

LIVING BOOKS INC.
REPRESENTATIVE/DISTRIBUTOR CONTRACT

This contract is between Living Books Inc. ("LBI"), and the undersigned (hereinafter "the Distributor"), who is hereby making application to become a Living Books Representative or Distributor. By signing this contract, the Distributor agrees to the following definitions, policies, terms, and conditions.

1. COMPANY PURPOSE

"The purpose of LBI is to build strong families by selling good books." We do this by serving and supplying a network of independent Distributors, who in turn market our line of inspirational books, greeting cards, Bibles, DVDs and other items that we may choose to include in the Living Books Product Line. Our vision is that, together, we will have a positive impact on our society and its moral values.

2. DISTRIBUTORSHIPS

a) Upon acceptance by LBI, the applicant will be granted a Living Books Distributorship for one year from the date of this contract, renewable automatically for additional one-year terms, unless LBI gives the Distributor notice of non-renewal at least 90 days prior to the end of the term of Distributorship.

b) The Distributor receives the right to purchase products from LBI for resale, and to use the Living Books name and logo to the extent that they appear on LBI literature, sales aids and advertising material. Any other use of the LBI name or logo is unauthorised, unless prior permission is granted by LBI. *(The Distributor must obtain approval from LBI before using the LBI name or logo on, for example, business cards, or advertising.)*

c) The Distributor receives the right to sell Living Books products anywhere in Canada to any customer (except as outlined below) and recognizes the same right for every other Distributor. The Distributor will not solicit commercial accounts or other customers being serviced by another Distributor. The Distributor will not sell to Christian Bookstores, in compliance with LBI's agreements with publishers.

d) LBI recognizes the legal status of a Distributor as an individual person, although a spouse and minors living at home will also be recognized under the same Distributorship. All business dealings shall be deemed to be only between LBI and the individual identified on this contract as the Distributor.

e) The Distributor will adhere to all LBI rules, regulations, and policies, as published in company training material, newsletters etc. Any violation and/or involvement in any activity, employment, campaign or enterprise which, in the opinion of LBI, reflects adversely on LBI and/or is detrimental to other Distributors, renders the Distributor subject to immediate termination, notwithstanding section 2a) above.

3. INDEPENDENT CONTRACTOR

The granting of a Living Books Distributorship is not intended, and shall not be construed to create a relationship of employer-employee, joint venture, agency, franchise or partnership between the Distributor and LBI or between the Distributor and any other Distributor. The Distributor is an independent contractor for the buying and selling of Living Books products, and as such is responsible for all agreements entered into by himself, and any and all expenses incurred by himself in the course of conducting business as a Living Books Distributor. The Distributor agrees to save LBI, its Officers and Directors, and/or any other Distributors harmless from all said costs, and to indemnify and exonerate said parties from any loss, cause of action, litigation, claim, debt, judgment, attachment, execution, demand or other obligation of any kind arising out of the Distributor's acts, words, or conduct as an independent contractor for the sale of Living Books products, whether caused by the Distributor's negligence, willful action, failure to act, or otherwise.

4. ADVERTISING

The Distributor may, at his or her own expense, advertise for the sale of Living Books products through his or her own Distributorship. Any advertising containing the Living Books name and/or logo requires the prior permission and approval of LBI, as per 2b) above.

(Continued on reverse)

5. BUSINESS PRACTICE

The Distributor shall conduct his business in an ethical, just and moral manner that will at all times reflect favourably upon LBI and other Distributors. The Distributor will not malign or degrade LBI or any other Distributor, or any competitive product or company, and will not make any false or misleading representation about LBI, Living Books products or other Living Books Distributors.

6. LEGAL JURISDICTION

Living Books Inc. is headquartered in Borden, SK. Any agreement (including this contract) executed between LBI and the Distributor is deemed to have been executed in the Province of Saskatchewan, in all matters including, but not limited to obligation, interpretation, validity, performance or termination. All provisions of this contract are severable, and this contract shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and all partially valid and enforceable provisions shall be enforced to the extent valid and enforceable. Any dispute arising in connection with this contract which cannot be settled amicably between the parties shall be resolved by binding arbitration in Saskatchewan according to applicable Saskatchewan legislation, by a single arbitrator chosen by the parties. Any indemnities, assumptions of liabilities, and obligations herein shall continue in full force and effect subsequent to and notwithstanding termination of this agreement.

7. CHANGE OR AMENDMENT

The Distributor recognizes that LBI retains the right to change or amend its procedures or policies to comply with legal requirements, or if it is determined to better serve the overall Purpose of LBI and Living Books Distributors. This contract may be amended by LBI upon 90 days notice to the Distributor, for any reason deemed necessary by LBI. Any such amendment shall be considered to be part of this contract as if it had been included in the original contract.

REPRESENTATIVE/DISTRIBUTOR AND SPONSOR PLEASE COMPLETE THIS SECTION. (Please print legibly.)

I agree to all of the above terms, and hereby make application to become a Distributor of Living Books Products:

- REPRESENTATIVE (No previous qualifications required.)
DISTRIBUTOR \$3000. pre-payment for product is attached.

Form with fields for Representative/Distributor Name, Birthdate, Sponsor Name, Spouse's Name, Address, City, Province, Postal Code, E-mail, Telephone Number, Fax Number, Work Telephone Number, Date, GST #, and Signature.

Please do not write in this area
Living Books Inc.
Effective Date

Send signed contract to: Living Books Inc. / Box 142 / Borden, SK / S0K 0N0

A faxed copy will not be considered a valid contract; Living Books needs to have the original on file. Endorsed copies will be returned to the Distributor and to the Sponsor. This contract is not valid until signed by an officer of Living Books Inc. LBI dc/12/00