B 10 (Official Form 10) (12/12)

UNITED STATES BANKRUPTCY COURT District of Delaware

PROOF OF CLAIM

Name of Debtor:	Case Number:
School Specialty, Inc.	13-10125

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COURT USE ONLY

NOTE: *Do not use this form to make a claim for an administrative expense that arises after the bankruptcy filing. You may file a request for payment of an administrative expense according to 11 U.S.C. § 503.*

Name of Creditor (the person or other entity to whom the debtor owes money or property):
Thomas C. Ahlborn-Hsu

Name and address where notices should be sent:
67 Pine St, Belmont, MA 02478

Telephone number: (978) 423-0592 email: tom@erqopdia.com

❒ Check this box if this claim amends a previously filed claim.

Court Claim Number: _____ (*If known*)

Filed on: _____

Name and address where payment should be sent (if different from above):

Telephone number: email:

❒ Check this box if you are aware that anyone else has filed a proof of claim relating to this claim. Attach copy of statement giving particulars.

1. Amount of Claim as of Date Case Filed: $ 114,095.12

If all or part of the claim is secured, complete item 4.

If all or part of the claim is entitled to priority, complete item 5.

❒ Check this box if the claim includes interest or other charges in addition to the principal amount of the claim. Attach a statement that itemizes interest or charges.

2. Basis for Claim: Royalties due author under license to publish
(See instruction #2)

3. Last four digits of any number by which creditor identifies debtor:	**3a. Debtor may have scheduled account as:**	**3b. Uniform Claim Identifier (optional):**
1 2 3 9	Thomas C. Hsu (See instruction #3a)	(See instruction #3b)

4. Secured Claim (See instruction #4)
Check the appropriate box if the claim is secured by a lien on property or a right of setoff, attach required redacted documents, and provide the requested information.

Nature of property or right of setoff: ❒ Real Estate ❒ Motor Vehicle ❒ Other
Describe:

Value of Property: $_____

Annual Interest Rate _____% ❒ Fixed or ❒ Variable
(when case was filed)

Amount of arrearage and other charges, as of the time case was filed, included in secured claim, if any:

$_____

Basis for perfection: _____

Amount of Secured Claim: $_____

Amount Unsecured: $_____

5. Amount of Claim Entitled to Priority under 11 U.S.C. § 507 (a). If any part of the claim falls into one of the following categories, check the box specifying the priority and state the amount.

❒ Domestic support obligations under 11 U.S.C. § 507 (a)(1)(A) or (a)(1)(B).

❒ Wages, salaries, or commissions (up to $11,725*) earned within 180 days before the case was filed or the debtor's business ceased, whichever is earlier – 11 U.S.C. § 507 (a)(4).

❒ Contributions to an employee benefit plan – 11 U.S.C. § 507 (a)(5).

Amount entitled to priority:

$_____

❒ Up to $2,600* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use – 11 U.S.C. § 507 (a)(7).

❒ Taxes or penalties owed to governmental units – 11 U.S.C. § 507 (a)(8).

❒ Other – Specify applicable paragraph of 11 U.S.C. § 507 (a)(__).

**Amounts are subject to adjustment on 4/1/13 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.*

6. Credits. The amount of all payments on this claim has been credited for the purpose of making this proof of claim. (See instruction #6)



7. Documents: Attached are **redacted** copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, security agreements, or, in the case of a claim based on an open-end or revolving consumer credit agreement, a statement providing the information required by FRBP 3001(c)(3)(A). If the claim is secured, box 4 has been completed, and **redacted** copies of documents providing evidence of perfection of a security interest are attached. If the claim is secured by the debtor's principal residence, the Mortgage Proof of Claim Attachment is being filed with this claim. *(See instruction #7, and the definition of "**redacted**".)*

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

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If the documents are not available, please explain:

8. Signature: (See instruction #8)

Check the appropriate box.

☑ I am the creditor. ☐ I am the creditor's authorized agent. ☐ I am the trustee, or the debtor, or their authorized agent. (See Bankruptcy Rule 3004.) ☐ I am a guarantor, surety, indorser, or other codebtor. (See Bankruptcy Rule 3005.)

I declare under penalty of perjury that the information provided in this claim is true and correct to the best of my knowledge, information, and reasonable belief.

Print Name: Thomas Christopher Ahlborn Hsu
Title: Author
Company:
Address and telephone number (if different from notice address above):

(Signature) 02/15/2013 (Date)

Telephone number: email:

Penalty for presenting fraudulent claim: Fine of up to $500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

INSTRUCTIONS FOR PROOF OF CLAIM FORM

The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the debtor, exceptions to these general rules may apply.

Items to be completed in Proof of Claim form

Court, Name of Debtor, and Case Number:
Fill in the federal judicial district in which the bankruptcy case was filed (for example, Central District of California), the debtor's full name, and the case number. If the creditor received a notice of the case from the bankruptcy court, all of this information is at the top of the notice.

Creditor's Name and Address:
Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

1. Amount of Claim as of Date Case Filed:
State the total amount owed to the creditor on the date of the bankruptcy filing. Follow the instructions concerning whether to complete items 4 and 5. Check the box if interest or other charges are included in the claim.

2. Basis for Claim:
State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card. If the claim is based on delivering health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information. You may be required to provide additional disclosure if an interested party objects to the claim.

3. Last Four Digits of Any Number by Which Creditor Identifies Debtor:
State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor.

3a. Debtor May Have Scheduled Account As:
Report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.

3b. Uniform Claim Identifier:
If you use a uniform claim identifier, you may report it here. A uniform claim identifier is an optional 24-character identifier that certain large creditors use to facilitate electronic payment in chapter 13 cases.

4. Secured Claim:
Check whether the claim is fully or partially secured. Skip this section if the claim is entirely unsecured. (See Definitions.) If the claim is secured, check the box for the nature and value of property that secures the claim, attach copies of lien documentation, and state, as of the date of the bankruptcy filing, the annual interest rate (and whether it is fixed or variable), and the amount past due on the claim.

5. Amount of Claim Entitled to Priority Under 11 U.S.C. § 507 (a).
If any portion of the claim falls into any category shown, check the appropriate box(es) and state the amount entitled to priority. (See Definitions.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.

6. Credits:
An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

7. Documents:
Attach redacted copies of any documents that show the debt exists and a lien secures the debt. You must also attach copies of documents that evidence perfection of any security interest and documents required by FRBP 3001(c) for claims based on an open-end or revolving consumer credit agreement or secured by a security interest in the debtor's principal residence. You may also attach a summary in addition to the documents themselves. FRBP 3001(c) and (d). If the claim is based on delivering health care goods or services, limit disclosing confidential health care information. Do not send original documents, as attachments may be destroyed after scanning.

8. Date and Signature:
The individual completing this proof of claim must sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what constitutes a signature. If you sign this form, you declare under penalty of perjury that the information provided is true and correct to the best of your knowledge, information, and reasonable belief. Your signature is also a certification that the claim meets the requirements of FRBP 9011(b). Whether the claim is filed electronically or in person, if your name is on the signature line, you are responsible for the declaration. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. If the claim is filed by an authorized agent, provide both the name of the individual filing the claim and the name of the agent. If the authorized agent is a servicer, identify the corporate servicer as the company. Criminal penalties apply for making a false statement on a proof of claim.

Statement of Royalties due Thomas C. Hsu
Payable on or before January 31, 2013

Title	Net 2012 sales	Royalty rate	Amount
Physics, A First Course (CPO Physics)	$338,240.30	5%	$16,912.03
Focus on Science gr. 6-7	$588,637.39	1%	$5,886.37
Focus on Science gr 8	$301,369.38	5%	$15,068.48
FPS 3rd edition	$3,375,724.50	2%	$67,514.49
CPO Phys, Earth and Space	$204,020.00	2%	$4,080.40
Foundations of Physics (CPO Physics 2nd ed)	$154,445.00	3%	$4,633.35
		Total	$114,095.12

PUBLISHING AGREEMENT
BETWEEN
CPO SCIENCE, A DIVISION OF DELTA EDUCATION, LLC,
AND
DR. THOMAS C. HSU
January 17, 2005

This Agreement is made February, 25, 2005 between Dr. Thomas C. Hsu (the "Author") and CPO Science, a division of Delta Education, LLC, a Delaware limited liability company (the "Publisher").

