

Nineveh's Crossing

Marketing and Distribution - Exploring Faith, Values, & History with Digital Media

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COMMON GROUND NON-EXCLUSIVE DISTRIBUTION AGREEMENT

September 12, 2006

Kensington Community Church
1825 E. Square Lake Rd.
Troy, MI 48085

Dear Kensington Community Church:

1. Preamble: When signed by each of us, this letter will constitute an Agreement between **Kensington Community Church** (hereinafter referred to as "the producer" and **Nineveh's Crossing, LLC**, (hereinafter referred to as "the distributor"), for the non-exclusive distribution by the distributor of the program and its variations (the products) described below.

2. Products Description: The Producer agrees to allow the Distributor the right to distribute the video production produced by the Producer commonly known as **Common Ground, which is a video-taped dialogue between Pastor Steve Andrews and Fr. John Ricardo**, and versions of the production in various media as DVDs, Audio CDs, videotapes, i-pod-files, audiotapes, Internet files, and other similar audio and video formats, including printed materials, transcripts and study guides. The products may also be licensed to television and radio entities.

2.1 Product Variations: The Producer agrees to allow the Distributor, at the Distributor's expense, to create versions and enhancements for the product to suit distribution needs as the distributor solely may determine from time to time. Such versions will not change the content or tone of the program except to adjust the length, breaks, or segmentation for broadcast needs, media capacity (e.g. Audio CDs), or interactive media (e.g. DVD & the Internet). The Distributor may also add enhancements to the program (e.g. subtitles, translations) and introductory material to set up the dialogue for audiences unfamiliar with the dialogue participants or its context. All rights to such additions or enhancements made to the product by the distributor shall be exclusively retained by the distributor and will not be considered as an essential part of the product licensed by the producers under this agreement.

3. Rights Grant: The Producer, on behalf of itself, executors, administrators, successors, and assigns, grants, and assigns to the Distributor and its licensees, successors, and assigns, non-exclusive duplication and distribution rights in and to the products, throughout the world, for the duration of the contract Term, including secondary, subsidiary, and foreign language rights.

The Distributor has the exclusive right to manufacture, rent, sell, advertise, promote and otherwise distribute copies of the Products, in the Territory during the Term as described below, except that the Producers retain the full and uninhibited right to use and distribute the Products (including sales through its resource centers) and all its derivatives for ministry purposes.

3.1 Territory: The Territory of the grant herein is worldwide.

3.2 Term: The Term of this grant shall begin on the date this agreement is executed and will continue for 15 years.

3.3 Renewal: This agreement is renewable upon the agreement of both parties under these or other terms that may be jointly decided.

3.4 Termination: If the Products are out of stock and off sale for six (6) months or more in all formats, whether under the imprint of the Distributor or another imprint, *and* if there be no contract for any impending format or edition, *and* if upon written notification from the Producer the Distributor shall not reissue the work or undertake to make arrangement for reissue promptly, then six (6) months after such notification to the Distributor this Agreement shall terminate.

4. Royalty: With respect to any of the Rights set forth in paragraph 3, above, which Distributor exercises directly, Distributor shall pay to Producer the following Royalty: 10% of one hundred percent (100%) of all Gross Receipts (as defined in paragraph 4.4, below) received by the Distributor with respect to sales of copies of the Products.

4.1 Third Party License: All third party licensing rights are retained by the Producer.

4.2 Foreign Translation Rights: With regard to the foreign language distribution rights, except as otherwise provided in this Agreement, Distributor shall credit Producer's account with a royalty equal to 10% of all Gross Receipts less expense related to the translation.

4.3 No Royalty Conditions: Notwithstanding the foregoing, Distributor shall not be obligated to pay Producer a Royalty hereunder with respect to copies of the Products (a) sold at or below Distributor's cost, b) furnished to Producer at less than the Product's retail selling price, (c) furnished to any party for review or advertising purposes, (d) furnished to any party as samples or for similar purposes, or (e) for which Distributor does not actually receive payment.

4.4 Gross Receipts Definition: For purposes of this Agreement, "Gross Receipts" means all monies actually received by the Distributor from any sale, license or other exploitation of the Rights licensed hereunder, net of returns, after deduction of shipping, customs, insurance, fees and commissions, currency exchange discounts, and costs of collection. In addition, to the extent that Distributor sells the Products together with other items, Distributor shall allocate to the Products, and shall include Gross Receipts hereunder, a portion of the monies received by Distributor from such sales based on Distributor's good faith determination as to the respective values of the items sold with the Products.

4.5 Excess Inventory or Remainder Royalty: If, in Distributor's opinion, any version, edition, or format of the Products shall cease to have a remunerative value, Distributor shall be at liberty to dispose of ("remainder") all or part of the existing stock thereof and will pay to Producer a Royalty of 10% of the amount received by or credited to Distributor with respect to such sales in excess of the cost of manufacture of the Products; provided, however, that Producer shall not be entitled to a Royalty as stated elsewhere in this agreement. Notwithstanding anything to the contrary in this agreement, copies of the work sold at a discount of eighty percent (80%) or more from the Product's retail list price shall be deemed remainders upon which no Royalty shall be due. Distributor shall not make any remainder sales hereunder without first offering to Producer the opportunity to purchase copies of the Products at the then best obtainable price.

