



Otherworld Publications

Let's Form The Future Together

This AGREEMENT (the "Agreement"), dated this ____ day of ____, 2011 is entered into between Otherworld Publications LLC, (the "Publisher") whose address, telephone, and e-mail are 125 ½ Main Street, La Grange, KY 40031, 888-546-2584, lynn@otherworldpublications.com and _____ (the "Author"), whose address, telephone, fax, and e-mail are _____ regarding the novel tentatively entitled _____(the "Work").

The Author hereby certifies that the language and contents of the Work are not plagiarized from any other source and do not libel or slander any other party. Said Author assumes full responsibility for any damages resulting from claims to the contrary (see paragraph 18).

RIGHTS

1. The Author hereby grants subsidiary rights to the Publisher wherein such rights shall include: exclusive rights to reproduce and publish or adapt and sell, and license third parties to publish or adapt and sell said Work in the English language and all other translations into any other languages, in the United States of America and the world without exception. This grant of subsidiary rights to the Publisher to license other parties to publish and adapt said Work is exclusive and without exception and includes the rights to license:

a. The Work in book form, and distinct editions of the Work in newspaper or magazine serial, periodical, anthology, collected works, book clubs, digest, abridgement or in condensation or partial extract form, serialization, syndication, and translation.

b. The Work, or parts of the Work, in all forms of electronic and media, including but not limited to adaptation to sound recording, radio, recorded readings, television, film, film strip, cinema, stage, drama, animation, video tape, audio book, Braille and large type, as well as photographic reprints, visual projections, or supplemental products of the book such as charts, forms, and art that are reproduced for sale, software, electronic media, e-books, Internet, interactive or multimedia versions, other screen-display technologies, as well as verbatim text-only electronic editions, all other mechanical reproduction and transcription (including print-on-demand versions), all versions in any and all media and all technologies now existing or which may in the future come into existence, as well as to use the title and characters of the Work as the basis for trademarks or trade names for other products or in connection with merchandise in all forms, (collectively, the "Medium").

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The Author shall in no way infringe upon this exclusive right of the Publisher by authorizing other parties to utilize any portion of the Work in any form.

AUTHOR ROYALTIES

2. In consideration and compensation for this grant of rights in item 1. above, the Publisher hereby agrees to pay the Author a royalty as set forth below:

- a. For copies distributed and marketed pursuant to paragraph 1a, twenty-five percent, (25.0%) of net receipts (after refunds or credits for return of merchandise are deducted) on all copies sold of the Publisher's own edition of said Work.
- b. For the rights granted to license third parties pursuant to paragraph 1, fifty percent (50.0%) of any royalties received by said Publisher from other parties licensed to utilize this Work in written (printed or electronically reproduced) form
- c. For the rights granted to license third parties pursuant to paragraph 1b, sixty percent (60.00%) of any royalties received from other parties licensed to adapt all or part of the Work to the Medium.
- d. For the rights granted to publish electronic versions, (Kindle, Nook, etc.) the Medium in paragraph 1b, sixty percent (60.00%) of net receipts on all copies sold of the Publisher's own edition of said work. No reserve for returns will be deducted from the receipts.

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CASH ADVANCE FOR WORK

3. In consideration and compensation for this grant of rights in paragraph 1 above, the Publisher hereby agrees to not pay the Author a cash advance in order for the Author to receive a higher royalty rate and receive the royalty payments sooner.

4. The Author agrees that the Publisher will not provide a cash advance of any kind.

ACCOUNTING PROCEDURE FOR AUTHOR ROYALTIES

5. The Author shall be entitled to an accurate accounting of receipts from sales and licensing of this Work by the Publisher at any time more than ninety days after the previous such accounting. Publisher shall mail statements of account and pay royalties on April 30, July 31, October 31 and January 31 for the quarterly fiscal periods closing on the preceding March 31, June 30, September 30 and December 31. The publisher will pay all royalties due the Author, less a reserve of not more than fifteen percent (15.0%) of royalties earned in the most recent quarterly fiscal period to take credit for overpayment resulting from the return of books and for other amounts due to the Publisher or chargeable against the royalties of the Author as set forth in Paragraph 8. Or Publisher may handle said credit in subsequent accounting statements. For example, if the Author is due \$2 in royalties, the Publisher will keep \$0.30 as a reserve. If the Work is deemed Out-Of-Print by the Publisher in accordance with Paragraph 23, the Author may make a written request, within 30 days of the Publisher's notice as required in Paragraph 24, for payment of fifty percent (50%) of the remaining balance in the reserve. The Publisher must pay the Author within 30 days after the end of the quarterly accounting cycle in which the Author made the request for payment.

