FAMILY CARE FOUNDATION

DISTRIBUTION AND MANUFACTURING CONTRACT

FAMILY CARE FOUNDATION, a California nonprofit corporation existing under the laws of the state of California (hereinafter referred to for convenience as "LICENSOR"), and 1 TEAM, a non-profit corporation organized and existing under the laws of the state of USA (hereinafter referred to for convenience as "TEAM").

LICENSOR is organized for charitable purposes under the federal Volunteer Services of America, and the federal Volunteer Services of America Foundation, and under the California Benefit Corporation Law for the specific purpose for which this corporation is organized and for the purpose of improving the welfare of the community, especially those who are poor, suffering, or are otherwise disadvantaged. It also calls for investing in today’s children - the leaders of tomorrow - through knowledge and character-building education and guidance for them, their parents and the communities.

LICENSOR enters this agreement in order to further its public benefit purpose.

NOW, THEREFORE, based upon mutual consideration given and hereby acknowledged by the parties, the parties agree as follows:

1. LICENSOR hereby grants to DISTRIBUTOR the license and right to manufacture, distribute and sell copies of the Property (described in detail below) in videocassette tape formats in the Territory (described in detail below) during the Term (described in detail below) and in the languages as defined herein. Additionally, DISTRIBUTOR may, during the six (6) month period following the expiration of the Term (herein defined as the "Sell-Off Period"), continue to distribute and sell all Copies of the Property made prior to the end of the Term in all manners allowed during the Term.

2. PROPERTY - For the purpose of this Video Distribution Agreement, the Property shall include the English-language music documentary entitled "The Final Stand", the five-tape series "Kiddie Viddle" in English and Spanish, and the two-tape series "Fantastic Friends" in English and Spanish. The titles of these series are:

   Kiddie Viddle:
   1. Wear A Great Big Smile
   2. Making Friends
   3. Growing Together
   4. Happy All the Time

   "Fantastic Friends" Series
   1. "Fantastic Friends"
   2. "Fantastic Friends"
   3. "Fantastic Friends"
   4. "Fantastic Friends"
   5. "Fantastic Friends"

   "Kiddie Viddle" Series
   1. "Wear A Great Big Smile"
   2. "Making Friends"
   3. "Growing Together"
   4. "Happy All the Time"

   "Fantastic Friends" Series
   1. "Fantastic Friends"
   2. "Fantastic Friends"
   3. "Fantastic Friends"
   4. "Fantastic Friends"
   5. "Fantastic Friends"

   "Kiddie Viddle" Series
   1. "Wear A Great Big Smile"
   2. "Making Friends"
   3. "Growing Together"
   4. "Happy All the Time"
5. Christmas Joy!

Fantastic Friends:
1. Be A Friend
2. Never Out of Style

3. TERM - The Term of the license granted by this Video Distribution Agreement shall be for an initial term of one (1) year, which Term shall commence on July 1, 1999 and expire at midnight, USA Central Standard Time, on June 30, 2000. This term shall be automatically extended for additional one (1) year periods unless either party has given written notice to the other party cancelled in writing within sixty (60) days prior to expiration of term.

DISTRIBUTOR shall provide the LICENSOR a volume sales report at the end of the first year after the undertaking and signing of this Agreement. If after one year from the time the DISTRIBUTOR undertakes this contract, there has not been a minimum of 2,000 videos sold and distributed in the said Territory, LICENSOR reserves the right to automatically terminate this video distribution agreement, which would then become null and void.

4. TERRITORY - The Territory in which DISTRIBUTOR is granted rights to sell Copies is the USA and Canada (referred to herein as the "Territory").

5. LANGUAGES - DISTRIBUTOR is hereby licensed to manufacture, distribute and sell Copies of the Property in the English, Spanish and/or Spanish and English language. The production, copying, and/or distribution of the Property in any other language is not granted by this Video Distribution Agreement.

6. COPIES - For purposes of this Video Distribution Agreement, the Terms "Copy" and "Copies" mean exact reproductions of the Masters (NTSC VHS and DVDs only, for home use) or duplicate Masters of the Property provided by LICENSOR to DISTRIBUTOR with no additional material contained therein, except DISTRIBUTOR's name, address and phone number at the beginning and/or the end of each Copy.

7. DISTRIBUTOR TO COPY PROPERTY - DISTRIBUTOR is responsible under this Video Distribution Agreement to manufacture Copies.

8. PAYMENT BY DISTRIBUTOR TO LICENSOR FOR COPIES OF PROPERTY - DISTRIBUTOR will pay to LICENSOR a royalty of 20% of the wholesale price for the non-exclusive distribution rights to Final Stand, the Kiddie Viddie series and the Fantastic Friends series in the Territory for a one (1) year Term. This fee does not include the price of the materials supplied by the LICENSOR, nor the shipping thereof.

For all sales generated by LICENSOR's advertising attached to the toll free number (877) 505-5775, and directed to the DISTRIBUTOR for the purpose of fulfillment, DISTRIBUTOR will pay to LICENSOR a royalty of 65% of the retail price of Final Stand,
the Kiddie Viddie series, the Fantastic Friends series and/or other said video products in the Territory for the Term. This fee does not include the price of the materials, nor the shipping thereof, all costs thereof to be borne by the DISTRIBUTOR in this case.

9. MATERIALS SUPPLIED BY LICENSOR:
   a) Masters for each of the episodes that DISTRIBUTOR will use to duplicate ($70 per master).
   b) The graphic works for the 4-color printed cardboard sleeve for each videocassette and the graphic works of two (2) labels on each individual cassette—face and spine.
   c) The songbooks for each of the video cassettes.

The cumulative price for items supplied for each video is $70. The cost of the shipping of above materials will be borne by the DISTRIBUTOR. All available materials for the Final Stand and the Kiddie Viddie and Fantastic Friends series at the time of the signing of this Agreement will be provided within thirty (30) days, and any new episodes in the series, plus the accompanying material, will follow as they are available in English and/or in Spanish.

10. SHIPPING METHOD - Any and all the expenses and charges incurred in forwarding, packaging, insurance, and shipping, etc., thereon, with respect to the delivery of material shall be solely borne by the DISTRIBUTOR. Shipping method shall be airfreight collect to the DISTRIBUTOR at the address designated by the DISTRIBUTOR in this contract.

11. RIGHTS HELD BY LICENSOR - LICENSOR warrants to DISTRIBUTOR that the following rights in the Property have been secured: All rights necessary for DISTRIBUTOR to lawfully distribute and sell the Property in the Territory, including ownership rights, copyrights and publishing rights of all music, lyrics, and visual material of the Property.

12. LICENSOR'S RIGHT TO SELL PROPERTY - Any sale by LICENSOR of its rights in the Property during the Term of this Video Distribution Agreement shall be subject to the rights granted to DISTRIBUTOR by this Video Distribution Agreement.

13. DISTRIBUTOR'S RIGHTS TO SELL PROPERTY - DISTRIBUTOR shall have the non-exclusive right to sell Copies in the Territory in the English & Spanish languages, for the duration of the Term, or, if applicable, the one (1) year extensions following the expiration of the Term of this Video Distribution Agreement and during the Sell-Off Period. DISTRIBUTOR may broadcast excerpts of the Property in advertisements on radio and/or television (2 minutes maximum, for the purpose of promoting the video). DISTRIBUTOR may edit the trailers provided by LICENSOR in order to produce shorter audio and/or video clips for use in advertisements to be broadcast on radio and/or television.

14. DISTRIBUTOR'S OBLIGATION TO HONOR COPYRIGHTS AND
TRADEMARKS HELD BY LICENSOR - DISTRIBUTOR will credit Aurora AG as the Copyright holder by displaying the Production company's English trademark on any and all video jackets, songbooks, promotional material, advertising, etc., of the Property. In all agreements solicited by DISTRIBUTOR, provision will be made for the mention of the name and web site of the LICENSOR on the box cover or sleeve of the video or package (i.e., "A Project of Family Care Foundation, www.familycare.org"). In all agreements solicited by DISTRIBUTOR, provision will be made for non-commercial sales of the Property by projects operating under the umbrella of Family Care Foundation, or by members of the fellowship of independent missionary communities known as The Family.

