

DISTRIBUTOR LETTER OF AGREEMENT

THIS AGREEMENT, entered into this ____ (Day) of _____, _____ (Month, Year) by and between _____ (Distributor Name), of _____ (City, State, Country), hereinafter referred to as the "Distributor" and National Center For Youth Issues, a non-profit corporation located in Chattanooga, Tennessee hereinafter referred to as "NCYI".

1. **Distributor.** NCYI hereby grants to the Distributor the non-exclusive right to promote, advertise and provide to end-users all products either published (print materials) or produced (video or electronic media) by NCYI, subject to all the terms and conditions of this Agreement. The current list of these products is attached as an Exhibit to this Agreement. The Distributor agrees to receive and maintain these products in its custody in clean and marketable condition, and to exercise diligent efforts in merchandising the product.
2. **Consideration.** The Distributor will receive the following discounts off of NCYI published retail prices:

VIDEO or ELECTRONIC MEDIA TITLES DISCOUNT SCHEDULE

SINGLE TITLE VIDEO OR ELECTRONIC MEDIA MATERIALS:

<u>Unit Quantity</u>	<u>Discount</u>
5-10 each title	40%
11-20 each title	50%
21-30 each title	55%
31 + each title	60%

MIXED TITLE VIDEO OR ELECTRONIC MEDIA MATERIALS:

<u>Unit Quantity</u>	<u>Discount</u>
25-50 mixed titles	40%
51-75 mixed titles	50%
76-100 mixed titles	55%
101 + mixed titles	60%

PRINT TITLES (CURRICULUMS, ACTIVITY GUIDES, STORYBOOKS, ETC.) DISCOUNT SCHEDULE

SINGLE TITLE PRINT MATERIALS:

<u>Unit Quantity</u>	<u>Discount</u>
10-30 each title	40%
31-50 each title	45%
51 + each title	50%

MIXED TITLE PRINT MATERIALS:

<u>Unit Quantity</u>	<u>Discount</u>
30-70 mixed titles	40%
71-110 mixed titles	45%
111 + mixed titles	50%

PRE-PAID ORDER INCENTIVE:

All orders paid in advance – a check or credit card information is received at the time the order is received by NCYI - will receive free handling. Freight company shipping charges will still apply.

OTHER CONSIDERATION TERMS:

On other than pre-paid orders, Distributor agrees to honor payment terms to NCYI of net 30 days from NCYI's invoice date, which will not be earlier than the date of shipment. Inbound transportation and handling charges will be paid by Distributor. The shipping charge includes the actual freight charge plus \$10.00 for handling. A monthly service charge of 1½% will be charged on all accounts that are past due. This is an annual charge of 18%.

Participation in other optional NCYI promotional or advertising programs will be billed separately.

Damaged/defective merchandise will be allowed 100% credit against future purchases if damage/defective condition is caused by NCYI or in shipment from NCYI to Distributor. NCYI will be responsible for transportation charges for return of damaged/defective merchandise in such cases.

3. **Representations and Warranties.** NCYI has the right to enter into this agreement, is under no disability, restriction or prohibition in respect to its right to execute this agreement and not to perform under it and that the rights licensed hereunder will not conflict with or infringe upon any right whatsoever of any party whomsoever.

All persons whose performances are embodied in the production and all other persons whose rights may be involved have been or will be completely paid by NCYI or will have given a written waiver of such payment. All royalty payments to any such persons with respect to the rights granted hereunder shall be made by NCYI.

- (a) The Distributor has the right to use the titles and the names and biographical material of all persons whose performances are embodied in the production for advertising in a manner consistent with professional standards and purposes of trade in connection with the sale of the product.
- (b) Distributor will maintain inventory of the production to be used for previews, rentals and sales as deemed appropriate and adequate for sales activities.
- (c) Retail price is as published in NCYI's catalog and promotional brochures. Prices subject to change without notice.
- (d) NCYI will supply materials and videos within 10 calendar days of Distributor's order. Distributor can place logo, name, phone number and other marketing data on materials.