6. In the event that additional works by the same Author are currently being marketed by the Publisher, royalty accounts from all such titles shall not be combined with that for this Work, for the purpose of calculating recovery of royalty advances, reserves against returns, amounts due the Author, etc. Each subsequent work will be treated as a separate work.

7. The Publisher shall grant the Author the right to audit the Publisher's books for the sole purpose of reviewing the royalties. This audit shall be at the Author's expense and cannot to be performed more than one time in any two years period after the publication of the Work.

8. The following additional fees, and no others, shall be charged against the Author's royalties:
- a. For fees, royalties, and other charges for use of copyrighted material (see paragraph 10).
 - b. The cost for any changes or additions made by the Author to the typeset proofs other than to correct factual errors and typos (see paragraph 14).
 - c. If the Author fails to provide the Publisher with a requested revision of the Work within two weeks, the Author will forego a certain percent of royalties from the revised edition (see paragraph 24.).]

DELIVERY AND ACCEPTANCE OF THE WORK

9. The Author shall deliver the Work satisfactorily to the Publisher in a double-spaced word-processed hard copy with an electronic upload to Publisher using a compatible word processing program, or otherwise in a format as agreed upon by the parties, no later than two months from the effective date of this Agreement. The Work shall be literary fiction 50,000 or more words in length, and shall include all illustrations, tables, photographs, drawings, maps, chart, (collectively, the "Art Package"), as well as such other material as the Publisher may reasonably specify for the Work. The Author shall provide said Art Package and supplemental materials necessary to the completion of the Work for professional preparation by the Publisher. The cost or portion of the cost for creating the Art Package shall be charged against the Author's royalties as agreed upon by the parties of this Agreement.

PERMISSIONS FOR COPYRIGHTED MATERIALS

10. The Author shall be responsible for obtaining the necessary written permission(s) from the owner(s) for use of all copyrighted materials or material from the Art Package incorporated in the Work, and to furnish copies of said permission(s) to the Publisher at the same time the Work is delivered. The Author is responsible for fees, royalties, and other charges for the use of copyrighted materials. In the event the Publisher has to obtain said permission(s) after the Work has been delivered to the Publisher and during the production of the Work, the cost for such permission(s) will be deducted from the Author's royalties.

REJECTION OF WORK AND TERMINATION OF AGREEMENT

11. In the event the Author does not provide the Work or the Work is not acceptable to the Publisher, as described in paragraph 9, the Publisher may exercise the option of terminating this Agreement, with the provision that if the Agreement is thus terminated the Author shall refund within thirty days any money paid by the Publisher as a cash advance against royalties.

12. The Publisher shall publish the Work no later than four months following acceptance of the edited Work as described in paragraph 9. If the Publisher fails to publish the Work within the time specified in this paragraph, the Work shall be returned to the Author and all rights granted to the Publisher in paragraph 1 shall revert back to the Author.

DEVELOPMENT OF THE WORK

13. The Publisher shall be entitled to develop, alter, edit, and proof the content, usage, format, capitalization, punctuation, and spelling of the Work to conform to the Publisher's style, the subject matter, and intended audience previously agreed upon by the parties of this Agreement.

14. The Publisher shall provide the Author with a set of typeset proofs of the Work prior to publication to read and correct. The Author shall submit and return the typeset proofs to the Publisher within fourteen days. Any changes or additions made by the Author to the typeset proofs other than to correct factual errors and typos shall be deducted from the Author's royalties at the rate of fifty US dollars (\$50.00) an hour for reproduction corrections made to Author's typeset proofs.

15. If the Work includes an index, the Publisher shall prepare and provide said index at no charge against the Author's royalties.