15. LICENSOR RETAINS RIGHT TO GRANT NON-COMMERCIAL DISTRIBUTION RIGHTS - LICENSOR retains the right to grant non-commercial distribution rights to projects operating under the umbrella of Family Care Foundation or by members of the fellowship of independent missionary communities known as The Family.

16. MARKETING, DISTRIBUTION, AND ADVERTISING COST BORNE BY DISTRIBUTOR - All marketing, distribution, and advertising costs incurred by DISTRIBUTOR shall be borne by DISTRIBUTOR at its sole risk and expense. The cost of returns of Copies of Product to DISTRIBUTOR by its retailer customers shall be at the expense of DISTRIBUTOR.

17. LICENSOR'S RIGHT TO AUDIT - LICENSOR shall have the right to inspect and audit all invoices, vouchers, journal entries, records of accounts receivable, records of accounts payable, freight bills, bills of lading, and other records pertaining to any sales by DISTRIBUTOR of Copies. This right to inspect and audit may be exercised by LICENSOR giving notice to DISTRIBUTOR at least ten (10) days before each date that LICENSOR wishes to conduct an inspection and/or audit, providing that such notice shall not be given more than once every three months. The records of DISTRIBUTOR shall be made available to LICENSOR for its inspection and audit during regular business hours at one or more physical locations designated by DISTRIBUTOR. LICENSOR may designate, in its sole discretion, any accountant, attorney, or other person or persons to conduct each such inspection and audit on its behalf at its own expense.

18. LICENSOR'S DUTY TO REPLACE DEFECTIVE MASTERS - Within 30 days of receiving the (1) written notification from DISTRIBUTOR that Masters are defective, and (2) the returned defective Masters, LICENSOR shall replace the returned Masters and deliver the replaced Masters to DISTRIBUTOR, at LICENSOR's expense.

19. INDEMNIFICATION BY LICENSOR - LICENSOR agrees to INDEMNIFY, SAVE AND HOLD HARMLESS, DISTRIBUTOR and its respective successors, licensees, assigns, directors, shareholders, officers, employees, agents, attorneys and other representatives from and against any and all liability, loss, damage, cost and expense (including reasonable attorney's fees) arising out of or relating to any breach or purported breach by LICENSOR of
any representation, warranty or covenant contained herein or from the use by DISTRIBUTOR of any rights granted hereunder.

20. INDEMNIFICATION BY DISTRIBUTOR - DISTRIBUTOR agrees to INDEMNIFY, SAVE AND HOLD HARMLESS, LICENSOR and its respective successors, licensees, assigns, directors, shareholders, officers, employees, members, agents, attorneys and other representatives from and against any and all liability, loss, damage, cost and expense (including reasonable attorney's fees) arising out of or relating to any use by DISTRIBUTOR of the Copies which exceeds the rights granted or purported to be granted to DISTRIBUTOR hereunder.

21. TERMINATION OF AGREEMENT BY LICENSOR - LICENSOR reserves the right to cancel this Video Distribution Agreement, should DISTRIBUTOR (or any of its representatives) violate any of the material Terms or conditions agreed upon in this Video Distribution Agreement. LICENSOR also reserves the right to seek appropriate compensation due to any violations of this Agreement by DISTRIBUTOR or its representatives. Should LICENSOR cancel this Video Distribution Agreement in accordance with this Paragraph, then the sell-off period does not apply.

22. TERMS OF PAYMENT - Payment by DISTRIBUTOR to LICENSOR shall be made in accordance with this Paragraph. LICENSOR may, upon ten (10) days written notice, change the bank account to which DISTRIBUTOR is to make payment. Until contrary notice is given accordance with this paragraph, DISTRIBUTOR shall pay LICENSOR by transfer of funds in United States Dollars to the following bank account in the United States of America:

Account name: Family Care Foundation
Bank name: Bank of America
Bank branch: Lincoln-Tustin Branch
Bank Address 1: 2680 North Tustin Avenue
Bank Address 2: Orange, California 92865
Account No.: 09674 06204
Routing number: 121000358

DISTRIBUTOR shall make payment to LICENSOR quarterly, based on the following calendar dates of each year: March 31, June 30, September 30 and December 31. This will continue for the period of the Term, or, if applicable, the one (1) year extensions following the expiration of the Term, and the sell-off period.

