

3. The Author represents and warrants (a) that he is the sole creator of the Book and the sole owner of all rights in and to the Book, and that the rights granted hereunder to DAW are not subject to any prior contract or lien of any nature whatsoever which might interfere with the rights granted to DAW under this Agreement; and (b) that the Book contains no matter which is libelous or unlawful or infringes upon the privacy of any party or infringes any copyright or violates the right of any other person.

4. Author will hold DAW harmless against any suit, claim, demand, proceeding, recovery or penalty sustained by reason of any claim of violation of copyright, proprietary right or privacy or for any libelous or other matter contained in the Book which for any reason may be unlawful or in violation of the rights of others to print, publish or sell, and Author will defend all such suits, claims, demands or proceedings at Author's own cost and expense with counsel approved by DAW, and in the event of failure or refusal of Author so to defend, DAW may defend at Author's cost and expense. Author at his own expense will institute any proceeding DAW may reasonably demand in order to protect the rights of DAW herein, and on Author's failure so to do, DAW may institute any such action or proceeding in Author's name, Author to compensate DAW for any reasonable expenses incurred, including counsel fees.

~~5. DELIVERY OF COMPLETED MANUSCRIPT. Author agrees to deliver to DAW on or before the _____ day of _____, 19____, time being of the essence, a legible, typewritten copy, plus a carbon copy, of the completed Book consisting of approximately _____ words, complete and ready for the printer. Author further agrees within four weeks after requested to make such corrections and changes in the completed manuscript as DAW may request, provided the requested changes do not misrepresent the expressed ideas and opinions of the Author, failing which DAW shall have the option of having such corrections and changes made and charging the cost thereof to the Author, or to terminate this Agreement and to recover from the Author the amount of any advance payments theretofore made.~~

6. DAW shall pay to the Author the sum of Three Thousand Dollars (\$3000.00) payable as follows: \$1500 on signing of Agreement; \$1500 on publication;

to be applied against the royalties specified below.

7. On the first 150,000 copies sold in the U.S. and its dependencies and in the Philippines, 6% ~~4%~~ of the retail cover price on additional copies over 150,000 sold in the U.S. 6% of the retail cover price on all copies sold in foreign countries ~~8%~~ ~~4%~~ of the retail cover price (and proportionately for variations in retail price) except as hereafter provided with respect to copies sold as "premiums" or "remainders".

(a) On net copies sold through special arrangements with book clubs, charitable, fraternal, professional, business or similar organizations, a royalty of one-half (½) of the prevailing royalty specified in paragraph 7 above. Copies sold pursuant to this paragraph 7 (a) shall not be counted in computing sales of the first 150,000 copies as provided in paragraph 7 above.

(b) If in the opinion of DAW, the Book shall have ceased to have a remunerative sale, or should DAW find itself with overstock or a stock of damaged copies of the Book, DAW 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 Author a royalty of ten percent (10%) of the net amount received from the sale thereof in excess of the manufacturing cost thereof.

(c) No royalties shall be payable on copies destroyed, given away or sold at or below cost.

(d) Fifty percent (50%) of the amount received by DAW from the disposition of licenses granted to paragraph 1, subdivision (a), (ii to vi inclusive), (b), (c) and (d).

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, DAW

shall have the right to deduct said royalties so paid from earned royalties thereafter payable to the Author under this Agreement.

8. DAW shall render statements and make payments to the Author as follows:

Statements rendered and Payment Made:

Accounting

On September 30: for the period from January 1 to June 30;
On March 31: for the period from July 1 to December 31.

Publication Date

9. DAW shall publish the Book on or about within eighteen months after March 1, 1975.

Terms of Agreement

10. The license herein granted shall be effective for a period of five (5) years from DAW's publication date and shall thereafter be automatically extended until DAW receives from the Author by registered mail written notice of termination. After receipt of such notice DAW may liquidate any existing stock, but shall not make any further printings of the Book except that it may (a) complete production of any printing on which it may have commenced work and incurred expense, and (b) liquidate the stock resulting from such printing, together with any existing stock of copies of the Book. In the event DAW puts into process a printing of said Book during the license term prior to its receipt of any termination notice, the license term shall thereby be extended for a period of two years from the date of publication of such printing.

Author's Agent

11. The Author hereby authorizes his agent, Larry Sternig Lit. Agency, 2407 No. 44 St., Milwaukee, Wisconsin 53210, to collect and receive all sums of money payable to the Author under the terms of this Agreement, and the receipt of said agent is a good and valid discharge in respect thereof. Said agent is hereby fully authorized and empowered to act on behalf of the Author in all matters in any way arising out of this Agreement.

Reprint of Other Titles

~~xxxxx The Author agrees to offer to DAW the exclusive rights to an edition in English of the next work by the Author of the Book which shall be at the disposal of the Author before offering such rights or showing such work to any other publisher, xxxxxxxx~~

Law Applicable

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 inure to the benefit of the heirs, executors, administrators or assigns of the Author, and upon the successors or assigns of DAW. For the purposes of this Agreement, reference to DAW shall include any assignee, subsidiary or successor of DAW by reason of merger, consolidation, sale or exchange of substantially all of the assets of DAW or other reorganization. No such merger, consolidation, sale or exchange of assets of DAW or other reorganization shall be deemed to be a breach of the provisions of this paragraph nor shall any assignment to a related corporate company.

IN WITNESS WHEREOF the parties hereto have executed and duly attested this Agreement as of the day and year first above written.

Witness:

Eric J. Welther

Witness:

DAW BOOKS, INC.

By

[Signature]

Author:

Anche Norton