1. The Foundations in Science Program

Author and Publisher mutually agree to create an integrated science program for middle school tentatively entitled Integrated Science I (the "Program"). The Program may include the following components and related materials in a format to be determined in the Publisher's sole discretion:

a. Hardcover student Textbook, 500 - 600 pages, four-color, in printed form and in electronic form substantially identical to the printed text (such as PDF).

b. Soft cover student Laboratory Manual, 200 - 300 pages, black and white, in printed form and in electronic form (such as PDF) substantially identical to the printed laboratory manual.

c. Hardcover Teacher's Guide, number of pages and color to be mutually determined, in printed form and in electronic form (such as PDF) substantially identical to the printed Teacher's Guide.

d. Exam View or similar CD-ROM (or other formats to be determined by the Publisher in consultation with the Author) test bank.

e. Skill and project worksheets on CD-ROM (or other formats to be determined by the Publisher in consultation with the Author).

f. Color images for projection, in CD-ROM (or other formats to be determined by the Publisher in consultation with the Author).

g. Blackline masters for recording student data from Laboratory Manual, in print and/or CD-ROM format (or other formats to be determined by the Publisher in consultation with the Author).

h. An Equipment Package consisting of equipment currently manufactured by the Publisher or Delta LLC partner companies for the experiments described in the Laboratory Manual.

2. The Author's Obligations

The Author shall:

a. Write the physics portion of student textbook. (page count and topic to be determine by mutually agreed upon outline). The "Textbook" is suitable for teaching science to grades 6-8, using a format consistent with the Publisher's existing Physics a First Course program (the "Prior Work"). The writing of the physics portion of the Textbook shall include designing, reviewing, and recommending illustrations for the Textbook.

b. Editing the entire textbook for consistency and science integration in collaboration with the CPO writing team. All final decisions will be made by the Exec. VP of Educational Products

c. Write and develop the physics portion of the student laboratory manual (page count and investigation number will be determine by the mutually agree upon lab manual outline). The "Laboratory Manual" will accompany the Textbook. The Laboratory Manual shall specify and make use of the Publisher's equipment where appropriate in the judgment of the Author.

d. Write the "dialog" portions of the physics portion of the teacher's guide, comparable to the "dialog" portions of the teacher's guide that accompanies the Prior Work.

e. Work with the Publisher to review and recommend ancillary materials developed by the Publisher as part of the Program.

f. Specify the Equipment Package in collaboration with the CPO writing team to accompany the Program and cooperate with the Publisher in testing the Equipment Package for use in conducting the experiments described in the Laboratory Manual.

g. Procure all necessary permissions subject to Publisher's payment obligation in connection with such permissions under Section 3.D, below.

The physics portion of the Textbook, Laboratory Manual, and dialog portion of the Teachers Guide shall be referred to collectively as the "Work."

The Publisher acknowledges and agrees that, subject to the Publisher's reversion rights as specified in Section 15, below, the Work may include and adapt substantial portions of the Prior Work, and agrees that the Author may incorporate and adapt such portions of the Prior Work as he deems appropriate.

3. The Publisher's Obligations

The Publisher shall at its own expense:

a. Provide to the Author the templates for the Textbook and Laboratory Manual in Framemaker 6.0 format.

b. Enlist the services of reviewing teachers and/or contributing authors to work with the Author in developing the content of the Textbook, Teacher's Guide, and Laboratory Manual.

c. Provide all graphic art and photographs, in consultation with the Author.

d. Pay all permissions fees to third parties for graphic art, photographs, and textual material, subject to Publisher's approval of the inclusion of any material for which a permissions fee is needed.

e. Provide review questions for each chapter of the Textbook.

f. Develop all components of the Teacher's Guide except the physics dialog portions.

g. Develop all ancillary materials for the Program as the Publisher in its sole discretion may decide to develop. Such ancillaries may include, but will not be limited to, the following items in a format to be determined in the Publisher's sole discretion: (i) an ExamView or similar test book in CD-ROM format; (ii) color images for projection, in CD-ROM format; (iii) skill and project worksheets in CD-ROM format; (iv) the Equipment Package for the laboratory experiments; and (v) blackline masters for the laboratory experiments (herein "Ancillary Material").

h. Provide all needed copy editing for all components of the Program.

i. Provide an Index for the Textbook.

j. Provide graphic design for all components of the Program.

k. Obtain expert and user reviews of the Program.

l. Print and manufacture the Program for sale in the U.S or worldwide.

m. Use commercially reasonable efforts to promote, market and sell the Program in the form of a "Learning System" (as used herein the term Learning System shall mean the Work, any Ancillary Material including the Equipment Package) throughout the U.S. or worldwide, including without being limited to, submitting the Program for State adoptions, promoting the Program actively at local and national conferences, and promoting the Program on the Publisher's web site, in the Publisher's catalog and through the Publisher's sales force.

4. Delivery and Acceptance

a. The Author shall deliver the manuscript for the Work by January 31, 2006, or any extensions thereof that the parties mutually agree upon.

b. The Publisher shall use commercially reasonable efforts to publish the Program during calendar year 2006, or any extensions thereof that the parties mutually agree upon.

c. Notwithstanding the foregoing, Publisher may examine the Work provided and if the Work does not, in Publisher's sole judgment, satisfy the terms hereof in substance and in form, or if the Work as provided is, in Publisher's sole discretion, incomplete or in need of revisions to meet the terms hereof or if the Work fails in Publisher's sole judgment to satisfy Publisher's standard concerning educational, literary or editorial content, then Publisher may suggest such revisions, additions, or editorial changes as Publisher may deem appropriate and reject the Work within sixty (60) days of the receipt thereof; the Author shall then have sixty (60) days in which to revise, after which the Publisher shall have thirty (30) days in which to accept or reject the final Work.

d. If the Publisher accepts the final manuscript pursuant to Section 4(c), it shall publish the Program pursuant to the schedule set forth in Paragraph 4(b) or as soon as reasonably possible thereafter.

e. If the Publisher rejects the final manuscript pursuant to Section 4(c), this Agreement shall be terminated and all rights to all contributions to the Work by Author shall be retained by Author, excluding any Prior Work incorporated into the final manuscript which shall remain the exclusive property of Publisher together with all rights thereto. In such event, Author shall also retain the payment made to him pursuant to Section 6 (a).

f. If Author does not deliver the manuscript on the date set forth in Section 4(a) or any extension mutually agreed upon by the parties, the Publisher may terminate this Agreement by written notice to the Author. In the event of such a termination for non-delivery, the Author shall promptly repay to the Publisher the payment made pursuant to Section 6(a), and all rights to all contributions to the Work by Author shall be retained by Author, excluding any Prior Work incorporated into the final manuscript which shall remain the exclusive property of Publisher together with all rights thereto.

g. Notwithstanding anything to the contrary in this Agreement, the manuscript as delivered by the Author shall be deemed to be satisfactory if, in the sole discretion of Publisher, it is comparable in quality to the manuscript for the Prior Work.

5. THE AUTHOR'S GRANT OF Rights

The Author grants exclusively (even as to Author) to Publisher the following irrevocable (except as specifically stated in this Agreement) worldwide rights to the Work, including, without limitation revised editions of the Work (herein "Work") in all languages throughout the world:

a. to publish, reproduce, distribute, market, sell, and/or license the Work in print and in electronic form substantially identical to the print form, such as PDF files distributed on CD-Rom or the internet.

b. to publish, reproduce, distribute, market, sell, and/or license derivative works and ancillaries based on the Work (with the exception of multimedia versions as described in Section 8, hereafter).

c. To license third parties to exercise any rights set forth in Sections 5 (a) and 5 (b); and

In addition, Publisher reserves the right to publish, reproduce, distribute, market, sell and/or license the Work by itself or through any of its affiliates at its own expense in accordance with this Section. Publisher shall be free to set the sales price and all other terms of sale applicable to the Work, and the scheduling and timing of publishing, marketing and selling, and all publishing, advertisement and promotion shall be done as Publisher, in its sole discretion, deems appropriate.

6. Compensation

a. The Publisher shall pay the Author an advance against royalties of $50,000. $30,000 of the advance against royalties will be payable within 30 days of the execution of Agreement. The remaining $20,000 will be paid upon completion of textbook ($10,000) and investigation books ($10,000). The Advance shall be non-refundable unless Publisher terminates this Agreement for non-delivery, pursuant to Section 4(f).

b. The Publisher shall pay to the Author royalties of 5% of the Net Amount received by the Publisher from sales of the Work or Stand-alone sales of any component of the Work (as defined herein the phrase "Stand-alone sales of any component of the Work" are defined as an unbundled sale of a Textbook, Laboratory Manual or Teacher's Guide) and from sales of any Ancillary Materials specified in Section 3.g, above except there shall be no royalties paid on Net Amounts received by the Publisher from Stand Alone sales of the Equipment Package. As used herein, "Net Amount" means revenues actually collected by Publisher from sales to customers throughout the world less returns, discounts, checks returned for insufficient funds, and refunds, and excluding sales taxes and shipping charges.

c. Royalties shall be paid on all future editions and/or revisions of the Work subject to the limitation of section 15.c below.

d. Notwithstanding the foregoing, it is understood that Publisher shall not pay any royalties on stand-alone sales of the Equipment Package. "Stand-alone sales of the Equipment Package" are defined as sales of the Equipment Package or any portions thereof which exceed the ratio of free Equipment Packages provided as part of a Learning System. For example:

i. A customer purchases one Equipment Package but no Textbooks or Laboratory Manuals. No royalties are paid.

ii. A customer purchases one or more Equipment Packages or parts thereof and is given complementary copies of either the Textbook or the Laboratory Manual. This effectively constitutes a sale of a Learning System and therefore royalties are paid based on the number of Textbooks and Laboratory Manuals provided as if they had been purchased at their retail price.

iii. A customer purchases 30 Textbooks and Laboratory Manuals during a period when the Publisher is promoting free Equipment Packages at a ratio of one per 30 book sets (1 book set = 1 Textbook and 1 Laboratory Manual). The customer receives 1 free Equipment Package and also purchases an additional Equipment Package. Royalties are paid only on the Net Amount received for the 30 book sets. Royalties are not paid on the sale of the additional Equipment Package.

iv. A customer purchases 30 Textbooks, Laboratory Manuals and Teacher's Guides in year 1. In year 3 the Customer purchases 15 additional Laboratory Manuals and/or Textbooks and/or Teacher's Guides. Royalties are paid on the Net Amount received for the additional purchases.

b. Publisher shall pay to the Author 50% of the Net Amount received by the Publisher from the sale or license of rights in the Program to third parties, including but not limited to foreign language publishers, net of any agents' commissions. Such payment shall be made within 60 days of the Publisher's receipt of revenues from any transaction.

7. Author's Agreement to Review

The Author agrees to review the final Textbook, Laboratory Manual, Teacher's Guide, and all other portions of the Program before publication, for scientific accuracy and effective pedagogy.

8. Multimedia Versions and Other Intellectual Property

a. It is herein acknowledged that the Author creates DVD and multimedia educational materials and that this activity is independent and separate from any work performed for the Publisher and makes no use of the Prior Work or other of the Publisher's intellectual property except as expressly permitted in Section 5 of the "Separation Agreement" between the Author and Delta Education dated April 4, 2002.

b. The Work may derive in part from interactive, multimedia programs for teaching science and mathematics developed by the Author for his own use, independent of the Publisher. The Author reserves all rights to audio or video recordings, interactive software, animations, graphical representations, electronic devices, experiments, designs, or inventions which he creates excepting only those rights expressly granted herein to the Publisher.

c. The conceptual organization of academic content and pedagogy reflected in the design of the Program shall not be considered the intellectual property of the Publisher.

d. The Author reserves the right to create; manufacture, market, and sell a DVD teacher development program which is specific to the Program and which includes images of the Publisher's equipment and other components of the Program. The DVD program and any associated ancillary materials, user guides, software, simulations, or multimedia recordings of all or any part of the DVD program are hereinafter referred to as the "Multimedia Work."

e. The Author agrees that the Multimedia Work is a new creation that does not use video sequences that are the intellectual property of the Publisher. However, the Multimedia Work may use animation sequences that are similar (but not identical) to animation sequences the Author designed for the Publisher as part of the Prior Work and thus shall not infringe Publisher's intellectual property rights in the Prior Work.

f. Portions of the Multimedia Work that do not include any of the Prior Work or other of the Publisher's intellectual property may appear in other products created, marketed, and sold by the Author.

g. The Author retains all rights to the Multimedia Work however, copyrights, trademarks, trademark registrations and applications therefore, logos, trade names, trade dress, and packaging relating to the Program and/or the Work, its ancillaries, CPO Science, Cambridge Physics Outlet, or its affiliates (collectively, "Publisher's Trademarks") are hereby acknowledged to be the exclusive intellectual property of the Publisher to which the Author has no rights under this Agreement except as expressly granted to Publisher in this Agreement or by a separate agreement executed by Publisher. The attribution of any work to Tom Hsu shall not be deemed to be a Publisher's Trademark.

h. The Author grants the following rights to the Publisher.

   (i) The Author grants to the Publisher an irrevocable, royalty-free, perpetual, worldwide, non-exclusive license to use any inventions or equipment that may be designed as integral to the Program, such as new experimental apparatus or modifications to the Publisher's existing experimental apparatus.

   (ii) The Publisher may purchase copies of the Multimedia Work from the Author on terms to be mutually negotiated but not to exceed (a) $350 per copy when purchased by the Publisher in single units, (b) $300 per copy when purchased by the Publisher in quantities of 10 or more.

i. Notwithstanding anything in the foregoing to the contrary, nothing herein shall restrict in any way the Publisher's rights to develop, publish, market, sell, distribute and/or license works that compete with the Multimedia Work.

9. Copyright

The Publisher may register copyright in the Work (excluding the Prior Work) in the Author's name, and has or may register the copyright in the Prior Work in the Publisher's name.

10. Related Works

During the period beginning with the execution of this Agreement and extending to twelve (12) months past the date of commercial release of the Work by the Publisher, the Author shall not prepare or assist in the preparation of any similar science curriculum ("Competing Work") by a for-profit entity which competes or may compete with the Publisher. "Competing Work is herein defined as a curriculum similar in scope, in which a textbook is the primary component, and intended for publication for grades 6-12. The Multimedia Work shall not be deemed to be a Competing Work

11. Author's Warranty

The Author's warrants that throughout the term of this Agreement:

a. He is the sole author of the Work and revisions to the Work that may be created by or on behalf of Publisher (except for (i) portions of the Prior Work that may be included in the Work; and (ii) portions of the Work or the revisions that may be created by or on behalf of the Publisher).

b. he has not previously granted, assigned, or encumbered, and shall not during the term of this Agreement, grant, assign or encumber any of the rights to the Work granted hereunder and no suit, proceeding or claim is outstanding, pending or threatened, against Author or Author's contributions to the Work or the revisions to the Work by or on behalf of Publisher by any person or entity for infringement, misappropriation or other violation of any copyright, patent, trademark, license, trade secret, right of publicity, other proprietary right of any person or entity

c. all materials contained in the Work and all subsequent revisions thereof (except for (i) portions of the Prior Work that may be included in the Work; and (ii) portions of the Work that may be created by or on behalf of the Publisher) will be original, will contain no material that is libelous or otherwise unlawful, and will not infringe, violate, or invade any copyright, right of privacy, or other proprietary or personal right.

d. Author has the full power and authority to enter into this Agreement without any restrictions imposed by any contract, commitment, duty or undertaking of any kind whatsoever, oral or in writing, by the Author to any third party or otherwise.

12. Credit

Publisher and Author agree that Publisher and/or any of its affiliates shall include Author's name on the Work and where Publisher deems appropriate, in Publisher catalogs, publications, newsletters and promotional and related materials promoting the Work in such manner and locations as Publisher and/or any of its affiliates in its sole discretion may decide. For purposes of this Agreement, affiliate means any corporation or other business entity which, directly or indirectly, controls, is controlled by or is under common control with Publisher. The foregoing notwithstanding, it is contemplated that the Textbook and Laboratory Manual shall be published with the credit "Tom Hsu" or substantially similar identification on the Work and in all promotional materials and that the Program as a whole shall be published with the credit "By Tom Hsu," "Developed by Tom Hsu," or a substantially similar phrase used in connection with the Program and in all promotional materials.

13. Expense Reimbursement

The Publisher shall reimburse the Author for all reasonable out-of-pocket expenses for travel requested or approved by the Publisher in the preparation of the Work provided that receipts for same have been furnished by Author. Such expenses may include, but are not limited to, meals, lodging and transportation.

The Author is responsible for miscellaneous expenses (such as telephone charges, Internet charges, and office expenses) that he may incur in the completion of the Work.

14. Marketing Assistance

a. The Author grants the Publisher the right to use his name in conjunction with the marketing and promotion of the Program.

b. For a period of one year following the date of commercial release of the Work, the Author shall provide marketing assistance to the Publisher at the Publisher's reasonable request and approval, subject to the following conditions:

   (i) The Author shall provide a minimum of 100 hours of marketing assistance in the aggregate during 2006 and 2007 at the Publisher's request, including attendance at a minimum of four trade conferences, such as NSTA, ASCD, AAPT, state conferences, or sales meetings designated by the Publisher, the particular conferences to be mutually agreed upon by Publisher and Author.

