

New Video Affiliate Program Agreement

This Affiliate Program Agreement ("**Agreement**") contains the complete terms and conditions that apply to your participation in the New Video Group Affiliate Program ("**Program**"). Regardless of the branded site through which you affiliate, the parent company of the labels "New Video NYC," "Docurama," "Docurama Films," "Scholastic Storybook Collection," or "Scholastic Video Collection" is New Video Group, Inc., and may be referred to as "**New Video**" or "**NVG**" in this Agreement or on our web site. As used in this Agreement, "**we**", "**us**", or "**our**" means New Video Group, Inc., and "**you**" means the applicant. "**NVG Site**" means the site that has its primary home page identified by the URL www.NewVideo.com, and "site" means a World Wide Web site. "**Your site**" means any site that you will link to the NVG Site (and which you will identify in your Program application).

If you do not accept this Agreement, you may not participate in the Program.

SECTION 1. QUALIFYING FOR PARTICIPATION AND GETTING STARTED

1.1. Enrollment in the Program

To begin the enrollment process, you must submit a completed Program application via the NVG Site. We will evaluate your application in good faith. We may reject your application if we determine in our sole discretion and without explanation that your site is unsuitable for the Program. Unsuitable sites include, but are not limited to, those that:

- Promote sexually explicit materials
- Promote violence
- Promote discrimination based on race, sex, religion, nationality, disability, sexual orientation, or age
- Promote illegal activities
- Include "New Video Group," any other trademark of newvideo.com, inc. Or its affiliates, or variations or misspellings of any of them, in their urls to the left of the top-level domain name (e.g., ".com", ".net", ".uk", etc.) -- for example, a URL such as "newvideogroup.mydomain.com", "nuvideo.com" or "docuramaDVDs.net" would be unsuitable
- Otherwise violate intellectual property rights of any person or entity or otherwise violate any laws, regulations or rules.

By participating in the Program you agree that you will not engage in any activities referenced above or which promote, encourage, advocate or endorse any of the actions referenced above. If we reject your application, you are welcome to reapply to the Program at any time. You should also note that if we accept your application and your site is thereafter determined in our sole discretion to be unsuitable for the Program, we may terminate this Agreement. Participation in the Program is limited to parties that can lawfully enter into and form contracts under applicable law.

1.2. Links on Your Site

Once we have notified you that your site has been accepted into the Program, we will grant you a revocable, non-exclusive, nontransferable, nonassignable, worldwide, royalty-free license for the duration of the term of this Agreement, solely for the

limited purpose of facilitating referrals from your site to the NVG Site, to provide on your site one or more of the following types of links to the NVG Site:

1. Product Links: You may select one or more Video Products to list on your site using a variety of formats that we make available to you, such as text link format, graphical link format or "product preview" link format. A "**Video Product**" is any product listed on the NVG Site that is fulfilled by us or on our behalf. For each selected Video Product, you will display on your site a short description, review, or other reference to such Video Product. You will be responsible for the content, style, and placement of these references. You will provide a New Video Link (as defined below) from each Video Product reference on your site to the corresponding NVG Site online catalog entry. Each such link will connect directly to a single item in our online catalog. You may add or delete Video Products (and related links) from your site at any time without our approval. You may not use New Video Links (as defined below) to link to the NVG Site from references to products on your site that are not Video Products as defined above.
2. General Link to NVG Site Home Page: You may provide a general link on your site to the home page of the NVG Site.

We will provide you with guidelines and graphical artwork to use in linking to the NVG Site home page. To permit accurate tracking, reporting, and referral fee accrual, we will provide you with special "tagged" link formats which must be used in all links between your site and the NVG Site. You must ensure that each link between your site and the NVG Site properly utilizes such "tagged" link formats. Links to the NVG Site placed on your site pursuant to this Agreement and which properly utilize such "tagged" link formats are referred to as "**New Video Links**." You will earn referral fees only with respect to activity on the NVG Site occurring directly through New Video Links; we will not be liable to you with respect to any failure by you to use New Video Links, including to the extent that such failure may result in any reduction of amounts that would otherwise be paid to you pursuant to this Agreement.

You acknowledge that, by participating in the Program and placing any of the above links within your site, we may receive information from or about visitors to your site or communications between your site and those visitors. Your participation in the Program constitutes your specific, irrevocable and unconditional consent to and authorization of our access to, receipt, storage, use, and disclosure of any and all such information, consistent with the policies and procedures set forth in the Privacy Notice on the NVG Site.

Except for the license granted under Section 1.2, you do not obtain any rights under this Agreement in any intellectual property owned or used by NVG or on the NVG site, including, without limitation, any intellectual property with respect to the New Video Links, link formats, technical specifications, guidelines or graphical artwork referenced above, or with respect to the NewVideo.com domain name or any other domain name owned and/or controlled by NVG.

You also acknowledge that we may use "bots" or "spiders" to crawl or otherwise monitor your site for the purpose of ensuring the quality and reliability of New Video Links on your site (for example, to detect links that are broken or non-functional, links to Video Products that are out of stock or otherwise unavailable, etc.). Therefore, you agree that we and our corporate affiliates may take such actions and

that you will not seek to block or otherwise interfere with such crawling or monitoring (and that we and our corporate affiliates may use technical means to overcome any methods used on your site to block or interfere with such crawling or monitoring).

You also acknowledge that as a participant in the Program, we may from time to time send you email updates about the Program. By participating in the Program, you consent to our sending you these email updates.

Further, you acknowledge and agree that: (a) in connection with this Agreement you will not display or reference on your site, any trademark or logo of any third party seller which appears on the NVG Site; (b) you will use any data, images, text, or other information obtained by you from us or the NVG Site in connection with this Agreement ("**NVG Materials**") only in a lawful manner and only in accordance with the terms of this Agreement; (c) you will not modify or alter any NVG Materials that consist of a graphic image, other than to resize it; (d) you will not edit any NVG Materials that consist of text; (e) you will not sell, redistribute, sublicense or transfer any NVG Materials; (f) you will not use any NVG Materials in a manner intended to direct sales to any site other than the NVG Site; and (g) you will delete any NVG Materials that are no longer displayed on the NVG Site or that we notify you are no longer available for your use within twenty-four (24) hours of us informing you that such materials are no longer displayed on the NVG site or are no longer available for your use.

SECTION 2. **EARNING REFERRAL FEES**

2.1. **Referral Fees**

We will pay you (in accordance with Sections 2.2 and 2.3 below) referral fees on certain Video Product sales to third parties. For a Video Product sale to be eligible to earn a referral fee, the customer must click-through from your site to the NVG Site, and add the NVG Product to the customer's NVG shopping cart. The session ends upon one of the following events: (a) 24 hours elapses from the customer's initial click-through, (b) the customer orders the Video Product, or(c) the customer reaches the NVG Site by following a third party's link to the NVG Site. We will only pay referral fees on eligible Video Products after the customer has ordered and paid for the Video Product and we have shipped such Video Product to the customer.

To permit accurate tracking, reporting and fee accrual, you must ensure that the New Video Links between your site and the NVG Site are properly formatted. We will not be liable for paying referral fees on purchases that are not correctly tracked and reported because the links between your site and the NVG Site are not properly formatted.

We will not pay referral fees on any Video Products that are added to a customer's Shopping Cart after the customer has reentered the NVG Site, in our determination, through a New Video Link from a third party site and not your site even if the customer previously followed a link from your site to the NVG Site. We will pay referral fees on any Video Products added to a customer's Shopping Cart after the customer enters the NVG Site directly (by typing the NVG Site address into his or her browser), provided that the customer's immediately prior visit to the NVG Site was through a New Video Link on your site in the thirty (30) days prior to the customer's purchase of Video Products directly on the NVG Site.

You may not purchase Video Products for your own use, resale or commercial use of any kind during sessions initiated through the links on your site. This includes orders for customers or on behalf of customers or orders for Video Products to be used by you or your friends, relatives, or associates in any manner. If you violate the prohibition in this section, then we may decide, in our sole discretion, to withhold referral fees from such purchases and/or to terminate this Agreement. Video Products that are eligible to earn referral fees under the rules set forth above are referred to as "**Eligible Video Products.**"