23. APPROVAL OF ARTWORK BY LICENSOR - Any new jacket designs and artwork, etc., pertaining to the packaging of the Property shall be prepared by DISTRIBUTOR at DISTRIBUTOR's cost, subject to the approval of the LICENSOR or his designated representative, which shall not be unreasonably withheld. DISTRIBUTOR shall apply for LICENSOR's approval by fax. LICENSOR shall advise DISTRIBUTOR of its approval or
disapproval of such written, graphic, audio and/or video packaging material within six (6) business days of receipt of the material by LICENSOR.

24. APPROVAL OF ADVERTISING BY LICENSOR - All written, graphic, audio and/or video promotional or advertising material (including promotional footage, trailers, or any address listings, etc.) prepared by DISTRIBUTOR for promotion or advertising of the Copies shall require the approval of LICENSOR or his designated representative, which approval shall not be unreasonably withheld. DISTRIBUTOR shall apply for LICENSOR's approval by fax. LICENSOR shall advise DISTRIBUTOR of its approval or disapproval of such written, graphic, audio and/or video promotional or advertising material within six (6) business days of receipt of the material by LICENSOR.

25. APPROVAL OF CHANGES AND ADDITIONS TO PROPERTY - Any and all changes, edits, alterations, derivations or additions to the audio/video footage of the Property is subject to LICENSOR's approval, which shall not be unreasonably withheld. DISTRIBUTOR shall apply for LICENSOR's approval by fax. LICENSOR shall advise DISTRIBUTOR of its approval or disapproval of such changes, edits, alterations, derivations or additions to the audio/video footage of the Property within six (6) business days of receipt of the material by LICENSOR.

26. OTHER USES NOT INCLUDED - Any other usage of the music and/or lyrics of the Property (other than brief excerpts used in radio or television advertisements as described herein) must be negotiated separately with LICENSOR, and the royalty or commission fee must be confirmed in writing by one of the legal representatives of LICENSOR. Such other uses include, but are not limited to, any production and distribution of audio cassettes tapes or compact audio discs, production of toys, games or other consumer goods related to the Property, or publication of any written materials that utilize or depict any character or person whose image is contained in the Property.

27. NOTICES AND COMMUNICATIONS IN ENGLISH - All notices or communications between LICENSOR and DISTRIBUTOR under this Video Distribution Agreement shall be in the English language.

28. NOTICES - Any notice, communication, or delivery of a document or tangible item required or permitted under the Terms of this Video Distribution Agreement shall be delivered to the following addresses or FAX numbers:

(a) If directed to LICENSOR by mail or physical delivery -

Family Care Foundation
PO Box 6070
Orange, California 92863-6070 U.S.A.
(b) If directed to LICENSOR by FAX -

VIA FAX (909) 693-2344

(c) If directed to DISTRIBUTOR by mail or physical delivery -

Teaching, Education and More (TEAM)
1527 S. Nursery Rd.
Irving, Texas 75060

(d) If directed to DISTRIBUTOR by FAX -

VIA FAX (972) 871-8898

29. NO JOINT VENTURE OR PARTNERSHIP - LICENSOR and DISTRIBUTOR have not entered into a joint venture or partnership, and nothing contained in this Video Distribution Agreement shall be construed to create a partnership or joint venture between LICENSOR and DISTRIBUTOR.

30. ASSIGNMENT BY LICENSOR - LICENSOR may assign its rights under this Video Distribution Agreement or any of the respective rights, licenses or privileges hereunder to any person, firm, corporation, or other entity that is financially responsible and technically capable of performing the obligations of LICENSOR hereunder.

31. CALIFORNIA LAW APPLIES - This Video Distribution Agreement shall be governed and construed by the laws of the State of California, U.S.A., for contracts made and to be wholly performed therein.

32. RESOLUTIONS OF DISPUTES - Any dispute shall be submitted to binding arbitration under the rules of the American Arbitration Association in Los Angeles, California, by a single arbitrator whose decision shall be final and enforceable in a court of competent jurisdiction. All reasonable legal fees and expenses shall be paid by the losing party.