   (ii) The Author may provide additional marketing assistance, including any additional travel, at his sole discretion.

   (iii) The Publisher shall compensate the Author at a minimum rate of $125 per hour or $1,000 per day for any marketing assistance, including travel time for any locations more than two(2)hours distance from Author's residence.

   (iv) The Publisher shall reimburse the Author for any travel or other expenses incurred in the course of providing marketing assistance, subject to the terms of Section 13, above.

15. Revisions

a. Revised editions of the Work may be prepared by mutual written agreement of Author and Publisher, on similar terms as provided under this Agreement except that in each such revised edition the fee as set forth in Section 6(a) hereto shall be

   i. Equal to an hourly rate specified in section 14.b (iii) for minor revisions but not to exceed a total of $15,000 for minor revisions.

   ii. Equal to an hourly rate specified in section 14.b (iii) but not to exceed a total of $30,000 for major revisions.

   iii. If at any time after seven (7) years from the date of commercial release of the Work, Author provides written notice to Publisher that he wishes to revise the Work, and Publisher declines to do so, this Agreement shall be terminated; all rights in the Work shall revert to the Author, subject to licenses granted in this Section 15, and excluding the Prior Work. This Agreement shall not be terminated and Author shall have no reversion rights to the Work, if the Work has been revised significantly enough that a new copyright date has been published, and the Author has been given the opportunity to participate as per this section (15) at any time within the five year time period preceding the date that Publisher receives Author's written notice of the Author's intent to revise the Work (herein "Five Year Look Back Period"). If there have been no revisions to the Work during a Five Year Look Back Period and Publisher does not approve Author's request to revise the Work within thirty (30) days after receipt of Author's notice, then the Publisher shall grant to Author a non-exclusive, perpetual and royalty-free right and license to use all elements of the Program and of the Prior Work (other than the Publisher's Trademarks) in any republication, revision, or other version of the Work or the Program.

b. If at any time after the date of commercial release, Publisher provides written notice to Author that it wishes to revise the Work and Author is unable or unwilling to do so, or if the Author is deceased, Publisher may have the revision prepared by a third party selected by Publisher (the "Revising Author"). In such event, royalties to the Revising Author may be deducted from royalties due to the Author, provided that the Publisher shall pay the Author (or, if he is deceased, his estate) no less than 75% of the royalties set forth in Section 6 herein for the first such revision in which he does not take part, 50% of the royalties set forth in Section 6 herein for the second such revision in which he does not take part, and 25% of the royalties set forth in Section 6 herein for the third and all subsequent revisions in which he does not take part.

16. Discontinuance

If the Publisher fails to keep the Program available for sale through normal sales channels in the United States and the Author makes written demand to make it available, the Publisher shall, within sixty (60) days after the receipt of such demand, notify the Author

in writing if it intends to comply. Regardless of the Publisher's response, if the Publisher declines or neglects to make the Program available through normal sales channels in the United States within twelve (12) months after the receipt of the Author's demand, unless prevented from doing so by circumstances beyond its control, the Author may terminate this Agreement upon written notice to the Publisher and all rights in the Work shall revert to the Author, subject only to licenses previously granted, and excluding the Prior Work. In such event, Publisher shall grant to Author the non-exclusive, perpetual and royalty-free right to use all elements of the Program and of the Prior Work (other than the Publisher's Trademarks) in any republication, revision, or other version of the Work or the Program.

17. Accounting

a. The Publisher shall account for and pay all royalties due the Author annually within 60 days of the close of the calendar year.

b. The Author or other beneficiary of royalties has the right to examine or cause to be examined the Publisher's books of account for the limited purpose of verifying the accuracy any royalty payments to Author; provided, however, that such audit (i) occur no more frequently than once per calendar year, (ii) be conducted during Publisher's normal business hours and only after Author has provided Publisher with reasonable notice of the intent to conduct such audit. If such an audit determines that there has been an underpayment of 5% or more for the period audited, the Publisher shall (i) promptly pay the underpayment; and (ii) pay the reasonable costs of the audit.

18. Indemnification by Author

Author shall, on demand jointly and severally, indemnify, defend and hold Publisher and its affiliates harmless from and against any claims, demands, expenses, obligations or recovery, including reasonable attorneys' fees, arising out of any actual or alleged breach of any of the warranties made by the Author in section 11 herein. The foregoing indemnity shall survive any termination of this Agreement.

19. Termination

The term of the agreement is from the date of execution to the time at which it is terminated either by the Author or the Publisher, or the life of the copyright of the Work (as stated in section 20). Either party may terminate this Agreement at any time for cause. For purposes of this Agreement, cause shall mean the failure of either party to perform any material duty or obligation imposed on the other party by this Agreement. No cause shall be deemed to exist unless the non-breaching party has notified the breaching party in writing with specificity of the action or omission of the breaching party which constitutes cause, and the breaching party has failed to remedy the action or inaction within thirty (30) days following delivery of such notice. Notwithstanding the foregoing, as to material breach, neither party shall be entitled to terminate this Agreement, if during the thirty-day cure period, (i) the breaching party commences commercially reasonable

efforts to cure such breach and, using commercially reasonable efforts, pursues such cure with due diligence until completion, not to exceed sixty (60) days.

20. Agreement Binding on Successors in Interest

This Agreement will be binding on the parties hereto, their heirs, executors, administrators, successors, and assigns, and will continue during the life of the copyright of the Work and copyright of all revisions, subject, however, to the provisions herein for the possible earlier termination of this Agreement. The Author may assign any or all of his intellectual property rights and other rights under this Agreement, including the right to receive royalties or other payments, but may not assign his obligations under this Agreement without the Publisher's prior written consent. The Publisher shall be free to assign its rights under this Agreement.

21. Dispute Resolution

Any controversy or claim arising out of or relating to this Agreement or a breach hereof, may at the request of either party be finally resolved by binding arbitration in the State of New Hampshire, in accordance with the rules of the American Arbitration Association by a single, neutral arbitrator familiar with the publishing industry. The judgment upon the award rendered by the arbitrator may be entered into any court having jurisdiction thereof. Notwithstanding the preceding sentence, upon the occurrence of any controversy or claim for which a party is seeking equitable or injunctive relief, such party may seek such relief in any court of law with proper jurisdiction and venue. The conduct of such arbitration shall be subject to the arbitration law of the State of New Hampshire. The fees of the arbitrator shall be borne equally by the parties, unless otherwise determined by the arbitrator.

22. Governing Law

This Agreement shall be interpreted according to the laws of the State of New Hampshire without reference to its conflict of laws rules.

23. Miscellaneous

This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes any prior agreements or understandings, whether oral or written, between the parties. This Agreement shall not be amended, renewed, extended, or otherwise modified except by a writing signed by all parties hereto. All remedies of the parties hereunder are non-exclusive and are in addition to all other available legal and equitable remedies. Any party to this Agreement may specifically waive any of the provisions hereof or any default or remedy hereunder, but no such waiver shall constitute a future waiver of any such provision, default, or remedy, or a waiver of any other provision, default, or remedy. No delay or omission in the exercise of

enforcement of any right or remedy provided hereunder or by law by either party shall be construed as a waiver of such right or remedy. Section headings are for convenience of reference only, and shall not constitute a part of this Agreement.

24. Notices

Any notice or communication required or permitted pursuant to this Agreement shall be in writing and shall be deemed given when hand delivered by recognized overnight courier such as Federal Express, sent by confirmed facsimile, or mailed certified or registered mail, return receipt requested, postage prepaid, to the address of the party as set forth below, or at such other address as a party may designate by notice given in accordance with this Section:

If to Publisher: CPO Science, a division of Delta Education, LLC
80 Northwest Boulevard
Nashua, New Hampshire 03063
Attn: Gary Facente
Facsimile: (603)

If to Author: _____
_____
_____
_____

Attn: _____
Facsimile: _____

SIGNED:

_____
Delta Education, LLC

_____ 2/16/05
Tom Hsu

6/16/04

Agreement Revised 5/30/04 #4

PUBLISHING AGREEMENT
BETWEEN
CPO SCIENCE, A DIVISION OF DELTA EDUCATION, LLC,
AND
DR. THOMAS C. HSU

This Agreement is made June 16, 2004 between Dr. Thomas C. Hsu (the "Author") and CPO Science, a division of Delta Education, LLC, a Delaware limited liability company (the "Publisher").