COPYRIGHT

16. The Publisher shall, at the Publisher's sole expense, effect the copyright of the Work in the Author's name as proprietor and shall at the Publisher's discretion effect any renewal, continuation, or extension of the copyright provided by the controlling law at such time. The foregoing shall not apply to the Art Package or any form subject to its copyright. The Art Package and any other form subject to its copyright shall be effected by the Publisher. However, at the termination of this contract, the Author may purchase the Art Package and any other form subject to its copyright at cost from the Publisher.

17. This Agreement shall be binding on the Author and the Publisher, and upon their respective heirs, administrators, successors, and assigns, for as long as a registered copyright to the Work remains in force, unless terminated by written agreement of all parties, or by specific provision elsewhere in this Agreement. This Agreement shall not be assigned by the Publisher without the written consent of the Author, which consent shall not be unreasonably withheld.

INDEMNIFICATION BY AUTHOR

18. The Author shall be responsible for infringing upon the rights of authors, organizations, institutions, copyright holders, or others, as a result of plagiarism, libel, slander, or any other misuse of any material included in the Work. The Author shall indemnify the Publisher for all damages, costs and expenses, including reasonable attorneys' fees, incurred by Publisher as a result of said infringement. It is understood by both the Publisher and the Author that the Author does not agree to indemnify the Publisher for the Publisher's contribution to the Work.

PROMOTIONAL PARTICIPATION

19. While this Agreement is in effect, the Author shall apply its best efforts to promote the sale of the Work, and the Author shall make a reasonable effort to engage in public expression to promote the sale of the Work whenever appropriate and in coordination with the Publisher's promotional efforts. The Publisher will supply the Author with 250 business cards, 20 bookmarks, and one promotional poster at no charge to the Author. Additional copies of promotional materials will be made available to the Author at the Publisher's cost. It is recommended that the Author set up and maintain a website, Facebook, Twitter, Goodreads and any other social media outlets to aid in promotions of the Author and the Work.

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AUTHOR'S COPIES AND DISCOUNT PURCHASES

20. Upon publication of each new edition of the Work, the Publisher shall provide the Author, without cost, twelve finished copies of the Work (two hardcover and ten paperback), and may sell to the Author additional copies at forty percent (40.0%) off the announced list price of the edition involved as long as that edition remains in stock for quantities up to forty-nine (49). Prior to the original publication of the Work, the Author may purchase bulk quantities of the Work at the special republication prices listed below:

50 to 100 copies	List less 50%
101 to any higher copies	List less 55%

The Author may use these copies for giveaways, sell them as part of consulting and training services, and for any other purposes to promote his or her services. The Author may sell these copies directly to book stores, wholesalers, or catalogers and shall sell them directly to consumers through his or her own direct marketing pieces, without prior consent of the Publisher.

The Publisher must receive the Author's republication order and payment within two calendar weeks after the Author has received typeset proofs of the Work, so that the Publisher has the

opportunity to include the Author order in the print run. No royalties will be paid for these books. Reasonable shipping charges shall be added to the cost of the books.

REVISIONS OF THE WORK

21. The Publisher may request in writing for the Author to revise the Work to maintain or expand the market for the Work. If the Author provides the requested revision to the satisfaction of the Publisher, all terms of this Agreement shall apply to the specific revision except that any royalty amounts due to the Publisher by the Author thereunder shall be carried forward against the royalty of the revised edition. To maintain the accounting procedure for computing royalties, the revised edition shall be treated as a new Work.

22. If the Author fails to respond to Publisher's requested revision of the Work within two weeks or declines to provide such revision, the Author shall forego up to 15 percent (15.00%) of royalties from the revised edition for purposes of compensating another author selected by the Publisher to accomplish said revising.

DETERMINATION OF OUT-OF-PRINT

23. The Publisher shall consider the Work to be out-of-print if or when the Work has sold fewer than twenty-five copies during the previous twenty-four months. Work-in-print does not include any digitally stored or electronic versions or POD versions of the Work.