33. ENTIRE AGREEMENT - This Agreement contains the entire agreement between the parties with respect to the subject matter hereof, and supersedes and replaces all prior oral or written understandings with respect to the subject matter hereof. No provision of this Agreement may be waived or amended, except by a written instrument signed by both LICENSOR and DISTRIBUTOR.
34. **WAIVER** - No term or condition of the Agreement or the breach thereof shall be deemed waived, except by written consent of the party against whom the waiver is claimed and any waiver of any condition or breach shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, Term, or condition.

IN WITNESS WHEREOF, the parties have signed and agreed to this Video Distribution Agreement this, the 17th day of June 1999.

**LICENSOR:**

Family Care Foundation

By [Signature]

Grant Montgomery, Programs Director

**DISTRIBUTOR:**

Teaching, Education and More

By [Signature]

William Moore, Secretary-Treasurer
RECITALS

Licensor is organized for charitable purposes under the California Nonprofit Public Benefit Corporation Law and under the federal Internal Revenue Code Section 501(c)(3). The specific purpose for which this corporation is organized is to implement a two-fold plan for the betterment of the community, especially those who are poor, suffering, or are otherwise disadvantaged. It also calls for investing in today's children - the leaders of tomorrow - through knowledge and character-building education and guidance for them, their parents and the communities.

Licensor enters this agreement in order to further its public benefit purpose.

NOW, THEREFORE, based upon mutual consideration given and hereby acknowledged by the parties, the parties agree as follows:

1. LICENSOR hereby grants to DISTRIBUTOR the license and right to manufacture, distribute and sell copies of the Property (described in detail below) in videocassette tape formats in the Territory (described in detail below) during the Term (described in detail below) and in the languages as defined herein. Additionally, DISTRIBUTOR may, during the six (6) month period following the expiration of the Term (herein defined as the "Sell-Off Period"), continue to distribute and sell all Copies of the Property made prior to the end of the Term in all manners allowed during the Term.

2. PROPERTY - For the purpose of this Video Distribution Agreement, the Property shall include the complete works in the Treasure Attic series in English and Spanish. The 29 titles of Treasure Attic are enumerated below (in English):

   Let's Have Fun!
   Christmas Friends
   Little Creatures!
   Fun on the Farm!
   A Smiling Face
   We Can Get Along
3. TERM - The Term of the license granted by this Video Distribution Agreement shall be for an initial term of one (1) year, which Term shall commence on July 1, 1999 and expire at midnight, USA Central Standard Time, on June 30, 2000. This term shall be automatically extended for additional one (1) year periods unless either party has given written notice to the other party cancelled in writing within sixty (60) days prior to expiration of term.

DISTRIBUTOR shall provide the LICENSOR a volume sales report at the end of the first year after the undertaking and signing of this Agreement. If after one year from the time the DISTRIBUTOR undertakes this contract, there has not been a minimum of 2,000 videos sold and distributed in the said Territory, LICENSOR reserves the right to automatically terminate this video distribution agreement, which would then become null and void.

4. TERRITORY - The Territory in which DISTRIBUTOR is granted rights to sell Copies is the USA and Canada (referred to herein as the "Territory").

5. LANGUAGES - DISTRIBUTOR is hereby licensed to manufacture, distribute and sell Copies of the Property in the English, Spanish and/or Spanish and English language. The production, copying, and/or distribution of the Property in any other language is not granted by this Video Distribution Agreement.
6. COPIES - For purposes of this Video Distribution Agreement, the Terms "Copy" and "Copies" mean exact reproductions of the Masters (NTSC VHS and DVDs only, for home use) or duplicate Masters of the Property provided by LICENSOR to DISTRIBUTOR with no additional material contained therein, except DISTRIBUTOR's name, address and phone number at the beginning and/or the end of each Copy.

7. DISTRIBUTOR TO COPY PROPERTY - DISTRIBUTOR is responsible under this Video Distribution Agreement to manufacture Copies.

8. PAYMENT BY DISTRIBUTOR TO LICENSOR FOR COPIES OF PROPERTY - DISTRIBUTOR will pay to LICENSOR a royalty of 20% of the wholesale price for the non-exclusive distribution rights to the Treasure Attic series in the Territory for a one (1) year Term. This fee does not include the price of the materials supplied by the LICENSOR, nor the shipping thereof.

For all sales generated by LICENSOR's advertising attached to the toll free number (877) 505-5775, and directed to the DISTRIBUTOR for the purpose of fulfillment, DISTRIBUTOR will pay to LICENSOR a royalty of 65% of the retail price of the Treasure Attic series in the Territory for the Term. This fee does not include the price of the materials, nor the shipping thereof, all costs thereof to be borne by the DISTRIBUTOR in this case.

9. MATERIALS SUPPLIED BY LICENSOR -

a) Masters for each of the episodes that DISTRIBUTOR will use to duplicate ($70 per master).

b) The graphic works for the 4-color printed cardboard sleeve for each videocassette and the graphic works of two (2) labels on each individual cassette—face and spine.

c) The songbooks for each of the video cassettes.

The cumulative price for items supplied for each video is $70. The cost of the shipping of above materials will be borne by the DISTRIBUTOR. All available materials for the Treasure Attic series at the time of the signing of this Agreement will be provided within thirty (30) days, and any new episodes in the series, plus the accompanying material, will follow as they are available in English and/or in Spanish.

10. SHIPPING METHOD - Any and all the expenses and charges incurred in forwarding, packaging, insurance, and shipping, etc., thereon, with respect to the delivery of material shall be solely borne by the DISTRIBUTOR. Shipping method shall be airfreight collect to the DISTRIBUTOR at the address designated by the DISTRIBUTOR in this contract.

11. RIGHTS HELD BY LICENSOR - LICENSOR warrants to DISTRIBUTOR that the following rights in the Property have been secured: All rights necessary for DISTRIBUTOR
to lawfully distribute and sell the Property in the Territory, including ownership rights, copyrights and publishing rights of all music, lyrics, and visual material of the Property.

12. LICENSOR'S RIGHT TO SELL PROPERTY - Any sale by LICENSOR of its rights in the Property during the Term of this Video Distribution Agreement shall be subject to the rights granted to DISTRIBUTOR by this Video Distribution Agreement.

13. DISTRIBUTOR'S RIGHTS TO SELL PROPERTY - DISTRIBUTOR shall have the non-exclusive right to sell Copies in the Territory (1) in the English and Spanish languages for the duration of the Term, and if applicable, the one (1) year extensions following the expiration of the Term, of this Video Distribution Agreement and during the Sell-Off Period. DISTRIBUTOR may broadcast excerpts of the Property in advertisements on radio and/or television (2 minutes maximum, for the purpose of promoting the videos). DISTRIBUTOR may edit the trailers provided by LICENSOR in order to produce shorter audio and/or video clips for use in advertisements to be broadcast on radio and/or television.

14. DISTRIBUTOR'S OBLIGATION TO HONOR COPYRIGHTS AND TRADEMARKS HELD BY LICENSOR - DISTRIBUTOR will credit Aurora AG as the Copyright holder by displaying the Production company's English trademark on any and all video jackets, songbooks, promotional material, advertising, etc., of the Property. In all agreements solicited by DISTRIBUTOR, provision will be made for the mention of the name and web site of the LICENSOR on the box cover or sleeve of the video or package (i.e., "A Project of Family Care Foundation, www.familycare.org"). In all agreements solicited by DISTRIBUTOR, provision will be made for non-commercial sales of the Property by projects operating under the umbrella of Family Care Foundation, or by members of the fellowship of independent missionary communities known as The Family.

15. LICENSOR RETAINS RIGHT TO GRANT NON-COMMERCIAL DISTRIBUTION RIGHTS - LICENSOR retains the right to grant non-commercial distribution rights to projects operating under the umbrella of Family Care Foundation or by members of the fellowship of independent missionary communities known as The Family.

16. MARKETING, DISTRIBUTION, AND ADVERTISING COST BORNE BY DISTRIBUTOR - All marketing, distribution, and advertising costs incurred by DISTRIBUTOR shall be borne by DISTRIBUTOR at its sole risk and expense. The cost of returns of Copies of Product to DISTRIBUTOR by its retailer customers shall be at the expense of DISTRIBUTOR.

17. LICENSOR'S RIGHT TO AUDIT - LICENSOR shall have the right to inspect and audit all invoices, vouchers, journal entries, records of accounts receivable, records of accounts payable, freight bills, bills of lading, and other records pertaining to any sales by DISTRIBUTOR of Copies. This right to inspect and audit may be exercised by LICENSOR giving notice to DISTRIBUTOR at least ten (10) days before each date that LICENSOR
wishes to conduct an inspection and/or audit, providing that such notice shall not be given more than once every three months. The records of DISTRIBUTOR shall be made available to LICENSOR for its inspection and audit during regular business hours at one or more physical locations designated by DISTRIBUTOR. LICENSOR may designate, in its sole discretion, any accountant, attorney, or other person or persons to conduct each such inspection and audit on its behalf at its own expense.

18. LICENSOR’S DUTY TO REPLACE DEFECTIVE MASTERS - Within 30 days of receiving the (1) written notification from DISTRIBUTOR that Masters are defective, and (2) the returned defective Masters, LICENSOR shall replace the returned Masters and deliver the replaced Masters to DISTRIBUTOR, at LICENSOR’s expense.

19. INDEMNIFICATION BY LICENSOR - LICENSOR agrees to INDEMNIFY, SAVE AND HOLD HARMLESS, DISTRIBUTOR and its respective successors, licensees, assigns, directors, shareholders, officers, employees, agents, attorneys and other representatives from and against any and all liability, loss, damage, cost and expense (including reasonable attorney’s fees) arising out of or relating to any breach or purported breach by LICENSOR of any representation, warranty or covenant contained herein or from the use by DISTRIBUTOR of any rights granted hereunder.

20. INDEMNIFICATION BY DISTRIBUTOR - DISTRIBUTOR agrees to INDEMNIFY, SAVE AND HOLD HARMLESS, LICENSOR and its respective successors, licensees, assigns, directors, shareholders, officers, employees, members, agents, attorneys and other representatives from and against any and all liability, loss, damage, cost and expense (including reasonable attorney’s fees) arising out of or relating to any use by DISTRIBUTOR of the Copies which exceeds the rights granted or purported to be granted to DISTRIBUTOR hereunder.

21. TERMINATION OF AGREEMENT BY LICENSOR - LICENSOR reserves the right to cancel this Video Distribution Agreement, should DISTRIBUTOR (or any of its representatives) violate any of the material Terms or conditions agreed upon in this Video Distribution Agreement. LICENSOR also reserves the right to seek appropriate compensation due to any violations of this Agreement by DISTRIBUTOR or its representatives. Should LICENSOR cancel this Video Distribution Agreement in accordance with this Paragraph, then the sell-off period does not apply.

22. TERMS OF PAYMENT - Payment by DISTRIBUTOR to LICENSOR shall be made in accordance with this Paragraph. LICENSOR may, upon ten (10) days written notice, change the bank account to which DISTRIBUTOR is to make payment. Until contrary notice is given accordance with this paragraph, DISTRIBUTOR shall pay LICENSOR by transfer of funds in United States Dollars to the following bank account in the United States of America:

Account name: Family Care Foundation
DISTRIBUTOR shall make payment to LICENSOR quarterly, based on the following calendar dates of each year: March 31, June 30, September 30 and December 31. This will continue for the period of the Term, or, if applicable, the one (1) year extensions following the expiration of the Term, and the sell-off period.

23. APPROVAL OF ARTWORK BY LICENSOR - Any new jacket designs and artwork, etc., pertaining to the packaging of the Property shall be prepared by DISTRIBUTOR at DISTRIBUTOR's cost, subject to the approval of the LICENSOR or his designated representative, which shall not be unreasonably withheld. DISTRIBUTOR shall apply for LICENSOR's approval by fax. LICENSOR shall advise DISTRIBUTOR of its approval or disapproval of such written, graphic, audio and/or video packaging material within six (6) business days of receipt of the material by LICENSOR.

24. APPROVAL OF ADVERTISING BY LICENSOR - All written, graphic, audio and/or video promotional or advertising material (including promotional footage, trailers, or any address listings, etc.) prepared by DISTRIBUTOR for promotion or advertising of the Copies shall require the approval of LICENSOR or his designated representative, which approval shall not be unreasonably withheld. DISTRIBUTOR shall apply for LICENSOR's approval by fax. LICENSOR shall advise DISTRIBUTOR of its approval or disapproval of such written, graphic, audio and/or video promotional or advertising material within six (6) business days of receipt of the material by LICENSOR.

25. APPROVAL OF CHANGES AND ADDITIONS TO PROPERTY - Any and all changes, edits, alterations, derivations or additions to the audio/video footage of the Property is subject to LICENSOR's approval, which shall not be unreasonably withheld. DISTRIBUTOR shall apply for LICENSOR's approval by fax. LICENSOR shall advise DISTRIBUTOR of its approval or disapproval of such changes, edits, alterations, derivations or additions to the audio/video footage of the Property within six (6) business days of receipt of the material by LICENSOR.

26. OTHER USES NOT INCLUDED - Any other usage of the music and/or lyrics of the Property (other than brief excerpts used in radio or television advertisements as described herein) must be negotiated separately with LICENSOR, and the royalty or commission fee must be confirmed in writing by one of the legal representatives of LICENSOR. Such other uses include, but are not limited to, any production and distribution of audio cassettes tapes or compact audio discs, production of toys, games or other consumer goods related to the
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Family Care Foundation/Teaching, Education and More
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Property, or publication of any written materials that utilize or depict any character or person whose image is contained in the Property.

27. **NOTICES AND COMMUNICATIONS IN ENGLISH** - All notices or communications between LICENSOR and DISTRIBUTOR under this Video Distribution Agreement shall be in the English language.

28. **NOTICES** - Any notice, communication, or delivery of a document or tangible item required or permitted under the Terms of this Video Distribution Agreement shall be delivered to the following addresses or FAX numbers:

(a) If directed to LICENSOR by mail or physical delivery -

Family Care Foundation
PO Box 6070
Orange, California 92863-6070 U.S.A.

(b) If directed to LICENSOR by FAX -

VIA FAX (909) 693-2344

(c) If directed to DISTRIBUTOR by mail or physical delivery -

Teaching, Education and More (TEAM)
1527 S. Nursery Rd.
Irving, Texas 75060

(d) If directed to DISTRIBUTOR by FAX -

VIA FAX (972) 871-8898

29. **NO JOINT VENTURE OR PARTNERSHIP** - LICENSOR and DISTRIBUTOR have not entered into a joint venture or partnership, and nothing contained in this Video Distribution Agreement shall be construed to create a partnership or joint venture between LICENSOR and DISTRIBUTOR.

30. **ASSIGNMENT BY LICENSOR** - LICENSOR may assign its rights under this Video Distribution Agreement or any of the respective rights, licenses or privileges hereunder to any person, firm, corporation, or other entity that is financially responsible and technically capable of performing the obligations of LICENSOR hereunder.

31. **CALIFORNIA LAW APPLIES** - This Video Distribution Agreement shall be
32. RESOLUTIONS OF DISPUTES - Any dispute shall be submitted to binding arbitration under the rules of the American Arbitration Association in Los Angeles, California, by a single arbitrator whose decision shall be final and enforceable in a court of competent jurisdiction. All reasonable legal fees and expenses shall be paid by the losing party.

33. ENTIRE AGREEMENT - This Agreement contains the entire agreement between the parties with respect to the subject matter hereof, and supersedes and replaces all prior oral or written understandings with respect to the subject matter hereof. No provision of this Agreement may be waived or amended, except by a written instrument signed by both LICENSOR and DISTRIBUTOR.

34. WAIVER - No Term or condition of the Agreement or the breach thereof shall be deemed waived, except by written consent of the party against whom the waiver is claimed and any waiver of any condition or breach shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, Term, or condition.

IN WITNESS HEREOF, the parties have signed and agreed to this Video Distribution Agreement this, the 17th day of June 1999.

LICENSOR:

Family Care Foundation

By Grant Montgomery, Programs Director

DISTRIBUTOR:

Teaching, Education and More

By William Moore, Secretary-Treasurer