

VIDEO POOL INC.
300-100 Arthur Street, Winnipeg,
Manitoba, Canada, R3B 1H3
Telephone: (204) 949-9134

NON-EXCLUSIVE DISTRIBUTION AGREEMENT

The following represents a mutual Agreement between the parties (the "Parties"), Video Pool Inc. ("the Distributor") and _____ ("the Grantor"), who agree together as follows:

1. The Grantor grants to the Distributor and its agents the non-exclusive right to sell, lease, rent, license for telecast, exhibit and distribute the video/audio/computer-integrated work(s) listed in Schedule "A" of this Agreement, hereinafter called "the Production", in the formats, territories and markets listed in Schedule "A".
2. The duration of this Agreement is indefinite, commencing on _____ .
3. The Production shall remain in the Distributor's Library for five years from the date this Agreement is executed.
4. The Grantor warrants and represents:
 - (a) that the Grantor owns or controls full and complete title to the Production;
 - (b) that the Grantor has the full right, power and authority to enter into and perform this Agreement;
 - (c) that the Production does not defame any person or persons; and
 - (d) that the Grantor has not granted any rights to a third party which conflict in any way with the rights granted to the Distributor in this Agreement. In this regard, the Grantor agrees to indemnify and hold the Distributor, its officers, directors, and agents, together with all licensees hereunder, harmless from all claims damages, liabilities and expenses arising out of any licensing or exhibition of the Production.
5. The Grantor shall provide the Distributor with:
 - (a) Beta SP (NTSC) submaster videocassette(s) of the Production in good quality for use in its reproduction for preview and rental;
 - (b) full Production credits, artist statement on Production, biographical statement, curriculum vitae, black and white photograph of the Grantor and other promotional materials and literature to assist in the promotion of the Production;
 - (c) a complete list of videotape works produced by the Grantor, their screening history, and name of Distributors;
 - (d) complete records of all television submissions and licensing arrangement of the Production.
 - (e) the current address and telephone number of the Grantor, and the Grantor shall notify the Distributor of any subsequent changes of address. Grantor royalty statements and cheques that are not deliverable for twelve months after the date of first attempted delivery shall become the property of the Distributor, unless the Grantor contacts the Distributor within twelve months and makes other arrangements for their delivery.
 - (f) other (specify)

The Grantor agrees to supply the Distributor with one BetaSP (NTSC) or miniDV (NTSC) video tape submaster for the purposes of duplicating sales copies of the Production. When the Distributor receives an order for a sale copy, rental copy, or compilation copy on VHS 1/2 inch or DVD (NTSC), the Distributor may make copies as required to fill the order at its own duplicating facilities. All video submasters by the Grantor remain the sole property of the Grantor.

6. In consideration of rights granted, the Distributor shall pay royalties ("Royalties") to the Grantor equal to the total income received by the Distributor resulting from the exercise of those rights subtract the commission fees and expenses incurred by the Distributor. The deduction for commission fees and expenses is defined in the subsections below and shall be deducted in the order in which they are listed. Expenses shall be valued at the full, direct cost to the Distributor for the item. The following fees are cumulative. In no event shall Grantor receive less than seventy (70%) percent of total, except as provided in paragraph 8 herein.

- (a) a commission fee to the Distributor equal to thirty (30%) of the net income resulting from theatrical exhibition of the Production or,
- (b) a commission fee to the Distributor equal to thirty (30%) of the net income resulting from non-theatrical sales, rentals and licensing of the Production or,
- (c) a commission fee to the Distributor equal to thirty (30%) of gross income resulting from Standard and Non-Standard Television and Home Video Licensing Agreements for the Production or,
- (d) all custom duties, imports and like charges imposed or levied by any level of government or taxing authority upon the entry, distribution, licensing or exhibition of the Production or the receipt therefrom, and any other taxes except income taxes; and
- (e) festival entry fees for the Production paid by the Distributor, including those incurred in advance of the execution of this Agreement but which are in relation to the Production and which were incurred at the written request of the Grantor.

7. The Distributor shall make reasonable efforts to request licensees of the Distributor to assume or incur some or all of the expenses referred to in subsection 6(d).

8. If the total income from the Production is insufficient to reimburse the Distributor for having incurred festival entry fees in accordance with subsection 6(e) within ninety (90) days of their payment by the Distributor, the Grantor shall reimburse the Distributor for the fees no later than the end of the said 90-day period provided written request of Grantor was first issued.

9. The Distributor shall be wholly liable for the payment of the following expenses of the Distributor, which expenses accordingly shall not be deducted from Royalties:

- (a) shipping and insurance;
- (b) promotional materials initiated by the Distributor;
- (c) catalogue listing;
- (d) accounting and invoicing;
- (e) promotional sales trips initiated by the Distributor or its designated representative(s);
- (f) black and white photographs and prints of the Production;
- (g) library, exhibition, sale, and festival dubs of the Production;
- (h) all costs shall be incurred by the Distributor for trailers, videocassettes or videotapes and all duplication costs for preview;
- (i) free promotional viewings at the premises of the Distributor; and
- (j) updating a Grantor's file, which may consist of: promotional materials; a description of the Production; reviews, essays, articles and other writings about the Production and the Grantor; and a schedule of screenings of the Production.

10. The Distributor shall make reasonable efforts to place the Production in three national and/or international festivals or similar events, and to notify the Grantor of such festivals and events. The Grantor may request the Distributor to represent her/him/it in entering and taking part in these festivals and events, and the Distributor shall be liable for expenses resulting from submissions to, and exhibition of, the Production, except for entry fees.

11. The Grantor shall pay to the Distributor a reasonable administration fee for entry to festivals beyond the three contractual festivals referred to in section 10, but the Distributor shall consult with the Grantor, and receive written consent from Grantor to that exact fee, before charging such an administration fee.

12. All cash awards from festivals shall be paid in full to the Grantor.

13. The Distributor shall make reasonable efforts to distribute and promote the Production.

14. The Grantor may, with permission of the Distributor, establish minimum price guidelines or specific requirements for licensing agreements, which shall be set forth on "Schedule A". Otherwise, the Distributor may enter into any licensing arrangement which is reasonable in view of prevailing market conditions.

15. The Distributor shall not cause or knowingly permit the Production to be re-edited, recast, transformed or adapted in any manner whatsoever except the Distributor may produce an excerpt of no more than two (2) minutes for use in promoting the Production. However, the Distributor shall not be liable to the Grantor for any such act which is inadvertent, unintentional or occurs for reasons beyond the Distributor's control. Notwithstanding the prohibitions in this section, the Distributor shall have the right to add a distribution credit, logotype, or copyright warning to any preview print(s) or videocassette(s) of a Production.

16. The Distributor agrees to keep a full, true and accurate set of books of accounts and records, and a Grantor's file during the term of this Agreement and for a period of one (1) year afterwards. These documents shall be available and subject to inspection by the Grantor at the office of the Distributor during normal business hours upon five (5) days notice. The Grantor may make copies and extracts of the documents at the Grantor's expense. Grantors located outside of the city of Winnipeg may request that copies of documents be forwarded to their residence or place of business outside of the city and the Distributor shall provide them through normal postal service within one month of receiving the request.

17. The Distributor shall provide to the Grantor an itemised statement of account and, where income earned from the Production is sufficient, a cheque for royalties, no later than thirty (30) days after March 15, June 15, September 15, and December 15 of each year. The statements of account shall show the name of the client, gross income for each transaction relating to the Production, the amount of commission deducted by the Distributor, and provide verification of any other deductions made .

18. The Distributor may submit the Production to provincial classification authorities unless specifically requested not to by the Grantor in writing.

19. An invalid provision of this Agreement shall not invalidate the whole Agreement; the invalid provision shall be omitted and the remainder of the Agreement shall remain in effect.

20. In the event of disagreements arising between the Parties during the course of this Agreement, the Grantor and, for the Distributor the Distribution Coordinator, shall attempt in good faith to resolve contentious issues between themselves. If they are unable to resolve their differences, the Parties shall jointly select a neutral arbitrator and submit the dispute to her or him for arbitration, and the decision of the arbitrator shall be final and binding on the Parties.

21. This entire Agreement shall be governed by, subject to, and construed only according to the laws of the Province of Manitoba, and the courts of the Province of Manitoba shall have exclusive jurisdiction in disputes over any of its terms.

22. This agreement may be terminated by either party by providing the other party with at least 30 days written notice.

AGREED TO AND ACCEPTED THIS _____.

VIDEO POOL INC.

per

Distribution Coordinator

and

(Grantor's name or, if applicable,
Grantor's Company name)

per

Signature