1. The Physics First Program

Author and Publisher mutually agree to create a physics program for teaching physics in the early High School years tentatively entitled The Physics First Program (the "Program"). The Program may include the following components and related materials in a format to be determined in the Publisher's sole discretion:

a. Hardcover student Textbook, 600 - 700 pages, four-color, in printed form and in electronic form substantially identical to the printed text (such as PDF).

b. Softcover student Laboratory Manual, 200 - 300 pages, black and white, in printed form and in electronic form (such as PDF) substantially identical to the printed laboratory manual.

c. Hardcover Teacher's Guide, number of pages and color to be mutually determined, in printed form and in electronic form (such as PDF) substantially identical to the printed Teacher's Guide.

d. ExamView or similar CD-ROM (or other formats to be determined by the Publisher in consultation with the Author) test bank.

e. Skill and project worksheets on CD-ROM (or other formats to be determined by the Publisher in consultation with the Author).

f. Color images for projection, in CD-ROM (or other formats to be determined by the Publisher in consultation with the Author).

g. Blackline masters for recording student data from Laboratory Manual, in print and/or CD-ROM format (or other formats to be determined by the Publisher in consultation with the Author).

h. An Equipment Package consisting of equipment currently manufactured by the Publisher for the experiments described in the Laboratory Manual.

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2. The Author's Obligations

The Author shall:

a. Write a student textbook of 600 – 700 printed pages (the "Textbook") suitable for teaching physics in the early High School years, using a format consistent with the Publisher's existing Foundations of Physics program (the "Prior Work"). The writing of the Textbook shall include designing, reviewing, and recommending illustrations for the Textbook.

b. Write and develop a student laboratory manual of 200 – 300 printed pages (the "Laboratory Manual") to accompany the Textbook. The Laboratory Manual shall specify and make use of the Publisher's equipment where appropriate in the judgment of the Author.

c. Write the "dialog" portions of the teacher's guide, comparable to the "dialog" portions of the teacher's guide that accompanies the Prior Work.

d. Work with the Publisher to review and recommend ancillary materials developed by the Publisher as part of the Program.

e. Specify the Equipment Package to accompany the Program and cooperate with the Publisher in testing the Equipment Package for use in conducting the experiments described in the Laboratory Manual.

f. Procure all necessary permissions subject to Publisher's payment obligation in connection with such permissions under Section 3.D, below.

The Textbook, Laboratory Manual, and dialog portion of the Teachers Guide shall be referred to collectively as the "Work."

The Publisher acknowledges and agrees that, subject to the Publisher's reversion rights as specified in Section 15, below, the Work will include and adapt substantial portions of the Prior Work, and agrees that the Author may incorporate and adapt such portions of the Prior Work as he deems appropriate.

3. The Publisher's Obligations

The Publisher shall at its own expense:

a. Provide to the Author the templates for the Textbook and Laboratory Manual in Framemaker 6.0 format.

b. Enlist the services of reviewing teachers to work with the Author in developing the content of the Textbook, Teacher's Guide, and Laboratory Manual.

c. Provide all graphic art and photographs, in consultation with the Author.

d. Pay all permissions fees to third parties for graphic art, photographs, and textual material, subject to Publisher's approval of the inclusion of any material for which a permissions fee is needed.

e. Provide review questions for each chapter of the Textbook.

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f. Develop all components of the Teacher's Guide except the dialog portions.

g. Develop all ancillary materials for the Program as the Publisher in its sole discretion may decide to develop. Such ancillaries may include, but will not be limited to, the following items in a format to be determined in the Publisher's sole discretion: (i) an ExamView or similar test book in CD-ROM format; (ii) color images for projection, in CD-ROM format; (iii) skill and project worksheets in CD-ROM format; (iv) the Equipment Package for the laboratory experiments; and (v) blackline masters for the laboratory experiments (herein "Ancillary Material").

h. Provide all needed copy editing for all components of the Program.

i. Provide an Index for the Textbook.

j. Provide graphic design for all components of the Program.

k. Obtain expert and user reviews of the Program.

l. Print and manufacture the Program for sale in the U.S or worldwide.

m. Use commercially reasonable efforts to promote, market and sell the Program in the form of a "Learning System" (as used herein the term Learning System shall mean the Work, any Ancillary Material including the Equipment Package) throughout the U.S. or worldwide, including without being limited to, submitting the Program for State adoptions, promoting the Program actively at local and national conferences, and promoting the Program on the Publisher's web site, in the Publisher's catalog and through the Publisher's sales force.

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b. to publish, reproduce, distribute, market, sell, and/or license derivative works and ancillaries based on the Work (with the exception of multimedia versions as described in Section 8, hereafter).

c. To license third parties to exercise any rights set forth in Sections 5 (a) and 5 (b); and

In addition, Publisher reserves the right to publish, reproduce, distribute, market, sell and/or license the Work by itself or through any of its affiliates at its own expense in accordance with this Section. Publisher shall be free to set the sales price and all other terms of sale applicable to the Work, and the scheduling and timing of publishing, marketing and selling, and all publishing, advertisement and promotion shall be done as Publisher, in its sole discretion, deems appropriate.

6. Compensation

a. The Publisher shall pay the Author a fee of $30,000, payable within 30 days of the execution of this Agreement. This fee shall be in addition to royalties and all other payments provided for in this Agreement. The fee shall be non-refundable unless Publisher terminates this Agreement for non-delivery, pursuant to Section 4(f).

b. The Publisher shall pay to the Author royalties of 5% of the Net Amount received by the Publisher from sales of the Work or Stand-alone sales of any component of the Work (as defined herein the phrase "Stand-alone sales of any component of the Work" are defined as an unbundled sale of a Textbook, Laboratory Manual or Teacher's Guide) and from sales of any Ancillary Materials specified in Section 3.g, above except there shall be no royalties paid on Net Amounts received by the Publisher from Stand Alone sales of the Equipment Package. As used herein, "Net Amount" means revenues actually collected by Publisher from sales to customers throughout the world less returns, discounts, checks returned for insufficient funds, and refunds, and excluding sales taxes and shipping charges.

c. Royalties shall be paid on all future editions and/or revisions of the Work subject to the limitation of section 15.c below.

d. Notwithstanding the foregoing, it is understood that Publisher shall not pay any royalties on stand-alone sales of the Equipment Package. "Stand-alone sales of the Equipment Package" are defined as sales of the Equipment Package or any portions thereof which exceed the ratio of free Equipment Packages provided as part of a Learning System. For example:

   i. A customer purchases one Equipment Package but no Textbooks or Laboratory Manuals. No royalties are paid.

   ii. A customer purchases one or more Equipment Packages or parts thereof and is given complementary copies of either the Textbook or the Laboratory Manual. This effectively constitutes a sale of a Learning System and therefore royalties are paid based on the number of Textbooks and Laboratory Manuals provided as if they had been purchased at their retail price.

   iii. A customer purchases 25 Textbooks and Laboratory Manuals during a period when the Publisher is promoting free Equipment Packages at a ratio of one per 25 book sets (1 book set = 1 Textbook and 1 Laboratory Manual). The customer receives 1 free Equipment Package and also purchases an additional Equipment

Package. Royalties are paid only on the Net Amount received for the 25 book sets. Royalties are not paid on the sale of the additional Equipment Package.

iv. A customer purchases 25 Textbooks, Laboratory Manuals and Teacher's Guides in year 1. In year 3 the Customer purchases 15 additional Laboratory Manuals and/or Textbooks and/or Teacher's Guides. Royalties are paid on the Net Amount received for the additional purchases.

e. Publisher shall pay to the Author 50% of the Net Amount received by the Publisher from the sale or license of rights in the Program to third parties, including but not limited to foreign language publishers, net of any agents' commissions. Such payment shall be made within 60 days of the Publisher's receipt of revenues from any transaction.

7. Author's Agreement to Review

The Author agrees to review the final Textbook, Laboratory Manual, Teacher's Guide, and all other portions of the Program before publication, for scientific accuracy and effective pedagogy.