4.6 Advance: There shall be no advance on royalties applicable to this agreement.

4.7 Payment Frequency: Royalties will be paid within 2 calendar months following the close of a calendar quarter. Calendar quarters close on March 31, June 30, September 30, and December 31, and respective payments will be made by May 30, August 31, November 30, and February 28.

4.8 Payment Minimum: Royalty amounts due of less than \$50 in any one quarter will not be paid but carried over to the next quarter. Royalties in any amount due at year-end will be paid in full.

5. Accounting and Audit Rights:

5.1 Accounting Statements and Period: Distributor will render and provide accounting statements to Producer with respect to Producer's Royalty not later than ninety (90) days after the close of each accounting period during which Distributor receives any monies from which Producer is entitled to a Royalty hereunder, and each such statement shall set forth the applicable receipts received by Distributor during the accounting period and the permitted deductions, if any, from such receipts, and the amount of the Royalty, if any, due to Producer, less any unrecouped portion of the Advance (if applicable), and less any reserves against returns established hereunder, shall be rendered at the same time as the applicable accounting statement. The "Accounting Period" shall be semi-annually, ending on June 30 and December 31 of each year provided royalties due exceed the minimum royalty payment defined in paragraph 4.8. If royalty payments do not meet the minimum, the accounting periods become annual, ending December 31. At such time as the accounting period becomes annual, Distributor shall not be required to render an accounting statement hereunder for any accounting period in which Distributor does not receive any receipts from which Producer would be entitled to a Royalty.

5.2 Accurate Books: Distributor will maintain, at its principal place of business in the United States, complete and accurate books and records, in United States currency, of all financial transactions regarding the Products in accordance with generally accepted accounting principles in the media distribution business, on a consistent, uniform and non-discriminatory basis. Upon request, Distributor will permit Producer, or an independent certified public accountant designated by Producer, to make an examination, at Producer's expense of Distributor's books and records relating to the Products, which examination may take place upon ten (10) days' advance written notice to Distributor, at Distributor's U. S. offices during reasonable business hours.

5.3 Statements as Binding: Each statement rendered hereunder shall be binding upon Producer upon the expiration of twelve (12) months from and after the date such statement is rendered, provided that this limitation shall not apply to any portion of any statement to which Producer files written objections at any time during such twelve (12) month period.

5.4 Royalty Reserves: If Distributor reasonably anticipates returns of copies of the Products which, if they occur, would reduce the Royalty otherwise computed as payable to Producer hereunder, Distributor may set up appropriate reserves, the amount of which shall be determined by Distributor in its sole discretion. Such reserves shall be taken from Producer's Royalty. Any such reserve will be liquidated within a reasonable time after the time such returns may reasonably anticipated to have occurred, but, in no event, shall any such reserve be maintained for a period longer than six (6) months.

5.5 Royalty Overpayment: Should Producer receive an overpayment of a Royalty arising from copies reported sold but subsequently returned, or bookkeeping error, Distributor may deduct such overpayment from any further sums due Producer hereunder.

5.6 Exercising of Rights: Distributor has not made any representations or warranties, and is not required to do so, as to the amount of Gross Receipts to be derived from its exploitation of the Rights, nor that there will be any sums in excess of the Advance payable to Producer hereunder (if applicable). Distributor may, in the exercise of its best judgment, refrain from exploiting all or any of the Rights for any reason. If Distributor does not distribute the said Products within 12 months from the initial recording of the Producer's presentation, then all rights assigned herein shall revert in perpetuity to Producer.

8. Promotional Appearances: No requirement.

9. Non-binding exclusivity: While this is a non-exclusive agreement, it is hoped but not required by this agreement, that the Producer will honor the Distributor's on-going efforts and expense to enhance, promote, distribute, and sell the product and not make agreements with other distribution entities that would compete with the distributor and hinder its marketing and distribution.

10. Promotional and Resale Copies.

10.1 Non-Competition: It is understood that if the Distributor has a sales presence at an event where the Producer is appearing, the Producer and Distributor agree to coordinate the promotion and sale of product between their points of sales so as not to create the appearance of competition. Both the Producer and the Distributor may sell to retail stores and other distribution outlets.

10.2 Resale: In the event the Producer wishes to resell the Distributor's Products at seminars or lectures, the Products may be purchased from the Distributor at the same wholesale discount offered to retail sales points, plus shipping charges. Copies shall be ordered in quantities of no less than one case (approx. 24 units) at a time for this purpose.

10.3 Promotional Copies: Distributor may choose to offer promotional copies of the Products, free of charge, to reviewers, wholesalers, professors, film festivals, foreign rights buyers, or others where Distributor, in its sole discretion, believes it may generate publicity or additional sales for the Products. The Producer may purchase promotional copies of the Products from the Distributor at a cost equal to the cost of manufacture as calculated by the distributor. These promotional copies may not be resold.