DISCONTINUANCE OF PUBLICATION

24. If the Publisher determines the Work is out-of-print it shall notify the Author in writing at least sixty days in advance of the date that the Work is declared out-of-print and publication discontinued. In such event, all rights transferred to the Publisher by this Agreement shall revert to the Author. Additionally, the Author may, within thirty days after notification to discontinue publication, agree to purchase the Publisher's stock at sixty percent (60.0%) discount of the list price and purchase at cost any existing boards, film, and original Art Package of the Work. The Author may also request that the Publisher return to the Author all manuscripts and other materials created by the Author. All such stock, manuscripts, and other material covered in this paragraph shall be delivered to the Author within 30 days of the Author's request. If the Author does not make such arrangement within this period of time, the Publisher may proceed to dispose of the remaining stock of the Work and all parts relating to the creation of the Work, in any manner it chooses.

TERMINATION BY AUTHOR

25. If the Author wishes to terminate this Agreement for any reason, Author shall notify the Publisher of such intent at least sixty days in advance. The Author will pay \$1500 (the "Termination Fee") within thirty days of notification to terminate this agreement. In such event, all rights granted to the Publisher by this Agreement shall revert to the Author. Additionally, the Author may, within thirty days after notification to discontinue publication, agree to purchase the Publisher's stock at sixty percent (60.0%) discount of the list price and purchase at cost any existing boards, film, and original Art Package of the Work. The Author may also request that the Publisher return to the Author all manuscripts and other materials created by the Author. All such stock, manuscripts, and other material covered in this paragraph shall be delivered to the Author within 30 days of the Author's request. If the Author does not make such arrangement within this period of time, the Publisher may proceed to dispose of the remaining stock of the Work and all parts relating to the creation of the Work, in any manner it chooses. If the Author fails to timely pay the Termination Fee, the Publisher shall maintain the rights to publish.

RULES OF BANKRUPTCY

26. In the event the Publisher shall go bankrupt, and in accordance to prevailing bankruptcy law, this Agreement shall immediately terminate without requirement of notice by or to any party, and all rights granted to the Publisher by this Agreement shall immediately revert to the Author.

ENTIRE AGREEMENT

27. This Agreement contains the entire agreement between the Author and the Publisher with respect to the Work and shall supersede all prior understandings, agreements or arrangements, oral or written, between the parties to this Agreement.

AMENDMENTS

28. This Agreement shall not be modified, amended, extended, or renewed or canceled except by written instrument signed by both of the parties, which makes specific reference to this Agreement.

CAPTIONS IN THE AGREEMENT

29. The captions and headings used herein are for convenience of reference only and shall not be construed in any manner to limit or modify any of the terms hereof.

SURVIVABILITY SEVERABILITY OF THE AGREEMENT

30. In the event one or more of the provisions of this Agreement is deemed to be invalid, illegal, or unenforceable in any respect under applicable law, the validity, legality, and enforceability of the remaining provisions hereof shall not in any way be impaired thereby.

GOVERNING LAW

31. This Agreement shall be governed by and construed in accordance with the laws (other than the conflict of law rules) of the state of Kentucky.

LOCATION OF DISPUTE RESOLUTION

32. The parties hereto shall make a reasonable attempt to settle any dispute, controversy, or difference, (collectively, the "Dispute"), which may arise concerning this Agreement or the breach thereof, by friendly discussions. If and when a Dispute is not settled by such means, then the Dispute shall be settled by (a) an alternative dispute resolution mechanisms agreed upon by the parties mediation, or failing this, by (b) arbitration pursuant to the Commercial Arbitration Rules of the American Arbitration Association. The parties agree to be bound by any decision issued as a result of arbitration and that any award issued pursuant to such decision may be enforced by any court of competent jurisdiction. The place of arbitration shall be Louisville, Kentucky.

NOTICES

33. Any notice or other communication in connection with this Agreement shall be in writing and thereunder deemed effective when delivered by mail, messenger or facsimile transmission to the Publisher's address contained in this Agreement and to Author's address contained in this Agreement, or such other address as either party shall specify by written notice given to the other party pursuant hereto.

IN WITNESS WHEREOF, the Publisher and Author have each caused this Agreement to be duly executed by themselves or by its duly authorized officer, as of the date first above written.



OTHERWORLD PUBLICATIONS LLC

_____ date _____
President

_____ date _____
Author