In addition, you may not: (a) directly or indirectly, offer any person or entity any consideration or incentive including, without limitation, payment of money including any rebate, or granting of any discount or other benefit, for using New Video Links on your site to access the NVG Site; (b) read, intercept, record, redirect, interpret, or fill in the contents of any electronic form or other materials submitted to us by any person or entity; (c) in any way modify, redirect, suppress, or substitute the operation of any button, link, or other interactive feature of the NVG Site; (d) make any orders or subscription requests, or engage in other transactions of any kind on the NVG Site on behalf of any third party, or authorize, assist, or encourage any other person or entity to do so; (e) take any action that could reasonably cause any confusion as to our relationship with you, or as to the site on which any functions or transactions (e.g., search, order, browse, and so on) are occurring; (f) other than providing New Video Links on your site in accordance with this Agreement, post or serve any advertisements or promotional content promoting the NVG Site or otherwise around or in conjunction with the display of the NVG Site (e.g., through any "framing" technique or technology or pop-up or pop-under windows), or assist, authorize, permit, or encourage any third party to take any such action; (g) attempt, in our sole determination, to circumvent the referral fee schedule or artificially increase your referral fees (e.g. by intentionally featuring, purchasing, requesting or encouraging any third party to purchase low-price items offered on the NVG Site for the purpose of exceeding any referral fee threshold or by causing any page of the NVG Site to open in a customer's browser other than as a result of the customer clicking on a New Video Link on your site); or (h) attempt to intercept or re-direct, including, without limitation, via user-installed software, traffic from or on, or divert referral fees from, any web site that participates in the Program. From time to time we may request that you cause any applicable Web search provider to exclude trademarks, phrases and names owned or licensed by New Video Group ("**Marks and Names**") from keywords used to display your advertising content in association with search results, assuming the provider of such Web search engine offers such exclusion capabilities. If we determine, in our sole discretion, that you have engaged in any of the foregoing activities or, as the case may be, refused promptly to comply with a request from us to exclude Marks and Names from any keyword as mentioned above, then, without limiting any other rights or remedies available to us, we may withhold any referral fees otherwise payable to you under this Agreement and/or terminate this Agreement.

2.2. **Referral Fee Schedule**

Subject to the other terms of this Agreement, during each calendar month this Agreement is in effect, you will earn referral fees of 10% of "**NVG-Approved Revenues**" (revenues derived by us from sales of Video Product units sold during sessions initiated through New Video Links on your site, excluding costs for shipping, handling, gift-wrapping, taxes separately stated and charged to the customer, service charges, credit card processing fees, returns and bad debt) for those Video

Products sold during sessions initiated through New Video Links on your site. Notwithstanding the foregoing, referral fees for all Video Product units which are not manufactured by New Video, will equal 5% of NVG-Approved Revenues.

2.3. **Referral Fee Payment**

We will pay you referral fees on a quarterly basis for Video Products shipped in the applicable calendar quarter. The end of the four quarters are March 31, June 30, September 30, and December 31 of each year. Approximately 30 days following the end of each quarter, we will send you a check for the referral fees earned in such quarter. We will accrue and withhold referral fees until the total amount due is at least \$50.00 ("**Minimum Payout**"). If you have not earned any referral fees equal or greater than a Minimum Payout in the two years prior to any given calendar month, then we reserve the right to charge you on the first day of such calendar month an account maintenance fee in an amount up to \$10 per year. The account maintenance fee charged will be deducted from your accrued but unpaid referral fees, and will be equal to the lesser of \$10 or the amount of accrued but unpaid referral fees in your account. We are obligated by U.S. federal law to obtain tax information from Program participants who are U.S. citizens, U.S. residents or U.S. corporations and from Program participants who are not U.S. citizens or residents but whose businesses are taxable in the U.S. If we believe you are a Program participant from whom we are obligated to obtain tax information and you do not provide this information to us after we have requested it, we may withhold your referral fee payments until you provide this information or otherwise demonstrate to our satisfaction that you are not a person from whom we are required to obtain tax information.

SECTION 3. **NEW VIDEO'S RIGHTS AND RESPONSIBILITIES**

3.1. **Order Processing**

We will process Video Product orders placed by customers who follow New Video Links from your site to the NVG Site. We reserve the right to reject orders that do not comply with any requirements that we may periodically establish. We will be responsible for all aspects of order processing and fulfillment. Among other things, we will prepare order forms, process payments, cancellations, and returns, and handle customer service. We will track sales made to customers who purchase Video Products by using New Video Links from your site to the NVG Site and will make available to you reports summarizing such sales activity. The form, content, and frequency of the reports may vary from time to time in our discretion.

3.2. **Policies and Pricing**

Customers who buy Video Products through this Program will be deemed to be our customers. Accordingly, all of our rules, policies, and operating procedures concerning customer orders, customer service, and Video Product sales will apply to such customers. We may change our rules, policies and operating procedures at any time. You may not include price information in your Video Product descriptions. We will use commercially reasonable efforts to present accurate information about the Video Products on the NVG site, but we cannot guarantee the availability or price of any particular Video Product.