8. Multimedia Versions and Other Intellectual Property

a. It is herein acknowledged that the Author creates DVD and multimedia educational materials and that this activity is independent and separate from any work performed for the Publisher and makes no use of the Prior Work or other of the Publisher's intellectual property except as expressly permitted in Section 5 of the "Separation Agreement" between the Author and Delta Education dated April 4, 2002.

b. The Work derives in part from an interactive, multimedia program for teaching physics that is being developed by the Author for his own use, independent of the Publisher. The Author reserves all rights to audio or video recordings, interactive software, animations, graphical representations, electronic devices, experiments, designs, or inventions which he creates excepting only those rights expressly granted herein to the Publisher.

c. The conceptual organization of academic content and pedagogy reflected in the design of the Program shall not be considered the intellectual property of the Publisher.

d. The Author reserves the right to create, manufacture, market, and sell a DVD teacher development program which is specific to the Program and which includes images of the Publisher's equipment and other components of the Program. The DVD program and any associated ancillary materials, user guides, software, simulations, or multimedia recordings of all or any part of the DVD program are hereinafter referred to as the "Multimedia Work."

e. The Author agrees that the Multimedia Work is a new creation that does not use video sequences that are the intellectual property of the Publisher. However, the Multimedia Work may use animation sequences that are similar (but not indentical) to animation sequences the Author designed for the Publisher as part of the Prior Work and thus shall not infringe Publisher's intellectual property rights in the Prior Work.

f. Portions of the Multimedia Work that do not include any of the Prior Work or other of the Publisher's intellectual property may appear in other products created, marketed, and sold by the Author.

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g. The Author retains all rights to the Multimedia Work however, copyrights, trademarks, trademark registrations and applications therefor, logos, trade names, trade dress, and packaging relating to the Program and/or the Work, its ancillaries, CPO Science, Cambridge Physics Outlet, or its affiliates (collectively, "Publisher's Trademarks") are hereby acknowledged to be the exclusive intellectual property of the Publisher to which the Author has no rights under this Agreement except as expressly granted to Publisher in this Agreement or by a separate agreement executed by Publisher. The attribution of any work to Tom Hsu shall not be deemed to be a Publisher's Trademark.

h. The Author grants the following rights to the Publisher.

   (i) The Author grants to the Publisher an irrevocable, royalty-free, perpetual, worldwide, non-exclusive license to use any inventions or equipment that may be designed as integral to the Program, such as new experimental apparatus or modifications to the Publisher's existing experimental apparatus.

   (ii) The Publisher may purchase copies of the Multimedia Work from the Author on terms to be mutually negotiated but not to exceed (a) $350 per copy when purchased by the Publisher in single units, (b) $300 per copy when purchased by the Publisher in quantities of 10 or more.

i. Notwithstanding anything in the foregoing to the contrary, nothing herein shall restrict in any way the Publisher's rights to develop, publish, market, sell, distribute and/or license works that compete with the Multimedia Work.

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9. Copyright

The Publisher may register copyright in the Work (excluding the Prior Work) in the Author's name, and has or may register the copyright in the Prior Work in the Publisher's name.

10. Related Works

During the period beginning with the execution of this Agreement and extending to twelve (12) months past the date of commercial release of the Work by the Publisher, the Author shall not prepare or assist in the preparation of any similar physics curriculum ("Competing Work") by a for-profit entity which competes or may compete with the Publisher. "Competing Work is herein defined as a curriculum similar in scope and intended for publication for grades 6-12. The Multimedia Work shall not be deemed to be a Competing Work

11. Author's Warranty

The Author's warrants that throughout the term of this Agreement:

a. he is the sole author of the Work and revisions to the Work that may be created by or on behalf of Publisher (except for (i) portions of the Prior Work that may be included in the Work; and (ii) portions of the Work or the revisions that may be created by or on behalf of the Publisher).

b. he has not previously granted, assigned, or encumbered, and shall not during the term of this Agreement, grant, assign or encumber any of the rights to the Work granted hereunder and no suit, proceeding or claim is outstanding, pending or threatened, against Author or Author's contributions to the Work or the revisions to the Work by or on behalf of Publisher by any person or entity for infringement, misappropriation or other violation of any copyright, patent, trademark, license, trade secret, right of publicity, other proprietary right of any person or entity

c. all materials contained in the Work and all subsequent revisions thereof (except for (i) portions of the Prior Work that may be included in the Work; and (ii) portions of the Work that may be created by or on behalf of the Publisher) will be original, will contain no material that is libelous or otherwise unlawful, and will not infringe, violate, or invade any copyright, right of privacy, or other proprietary or personal right.

d. Author has the full power and authority to enter into this Agreement without any restrictions imposed by any contract, commitment, duty or undertaking of any kind whatsoever, oral or in writing, by the Author to any third party or otherwise.

12. Credit

Publisher and Author agree that Publisher and/or any of its affiliates shall include Author's name on the Work and where Publisher deems appropriate, in Publisher catalogs, publications, newsletters and promotional and related materials promoting the Work in such manner and locations as Publisher and/or any of its affiliates in its sole discretion may decide. For purposes of this Agreement, Affiliate means any corporation or other business entity which, directly or indirectly, controls, is controlled by or is under common control

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with Publisher. The foregoing notwithstanding, it is contemplated that the Textbook and Laboratory Manual shall be published with the credit "Tom Hsu" or substantially similar identification on the Work and in all promotional materials and that the Program as a whole shall be published with the credit "By Tom Hsu," "Developed by Tom Hsu," or a substantially similar phrase used in connection with the Program and in all promotional materials.

13. Expense Reimbursement

The Publisher shall reimburse the Author for all reasonable out-of-pocket expenses for travel requested or approved by the Publisher in the preparation of the Work provided that receipts for same have been furnished by Author. Such expenses may include, but are not limited to, meals, lodging and transportation.

The Author is responsible for miscellaneous expenses (such as telephone charges, Internet charges, and office expenses) that he may incur in the completion of the Work.

14. Marketing Assistance

a. The Author grants the Publisher the right to use his name in conjunction with the marketing and promotion of the Program.

b. For a period of one year following the date of commercial release of the Work, the Author shall provide marketing assistance to the Publisher at the Publisher's reasonable request and approval, subject to the following conditions:

(i) The Author shall provide a minimum of 100 hours of marketing assistance in the aggregate during 2005 and 2006 at the Publisher's request, including attendance at a minimum of four trade conferences, such as NSTA, ASCD, AAPT, state conferences, or sales meetings designated by the Publisher, the particular conferences or meetings to be mutually agreed upon by Publisher and Author.

(ii) The Author may provide additional marketing assistance, including any additional travel, at his sole discretion.

(iii) The Publisher shall compensate the Author at a minimum rate of $125 per hour or $1,000 per day for any marketing assistance, including travel time for any locations more than two (2) hours driving distance from the Author's residence.

(iv) The Publisher shall reimburse the Author for any travel or other expenses incurred in the course of providing marketing assistance, subject to the terms of Section 13, above.

15. Revisions

a. Revised editions of the Work may be prepared by mutual written agreement of Author and Publisher, on similar terms as provided under this Agreement except that in each such revised edition the fee as set forth in Section 6(a) hereto shall be

i. Equal to an hourly rate specified in section 14.b (iii) for minor revisions but not to exceed a total of $15,000 for minor revisions.

17. Accounting

a. The Publisher shall account for and pay all royalties due the Author annually within 60 days of the close of the calendar year.

b. The Author or other beneficiary of royalties has the right to examine or cause to be examined the Publisher's books of account for the limited purpose of verifying the accuracy any royalty payments to Author; provided, however, that such audit (i) occur no more frequently than once per calendar year, (ii) be conducted during Publisher's normal business hours and only after Author has provided Publisher with reasonable notice of the intent to conduct such audit. If such an audit determines that there has been an underpayment of 5% or more for the period audited, the Publisher shall (i) promptly pay the underpayment; and (ii) pay the reasonable costs of the audit.

18. Indemnification by Author

Author shall, on demand jointly and severally, indemnify, defend and hold Publisher and its affiliates harmless from and against any claims, demands, expenses, obligations or recovery, including reasonable attorneys' fees, arising out of any actual or alleged breach of any of the warranties made by the Author in section 11 herein. The foregoing indemnity shall survive any termination of this Agreement.

19. Termination

The term of the agreement is from the date of execution to the time at which it is terminated either by the Author or the Publisher, or the life of the copyright of the Work (as stated in section 20). Either party may terminate this Agreement at any time for cause. For purposes of this Agreement, cause shall mean the failure of either party to perform any material duty or obligation imposed on the other party by this Agreement. No cause shall be deemed to exist unless the non-breaching party has notified the breaching party in writing with specificity of the action or omission of the breaching party which constitutes cause, and the breaching party has failed to remedy the action or inaction within thirty (30) days following delivery of such notice. Notwithstanding the foregoing, as to material breach, neither party shall be entitled to terminate this Agreement, if during the thirty-day cure period, (i) the breaching party commences commercially reasonable efforts to cure such breach and, using commercially reasonable efforts, pursues such cure with due diligence until completion, not to exceed sixty (60) days.

20. Agreement Binding on Successors in Interest

This Agreement will be binding on the parties hereto, their heirs, executors, administrators, successors, and assigns, and will continue during the life of the copyright of the Work and copyright of all revisions, subject, however, to the provisions herein for the possible earlier termination of this Agreement. The Author may assign any or all of his intellectual property rights and other rights under this Agreement, including the right to receive royalties or other payments, but may not assign his obligations under this Agreement without the Publisher's prior written consent. The Publisher shall be free to assign its rights under this Agreement.

If to Publisher: CPO Science, a division of Delta Education, LLC
80 Northwest Boulevard
Nashua, New Hampshire 03063
Attn: Gary Facente
Facsimile: (603) 579-3501

If to Author: Thomas Hsu
283 Salem St.
Andover MA 01810

Attn: _____
Facsimile: _____

SIGNED:

Delta Education, LLC

6/16/2004
Tom Hsu

August 1, 2007

Lynda Pennell
Executive Vice President, CPO Science
80 Northwest Blvd.
Nashua, NH 03063

Dear Lynda,

I agree to revise the student text and Investigations manual for the grade 8 physical science book we just completed for California, as specified in our previous Publishing Agreement dated January, 2005 (section 15). As we discussed, the revision will meet Georgia standards (Adoption 2007) and meet more of the national market with complete coverage of standards in up to 4 additional states that you may specify to me before we complete the outline. We agreed on the following scope of work and terms.

1. Outline: Develop a new outline for the text and Investigations manual to submit to you on or before August 18, 2006 and to be reviewed and approved by yourself and Scott Eddleman on or before September 30, 2006. After the approval, any changes CPO suggests to the outline are implemented at my discretion, although any changes I wish to make will still require your approval.
2. Main Body of Work: Write and illustrate all new material to be included in the revision. You will provide me with the most recent files as submitted to the printers for the California edition and also for the Physics a First Course program. My illustrations will cover all instructional graphics as found in the body of the text and Investigations books, but excluding design art such as found on the chapter and unit pages, and on the covers. I will assist you in reviewing any design art for technical correctness. Any graphic I create may be improved as to color or design by CPO however, all such revisions are to be reviewed by me to ensure technical correctness prior to their inclusion in the final files for printing.
3. Feedback: CPO will provide me with any feedback, suggestions, and other advice that will help guide the revision and ensure that it meets the needs of teachers in the target states. It is CPO's responsibility to arrange and facilitate any review panels however, I reserve the right to be present and to contribute to such meetings.
4. Time Line: We agree to the following time line which may be changed only by joint agreement between myself and Lynda Pennell. This time line may be further broken down to specific dates for chapters when the outline is approved.

Time Line

- Outline due: Aug 18, 2006
- Outline approved: September 30, 2006
- The outline will identify the names and sequence of completed files. in both the text and the Investigations. Files will be forwarded to Scott Eddleman as specified in the outline for editorial review on as as-finished basis with half the total files submitted before the 50% milestone date and the remaining files submitted before the 100% milestone date.
- Draft of Text 50% complete: October 30, 2006

(Investigations will be sent as they are completed)

- Draft of Text 100% complete: December 15, 2006
- Investigations 100% complete: February 15, 2007
  (Investigations will be sent as they are completed)
- Text edited by commercial editor and CPO Staff- Dec 16, 2006 - Feb. 15th, 2007

- Text returned to Hsu for final editing February 16th
- Investigations returned to Hsu for final editing March 1st, 2007
- All files complete and sent to CPO by March 9th (Final Press Date for text and Investigations)

1. File Management: I will create and maintain all original computer files in a format compatible with CPO's servers in a directory structure provided to me by Scott Eddleman. I will return all revised files in framemaker 6.0 format (for PC/Windows) to Scott Eddleman. Graphic files are to be submitted in 300 dpi, CMYK, EPS format as was done with the California edition.
2. Communication: I will provide weekly updates to Scott Eddleman via email. Files may be sent via email (Framemaker) or CD-ROM (for graphics).
3. Editing and Corrections: The publisher will edit the text using a commercial 6-8th grade editing company of our choice. All edited material will be read by me and also be read by CPO staff and corrections/suggestions sent to me for entering in the actual book files up to Final Press Date. After the Final Press Date corrections may be entered by CPO staff.
4. Final Read Through: The final book files will be sent to me for a final revision as stated in the time line. There will be a final read-through at CPO's offices prior to submission to the printer at which I will be present and will have all original files in case editing is required. Edits made at this time must be also available to CPO staff in hard copy.
5. Compensation: CPO will pay me $5,000 at the end of the following months: September, 2006, October, 2006, November, 2006 and December, 2006. My compensation for this revision (excluding future royalties) will not exceed $20,000. The time period for this compensation is between September 1, 2006 and March 30, 2007. Any agreed upon revisions that require time exceeding the $20,000 compensation cap are to be completed by me at my own expense and on the same time line as agreed. There will be no advance against royalties paid to me for this work.
6. Penalty for Late or Unacceptable Work: All work must meet deadlines set by Publisher and agreed by me as described in this letter. If work is not completed or files are not received by the dates specified on the time lines, the publisher has the right to contract other parties to complete the work and decrease the royalties owed. Any decrease in royalties owed is limited to the percentage of work that was incomplete (or late and not accepted by publisher). For example, if I am late with 10% of the material but on-time with 90% then my royalties may be reduced by a maximum of 10%.
7. Previous Agreement: All other aspects of this work, including royalties owed are governed by previous contracts (still in effect) for the original works as written for California. In accordance with these contracts, I will receive royalties for the National Middle school series revision equal to 5% for the 8th grade book and 1% for the 7th and 6th grade books subject to the terms and conditions set forth in the original contracts.

Thank you for the opportunity to continue to work on such an excellent program.

Yours,

Dr. Thomas C. Hsu

8/1/06

Agreement

This Agreement is made effective the 5th day of December, 2007, by and between Delta Education, LLC, a Delaware limited liability company, d/b/a CPO Science, with a place of business at 80 Northwest Boulevard, Nashua, New Hampshire (hereinafter referred to as the "Publisher") and Dr. Thomas Hsu, an individual residing at 283 Salem Street, Andover, Massachusetts 01810 (hereinafter referred to as "Author").

WHEREAS, Author is the author of the Foundations of Physical Science book series; and

WHEREAS, Publisher desires to have Author edit only the physics portion of the Foundations of Physical Science book series and Author is willing to edit the physics portion of the Foundations of Physical Science book series.

NOW, THEREFORE, in consideration of the warranties, representations, promises and covenants hereinafter set forth, the parties hereto, intending to be legally bound, hereby agree as follows:

1. **Definitions.**

a. "Work" means the Foundations of Physical Science program, including future editions of this program.

b. "Learning System" is a package of products that includes a textbook (hereinafter "Textbook"), an investigations manual (hereinafter "Investigation Manual") and science equipment for a package price.

2. **Author's Responsibilities.** Author agrees to edit the physics portion of the Work in accordance with Exhibit A.

3. **Compensation.**

a. The Publisher shall pay to the Author a royalty of 2% (two percent) of the Net Revenues received by the Publisher from sales of any Textbook or Investigation Manual, or Learning System, except there shall be no royalties paid on Stand Alone Sales of the Equipment Package (defined herein). As used herein, "Net Revenues" means revenues actually collected by Publisher from sales to customers of the Work throughout the world less returns, discounts, checks returned for insufficient funds, refunds, and excluding sales taxes and shipping charges.

b. Royalties shall be paid on all future editions of the Work.

c. Royalties shall be paid by Publisher to Author once per year within 30 (thirty) days of the close of the fiscal accounting period covering the preceding 12 (twelve) month period.

d.. "Stand-alone Sales of the Equipment Package" are defined as sales of the Equipment Package or any portions thereof which exceed the ratio of free Equipment Packages provided as part of a learning system. For example:

set forth in Section 6 herein for the first such edition in which he does not take part, 50% of the royalties set forth in Section 6 herein for the second such edition in which he does not take part, and 25% of the royalties set forth in Section 6 herein for the third and all subsequent editions in which he does not take part.

6. **Warranties and Representations**. Author hereby warrants and represents to Publisher that Author: (i) shall be the sole creator of the revisions it supplies to the Publisher and all rights thereto and arising there from; and (ii) has or will obtain all necessary rights to enable Author to perform its obligations under this Agreement. Author agrees to provide to Publisher documents reasonably sufficient to show that Author has the rights necessary to carry out its obligations under this Agreement. Author agrees to defend and indemnify Publisher for any and all claims arising out of Author's breach of any of the representations and warranties.

7. **Assignment; Binding Effect; Waiver**. Publisher may assign or otherwise transfer its rights under this Agreement without the consent of Author, to the extent reasonably necessary in connection with any corporate merger, acquisition and/or sale of substantially all of Publisher's assets to which the Agreement relates; provided that the assignee agrees to be bound by the terms of the Agreement. Author may not assign this Agreement. This Agreement shall be binding upon and for the benefit of the undersigned parties, their successors and permitted assigns. Failure to enforce any provision of this Agreement shall not constitute a waiver of any term hereof.

8. **Governing Law**. This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Wisconsin. The federal and state courts within the State of Wisconsin shall have exclusive jurisdiction to adjudicate any dispute arising in connection with this Agreement. Each party to this Agreement, by its signature below, consents to jurisdiction of the federal and state courts within the State of Wisconsin regarding any claim or dispute arising in connection with this Agreement.

9. **Entire Agreement**. This document contains the entire agreement between the parties with respect to the subject matter contained herein and supersedes any previous understandings, commitments or agreements, oral or written.

10. **Counterparts**. This Agreement may be executed in counterparts, and each such duly executed counterpart shall be of the same validity, force and effect as the original, all of which counterparts taken together shall constitute but one and the same instrument. For the purpose of this Agreement, signatures to this Agreement transmitted by facsimile transmission, by electronic mail in "portable document format" (".PDF") form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing the original signature.

By: _____ Date: 12/18/07

Delta Education LLC, d/b/a CPO Science

By: _____ Date: 12/12/07

Dr Thomas C Hsu

Exhibit A

Proposed Work Dates: December, 2007- May 1, 2008

Proposed Work: Editing and Writing

Expert Content Editing
Physical Science Chapters from the FPS text book

- Review text material for Science edits
- Made suggestions concerning content and topics
- Review graphics for science correctness
- Make edits in both graphics and text
- Meet with curriculum management concerning ideas and edits
- Submit to publisher graphics and original art form compatible with publisher/s graphic formats

Edit Physical Science Investigations form the FPS investigation manual

- Edit investigations for science contents
- Review graphics/photos for science correctness
- Edit investigations for sequence of steps and procedures
- Meet with curriculum manager concerning ideas and edits
- Submit to publisher graphics and original art form compatible with publisher/s graphic formats

Benchmark Deliverables and dates:

- Physical Science Chapters and Investigations will be sent to Author on the following dates:
  Unit 1- 11/30/07

  Unit 2, 3- 1/11/07

  Unit 7, 8- 3/21/07
- Chapters and Investigations will be returned on the following dates:
  Unit One- 12/14/07

  Unit Two- 1/25/08

  Unit Three- 1/25/08

  Unit Seven- 4/4/08
  Unit Eight- 4/4/08

Agreement

This Agreement is made effective the 5th day of June, 2009, by and between Delta Education, LLC, a Delaware limited liability company, d/b/a CPO Science, with a place of business at 80 Northwest Boulevard, Nashua, New Hampshire (hereinafter referred to as the "Publisher") and Dr. Thomas Hsu, an individual residing at 67 Pine Street, Belmont, Massachusetts 02478 (hereinafter referred to as "Author").

WHEREAS, Author is the author of the Foundations of Physics book series; and

WHEREAS, Publisher desires to have Author to revise the student edition and investigation manual of the Foundations of Physics book series to complete a 2nd edition and Author is willing to revision the student edition and investigation manual of the Foundations of Physics for a 2nd edition printing.

NOW, THEREFORE, in consideration of the warranties, representations, promises and covenants hereinafter set forth, the parties hereto, intending to be legally bound, hereby agree as follows:

1. **Definitions.**

   a. "Work" means the Foundations of Physics 2nd ed. including future editions of this program.

   b. "Learning System" is a package of products that includes a textbook (hereinafter "Textbook"), an investigations manual (hereinafter "Investigation Manual") and science equipment for a package price.

2. **Author's Responsibilities.** Author agrees to revise the Foundations of Physics to complete a 2nd edition of the Work in accordance with Exhibit A.

3. **Compensation.**

   a. The Publisher shall pay to the Author a royalty of 3% (three percent) of the Net Revenues received by the Publisher from sales of any Textbook or Investigation Manual, or Learning System, except there shall be no royalties paid on Stand Alone Sales of the Equipment Package (defined herein). As used herein, "Net Revenues" means revenues actually collected by Publisher from sales to customers of the Work throughout the world less returns, discounts, checks returned for insufficient funds, refunds, and excluding sales taxes and shipping charges.

   b. Royalties shall be paid on all future editions of the Work.

   c. Royalties shall be paid by Publisher to Author once per year within 30 (thirty) days of the close of the fiscal accounting period covering the preceding 12 (twelve) month period.

5. **Revisions.**

a. New editions of the Work may be prepared at Publisher's sole discretion, by mutual written agreement of Author and Publisher, on similar terms as provided under this Agreement.

b. If at any time after the date of commercial release, Publisher provides written notice to Author that it wishes to complete a new edition of the Work and Author is unable or unwilling to do so, or if the Author is deceased, Publisher may have the revision prepared by a third party selected by Publisher (the "Revising Author"). In such event, royalties to the Revising Author may be deducted from royalties due to the Author, provided that the Publisher shall pay the Author (or, if he is deceased, his estate) no less than 75% of the royalties set forth in Section 6 herein for the first such edition in which he does not take part, 50% of the royalties set forth in Section 6 herein for the second such edition in which he does not take part, and 25% of the royalties set forth in Section 6 herein for the third and all subsequent editions in which he does not take part.

6. **Warranties and Representations**. Author hereby warrants and represents to Publisher that Author: (i) shall be the sole creator of the revisions it supplies to the Publisher and all rights thereto and arising there from; and (ii) has or will obtain all necessary rights to enable Author to perform its obligations under this Agreement. Author agrees to provide to Publisher documents reasonably sufficient to show that Author has the rights necessary to carry out its obligations under this Agreement. Author agrees to defend and indemnify Publisher for any and all claims arising out of Author's breach of any of the representations and warranties.

7. **Assignment; Binding Effect; Waiver**. Publisher may assign or otherwise transfer its rights under this Agreement without the consent of Author, to the extent reasonably necessary in connection with any corporate merger, acquisition and/or sale of substantially all of Publisher's assets to which the Agreement relates; provided that the assignee agrees to be bound by the terms of the Agreement. Author may not assign this Agreement. This Agreement shall be binding upon and for the benefit of the undersigned parties, their successors and permitted assigns. Failure to enforce any provision of this Agreement shall not constitute a waiver of any term hereof.

8. **Governing Law**. This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Wisconsin. The federal and state courts within the State of Wisconsin shall have exclusive jurisdiction to adjudicate any dispute arising in connection with this Agreement. Each party to this Agreement, by its signature below, consents to jurisdiction of the federal and state courts within the State of Wisconsin regarding any claim or dispute arising in connection with this Agreement.

9. **Entire Agreement.** This document contains the entire agreement between the parties with respect to the subject matter contained herein and supersedes any previous understandings, commitments or agreements, oral or written.

Exhibit A

Proposed Work Dates: June 1, 2009 - December 31, 2009

Proposed Work: Editing and Writing

Revision and writing
Physics Chapters from the Foundations of Physics text book

- Review and revise student text and rewrite chapters as necessary, including (as a minimum) Chapter 1 and others as needed to meet state academic standards in physics
- Review graphics for science correctness and either recommend corrections
- Meet with curriculum management concerning ideas and edits
- Submit to publisher graphics revisions in a form compatible with publisher/s graphic formats

Edit Investigations form the Foundations of Physics investigation manual

- Review and revise investigations for both science content and use with new equipment - which includes a new data collection device
- Review graphics/photos for science correctness
- Assist with modifications to equipment that may be necessary to accommodate new data collection hardware and possible retooling of ultimate pulleys
- Meet with curriculum manager concerning ideas and edits
- Submit to publisher graphics and original art form compatible with publisher/s graphic formats
- Track corrections on a spread sheet or other listing for Teacher Guide changes

Benchmark Deliverables and dates:

FrameMaker files and associated graphics will be sent to Author on the following dates:

Student Text:	June 15, 2009
Investigation Manual	June 15, 2009

Author will return completed files to Publisher

Student Text	November 15, 2009	
Investigations	December 15, 2009	33% delivered
Investigations	January 30, 2010	100% completed