10.4 Internet Clips: The Distributor may post on its website clips of the Products, if it believes that such posting will generate positive reviews and subsequent sales.

11. Title, Label, and Case Design: The Distributor shall determine the final cover design and title for the Products in consultation with the Producer.

12. Ownership: Producer represents, warrants and agrees that Producer owns and controls, without any limitations, restrictions or encumbrances whatsoever, all rights granted or purported to be granted to Distributor hereunder and all required rights in and to the presentations and media Products, and that there are no liens, claims, encumbrances, legal proceedings, restrictions, agreements or understandings which might conflict or interfere with, limit or be inconsistent with the provisions of this agreement.

13. Copyright: The Products, as delivered, to the Territory for sale, will contain all proper copyright notices required for protection of the Products, and Distributor agrees to include such copyright notices on all Products in the Producer's name. The Producer owns the copyright to the presentation materials and the production in their recorded audio-visual form.

14. Indemnity:

14.1 Indemnity of Distributor: Producer shall defend, indemnify and hold harmless Distributor, its successors, licensees, assigns and parent, subsidiary and affiliated companies, and the directors, officers, employees, agents, successors, licensees and assigns of each of the foregoing, from and against any and all claims, liabilities, damages, costs or expenses (including, without limitation, reasonable outside attorneys' fees) arising from any breach by Producer of any representation, warranty, covenant or agreement made by Producer hereunder.

14.2 Indemnity of Producer: Distributor shall defend, indemnify and hold harmless Producer, its successors, licensees, assigns and parent, subsidiary and affiliated companies, and the directors, officers, employees, agents, successors, licensees and assigns of each of the foregoing, from and against any and all claims, liabilities, damages, costs or expenses (including, without limitation, reasonable outside attorneys' fees) arising from any breach by Distributor of any representation, warranty, covenant or agreement made by Distributor hereunder.

14.3 Notice of Claim: Each party to this Agreement shall give prompt notice in writing to the other party of any Claims. No compromise or settlement of any Claims shall be made or entered into without the prior written approval of Distributor and Producer.

15. Producer's Representations and Warranties: Producer represents and warrants to Distributor that: (i) the Products and presentations are not in the public domain; (ii) Producer is the sole proprietor of the Products' Contents and has full power and authority, free of any rights of any nature whatsoever by any other person, to enter into this Agreement and to grant the rights which are granted to Distributor in this Agreement; (iii) the Products, if published or distributed, will not infringe upon any copyright or any proprietary right of common law; (iv) the Products contains no matter whatsoever that is obscene, libelous, violative or any third party's right of privacy or publicity, or otherwise in contravention of law or the right of any third party; (v) all statements of fact in the Products are true and are based on diligent research; (vi) all advice and instruction in the Products is safe and sound, and is not negligent or defective in any manner; (vii) the Product's content is authentic and accurate; and (viii) Producer will not hereafter enter into any agreement or understanding with any person or entity which might conflict with the rights granted to Distributor under this Agreement.

16. Promotional Right: The Distributor has the right to advertise other products in or in connection with the Products and also has the right, but not the obligation, to advertise the Products in other products distributed by the Distributor.

17. Amendment: Except as otherwise herein provided any and all amendments, additions, or deletions to this Agreement shall be null and void unless made by the parties in writing.

18. Heading: All headings herein are inserted herein only for convenience and ease of reference, and are not to be considered in the construction nor interpretation of any provision of this Agreement.

19. Complete Agreement: This agreement supersedes and takes the place of any and all previous agreements entered into between the parties hereto.

20. Notices and Payments: All notices and payments which either Distributor or Producer shall be required to give under this agreement shall be in writing and shall be served by mail or telegraph, cable, facsimile or personal delivery as appropriate and as provided herein. Service of any notice or delivery of any payment, statement or any other paper upon either party shall be deemed complete if and when the same is personally delivered to such party, upon receipt by such party of a telegram, cable or facsimile copy, or upon its deposit in the United States mail plus three (3) business days, postage prepaid, registered or certified mail, return receipt requested, and addressed to the recipient at the address et forth herein. Until further notice, the addresses of the parties for any such notices or payments shall be those listed in paragraph 1.

21. Governing Law: This agreement shall be governed by and construed in accordance with the laws of the State of Michigan.

22. Disputes: The parties agree to resolve any disputes arising from this agreement through good faith negotiations between the parties. If within 30 days good faith negotiations do not resolve the dispute, the Products and all Rights revert to the Producer. The Producer agrees to present any dispute to the Distributor in writing and offer concrete suggestions for resolving the dispute.

Thank you.

If the foregoing meets with your approval please sign this letter and the enclosed copy in the appropriate space and return one fully executed original to me at your earliest convenience.

AGREED TO AND ACCEPTED:
Nineveh's Crossing, LLC

By: Stanley D. Williams, Owner-Manager

Signature: Stanley D. Williams Date: 11-15-06

AGREED TO AND ACCEPTED:
Kensington Community Church

By: DENNIS P. NICHOLAS Title: DIRECTOR OF FINANCE
(print name) (print)

Signature: Dennis P. Nicholas Date: 11-15-06