SECTION 4. **AFFILIATE MEMBER'S RIGHTS AND RESPONSIBILITIES**

4.1. **Identifying Yourself as an Associate**

You may not issue any press release or make any public statement with respect to this Agreement, the terms hereof, or your participation in the Program and such action may result in the termination of this Agreement and the end of your participation in the Program. We will make available to you a small graphic image ("**Logo**") that identifies your site as a Program participant. You must visibly display this Logo or the phrase "In association with Docurama Films" ("**Phrase**") or other similarly branded reference somewhere on your site. We may modify the text or graphic image of the Logo or Phrase from time to time. In addition, you may not in any manner misrepresent the relationship between us and you, or express or imply any relationship or affiliation between us and you or any other person or entity except as expressly permitted by this Agreement (including by expressing or implying that we support, sponsor, endorse, or contribute money to any charity or other cause).

4.2. **Responsibility for Your Site**

You will be solely responsible for the development, operation, and maintenance of your site and for all materials that appear on your site. For example, you will be solely responsible for:

- the technical operation of your site and all related equipment
- creating and posting Video Product descriptions on your site and linking those descriptions to the NVG Site catalog
- the accuracy and appropriateness of materials posted on your site
- ensuring that materials posted on your site do not violate or infringe upon the rights of any third party (including, for example, copyrights, trademarks, privacy, or other personal or proprietary rights)
- ensuring that materials posted on your site are not libelous, obscene, indecent or otherwise illegal
- ensuring that your site accurately and adequately discloses, either through a privacy policy or otherwise, how you collect, use, store, and disclose data collected from visitors, including, where applicable, that third parties (including advertisers) may serve content and/or advertisements and collect information directly from visitors and may place or recognize cookies on visitors' browsers.

SECTION 5. **LEGAL AND MUTUAL TERMS:**

5.1. **Limited License**

We grant you a nonexclusive, nontransferable, nonassignable, revocable right to use the graphic image and text described in Section 4.1 and such other text or images for which we grant express permission, solely for the purpose of identifying your site as a Program participant. You may not modify the graphic image or text, including the Logo and Phrase, or any other of our images, in any way. We reserve all of our rights in the graphic image and text, Logo, Phrase, any other images, our trade names and trademarks, and all other intellectual property rights. You agree to follow our Trademark Guidelines, as those guidelines may change from time to time. We may revoke your license at any time by giving you written notice.

5.2. **Compliance with Laws**

As a condition to your participation in the Program, you agree that while you are a Program participant you will comply with all laws, ordinances, rules, regulations, orders, licenses, permits, judgments, decisions or other requirements of any governmental authority ("**Laws**") that has jurisdiction over you, whether those Laws, are now in effect or later come into effect during the time you are a Program participant. Without limiting the foregoing obligation, you agree that as a condition of your participation in the Program you will comply with all applicable Laws that govern marketing email, including without limitation, the CAN-SPAM Act of 2003 and all other anti-spam laws.

5.3. **Term of the Agreement**

The term of this Agreement (the "Term") will begin upon our acceptance of your Program application and will end when terminated by either party. Either you or we may terminate this Agreement at any time, with or without cause, by giving the other party written notice of termination. Upon the termination of this Agreement for any reason, you will immediately cease use of, and remove from your site, all links to the NVG Site, and all of our trademarks, trade dress, and logos (including the Logo), the Phrase and all other materials provided by or on behalf of us to you pursuant hereto or in connection with the Program. You are eligible to earn referral fees only on sales of Eligible Video Products that occur during the Term, and referral fees earned through the date of termination will remain payable only if the related orders are not canceled or returned. We may withhold your final payment for a reasonable time to ensure that the correct amount is paid.

5.4. **Modification**

WE MAY MODIFY ANY OF THE TERMS AND CONDITIONS CONTAINED IN THIS AGREEMENT, AT ANY TIME AND IN OUR SOLE DISCRETION, BY POSTING A CHANGE NOTICE OR A NEW AGREEMENT ON THE NVG SITE. SUCH MODIFICATIONS MAY INCLUDE CHANGES IN THE SCOPE OF AVAILABLE REFERRAL FEES, REFERRAL FEE SCHEDULES, PAYMENT PROCEDURES, AND PROGRAM RULES. IF YOU DO NOT ACCEPT ANY MODIFICATION, YOUR ONLY RECOURSE IS TO TERMINATE THIS AGREEMENT. YOUR CONTINUED PARTICIPATION IN THE PROGRAM FOLLOWING OUR POSTING OF A CHANGE NOTICE OR NEW AGREEMENT ON THE NVG SITE WILL CONSTITUTE BINDING ACCEPTANCE OF THE CHANGE.

5.5. **Relationship of Parties**

You and we are independent contractors, and nothing in this Agreement will create any partnership, joint venture, agency, franchise, sales representative, or employment relationship between the parties. You will have no authority to make or accept any offers or representations on our behalf. You will not make any statement, whether on your site or otherwise, that reasonably would contradict anything in this Section 5.5.

5.6. **Limitation of Liability**

You agree to defend, indemnify and hold harmless us and each of our officers, directors, employees and agents against and in respect of any loss, debt, liability, damage, obligation, claim, demand, judgment or settlement of any nature or kind,

known or unknown, liquidated or unliquidated, including without limitation all reasonable costs and expenses incurred (legal, accounting or otherwise) arising out of, resulting from or based upon any breach, or alleged breach, of any representation, warranty, agreement or covenant made by you in this Agreement.

WE SHALL NOT BE LIABLE TO YOU (NOR TO ANY PERSON CLAIMING RIGHTS DERIVED FROM YOUR RIGHTS) FOR INCIDENTAL, INDIRECT, CONSEQUENTIAL, SPECIAL, PUNITIVE OR EXEMPLARY DAMAGES OF ANY KIND -- INCLUDING LOST REVENUES OR PROFITS, LOSS OF BUSINESS OR LOSS OF DATA -- ARISING OUT OF THIS AGREEMENT (INCLUDING WITHOUT LIMITATION AS A RESULT OF ANY BREACH OF ANY WARRANTY OR OTHER TERM OF THIS AGREEMENT), REGARDLESS OF WHETHER WE WERE ADVISED, HAD OTHER REASON TO KNOW, OR IN FACT KNEW OF THE POSSIBILITY THEREOF.

5.7. **Disclaimers**

We make no express or implied warranties or representations with respect to the Program or any Video Products sold through the Program (including, without limitation, warranties of fitness, merchantability, noninfringement, or any implied warranties arising out of a course of performance, dealing, or trade usage). In addition, we make no representation that the operation of the NVG Site will be uninterrupted or error-free, and we will not be liable for the consequences of any interruptions or errors.

5.8. **Independent Investigation**

YOU ACKNOWLEDGE THAT YOU HAVE READ THIS AGREEMENT AND AGREE TO ALL ITS TERMS AND CONDITIONS. YOU UNDERSTAND THAT WE MAY AT ANY TIME (DIRECTLY OR INDIRECTLY) SOLICIT CUSTOMER REFERRALS ON TERMS THAT MAY DIFFER FROM THOSE CONTAINED IN THIS AGREEMENT OR OPERATE WEB SITES THAT ARE SIMILAR TO OR COMPETE WITH YOUR WEB SITE. YOU HAVE INDEPENDENTLY EVALUATED THE DESIRABILITY OF PARTICIPATING IN THE PROGRAM AND ARE NOT RELYING ON ANY REPRESENTATION, GUARANTEE, OR STATEMENT OTHER THAN AS SET FORTH IN THIS AGREEMENT.

5.9. **Arbitration**

Any dispute relating in any way to this Agreement (including any actual or alleged breach hereof), any transactions or activities under this Agreement or your relationship with us or any of our affiliates shall be submitted to confidential arbitration in New York, New York, except that, to the extent you have in any manner violated or threatened to violate our intellectual property rights, we may seek injunctive or other appropriate relief in any state or federal court in the state of New York (and you consent to non-exclusive jurisdiction and venue in such courts) or any other court of competent jurisdiction. Arbitration under this agreement shall be conducted under the rules then prevailing of the American Arbitration Association. The arbitrator's award shall be binding and may be entered as a judgment in any court of competent jurisdiction. To the fullest extent permitted by applicable law, no arbitration under this Agreement shall be joined to an arbitration involving any other party subject to this Agreement, whether through class arbitration proceedings or otherwise.

5.10. **Miscellaneous**

This Agreement is governed by the laws of the United States and the state of New York, without reference to rules governing choice of laws. You may not assign this Agreement, by operation of law or otherwise. We may assign this Agreement and/or any of our rights, and delegate our duties under this Agreement in our discretion. This Agreement will be binding on, inure to the benefit of, and be enforceable against the parties hereto and our successors and assigns. Our failure to enforce your strict performance of any provision of this Agreement will not constitute a waiver of our right to subsequently enforce such provision or any other provision of this Agreement.

Updated: 8 March 2007.

Please acknowledge your consent to be bound by all the terms of the Agreement above.

[I AGREE]