(e) The Distributor does **not** have the right to use sub-distributors to provide the videos to the end-user.

4. **Termination.** The term of this Agreement is for an initial period of one (1) year from the date of execution (the "Term") and thereafter shall automatically renew for renewal terms of one year each, unless and until either party gives notice of intent not to renew at least 60 days in advance of the intended expiration date.

At any time during any term of this Agreement, either party may terminate this Agreement upon sixty (60) day's prior written notice for the material breach by a party in the performance of their duties under this Agreement (provided such breach is not cured within such 60 day period).

5. **Indemnification.** NCYI agrees to indemnify, reimburse, defend and hold the Distributor and its subsidiaries harmless from any claim, demand or judgment made, asserted or obtained against it, including all costs; disbursements and expenses incurred by the Distributor in connection with any claims or liability arising out of the original productions of the products covered under this Agreement and any claim of libel slander, unfair competition or other alleged unethical business behavior due to the activities of NCYI.

The Distributor agrees to indemnify, reimburse, defend and hold NCYI and its subsidiaries harmless from any claim, demand or judgment made, asserted or obtained against it, including all costs, disbursements and expenses incurred by NCYI in connection with any claim of libel, slander, unfair competition or other alleged unethical business behavior due to the activities of the Distributor.

6. **Limitation on Liability.** Neither NCYI nor Distributor is liable for act, delay or omission occasioned by an act of God or public enemy, or by riot, strikes, insurrection, labor disturbances or any failure or delay by any transportation company or agency for any act, delay or omission to their negligence.

7. **Notice.** Notice may be provided by either party at the addresses set forth on the last page hereof, which notice shall be deemed sufficient if sent registered mail, properly addressed, with full postage affixed unless otherwise provided.

8. **Taxes.** Distributor agrees to collect and pay all taxes on applicable materials arising from its sale of the same and to hold NCYI harmless therefore.

9. **Assignment.** This agreement shall inure to the benefit of and be binding upon the parties, their successors and assigns.

10. **Non-Solicitation of Employees.** During the term of this Agreement and for a period of one (1) year thereafter, neither party shall directly or indirectly attempt to employ, or solicit on behalf of a third party, any individual who is an employee of the other party at any time during the Term of this Agreement or directly or indirectly contract with such an individual as an independent contractor to provide any service of any type whatsoever.

11. **Governing Law.** This Agreement, regardless of where executed, and where it is performed, shall be governed by the laws of the State of Tennessee. This Agreement shall not be changed, amended, or modified, nor shall any waiver by valid or binding, except in writing signed by both parties.

12. **Section Headings.** Section headings are for convenience and are not to be used in interpreting any provision hereof. In the event of any question as to the interpretation of any provision herein, such question will not be resolved by resort to any rule or maxim that resolves it against the drafting party.
13. **Severability.** In the event that any one or more provisions contained in this Agreement are held by a court or other tribunal to be invalid or unenforceable, the remaining provisions will continue in full force and effect without being impaired or invalidated in any way. This Agreement contains the entire agreement of the parties with respect to the subject matter hereof.
14. **Amendment and Waiver.** This Agreement may not be amended except by an instrument in writing signed by both parties hereto. No provision or breach hereof may be waived, except by an instrument in writing signed by the party against whom enforcement thereof is sought and only to the extent described in such instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates set forth above.

National Center For Youth Issues

Distributor: _____

BY: _____

BY: _____

Robert D. Rabon, President
6101 Preservation Drive
Chattanooga, TN 37416

Title: _____

Printed Name: _____

Address: _____

Tax I.D. # _____

Please list the name and address of the contact person at your company that should receive information about our products:

Contact Name: _____

Contact Email: _____

Contact Phone: _____

FAX number: _____

Billing Address:

Shipping Address:
