destroyed or on portions of the Work given away for advertising or publicity use, no royalty shall be paid.

TWENTY-FOURTH: The Publisher agrees that the royalty statements provided in TENTH:a.1. hereof, shall show separately the amount payable on the regular trade hardbound edition pursuant to the provisions of SEVENTH:a. and on the paperback editions pursuant to the provisions of TWENTY-THIRD.

Initialed by

Rider to the Agreement dated May 24, 1995, between Andre Norton, c/o Scovil, Chichak, Galen Literary Agency and AVON BOOKS, The Hearst Corporation, for the publication of a work entitled THE SCENT OF MAGIC

TWENTY-FIFTH: The Author hereby appoints Scovil Chichak Galen, Literary Agency, Inc. 381 Park Avenue South, New York, New York 10016 as Author's Agent in all matters pertaining to or arising out of this Agreement, and authorizes irrevocably that all sums of money due Author under this Agreement shall be paid to and in the name of said Agent, whose receipt therefore shall constitute a good and valid discharge of all such indebtedness. The Author does also irrevocably assign and transfer to Scovil Chichak Galen Literary Agency, Inc., which shall retain a sum equal to ten percent (10%) out of all monies due and payable to and for the account of the Author under this Agreement.

11.

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