

MERCHANDISING LICENSE AGREEMENT
(as amended as of November 20, 1998)

1. **Licensor:** American Rescue Team International, a corporation, and Douglas Copp, an individual ("Licensor")
P.O. Box 489
Alameda, California 94501
Tel/Fax: (510) 523-5493

Licensee: Inter Public Co., Ltd. ("Licensee")
New Taro Bldg.
2-2-12-Fujimi Chiyoda-Ku
Tokyo 102 Japan
2. **Property:** The name American Rescue Team International and its logo ARTI and the name and likeness of Douglas Copp.
3. **Proprietary Subject Matter:** All of Licensor's right, title and interest in (i) the title, symbols, trademarks, copyrights, designs, advertising artwork, and logo of the Property; and (ii) the name, approved image and approved likeness. All of the above-mentioned shall be depicted in approved artwork and other approved materials supplied to Licensee by Licensor hereunder. The foregoing is hereinafter referred to as the "Proprietary Subject Matter." The Proprietary Subject Matter expressly excludes the title, symbols, trademarks, copyrights, designs, advertising artwork, and logo of all Derivative Properties as defined in paragraph 27.5 of the Standard Terms and Conditions and the names, images and likenesses of any other ARTI members or other persons appearing in such Derivative Properties.
4. **Articles:** The following products utilizing, bearing, or otherwise relating to the Proprietary Subject Matter: Casio G-SHOCK wrist watches, as follows: Licensee will put the ARTI logo on only the ARTI model (only one color of new series of Casio G-SHOCK); and will use the ARTI image and name to promote the same series in magazines in Asia. The series has a compass and will have 5 to 10 different colors, but will not bear the ARTI logo except for the ARTI model. The watches will retail for approximately USD \$300. Casio is not limited to one model or design of the ARTI watch but could produce more than one model as long as there is just one color of the ARTI model of Casio G-SHOCK watch.
5. **Territory:** Asia ("Territory").
6. **Term:** ~~The term shall commence on April 1, 1999 and expire on April 1, 2000, unless sooner terminated as provided in Exhibit "A" hereto ("Term").~~
The term shall commence on April 1, 1999 and expire on April 1, 2000, unless sooner terminated as provided in Exhibit "A" hereto ("Term").
7. **Exclusivity (check one):** Non-exclusive license Exclusive license

- 7.a. [See Rider A]
- 8. Royalty Rate: Not applicable.
- 9. Advance: USD \$17,000.00 ("Advance"). \$15,000 has been paid. The balance of \$2,000 is payable upon formal execution of this amended agreement. These amounts are non-refundable and shall be paid without offset at Licensor's address.
- 10. Guarantee: USD \$17,000.00 ("Guarantee"). The Guarantee is satisfied upon payment of the Advance
- 11. Channels of Distribution: Channel of Distribution shall mean the sale of Articles to (i) jobbers, wholesalers, and distributors for sale and distribution to retail stores and merchants; (ii) retail stores and merchants directly for sale and distribution to the public; and (iii) those third party direct marketing catalogue companies for which Licensor has given its prior written approval. ("Channels of Distribution"). ("Channels of Distribution").
- 12. Earliest In-Store Date: April 1, 1999 ("Earliest In-Store Date")
- 13. Shipping Date: August 31, 1999 ("Shipping Date").
- 14. Copyright and Trademark Notices:
 - Copyright: © 2000 American Rescue Team International. All Rights Reserved
 - Trademark: American Rescue Team International™ and ARTI™ are trademarks of American Rescue Team International.
- 15. Approvals: All Articles and any related packaging and advertising must be approved by Licensor in writing before distribution or sale by Licensee. Such approvals or disapprovals are within Licensor's sole discretion, and any submission not approved in writing is deemed disapproved.
- 16. Insurance Amount: \$1,000,000.00.
- 17. Samples: 50 of the ARTI model G-SHOCK watches.

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Alameda, California 94501
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Licensee: Inter Public Co., Ltd. ("Licensee")
New Taro Bldg.
2-2-12-Fujimi Chiyoda-Ku
Tokyo 102 Japan
2. **Property:** The name American Rescue Team International and its logo ARTI and the name and likeness of Douglas Copp.
3. **Proprietary Subject Matter:** All of Licensor's right, title and interest in (i) the title, symbols, trademarks, copyrights, designs, advertising artwork, and logo of the Property; and (ii) the name, approved image and approved likeness. All of the above-mentioned shall be depicted in approved artwork and other approved materials supplied to Licensee by Licensor hereunder. The foregoing is hereinafter referred to as the "Proprietary Subject Matter." The Proprietary Subject Matter expressly excludes the title, symbols, trademarks, copyrights, designs, advertising artwork, and logo of all Derivative Properties as defined in paragraph 27.5 of the Standard Terms and Conditions and the names, images and likenesses of any other ARTI members or other persons appearing in such Derivative Properties.
4. **Articles:** The following products utilizing, bearing, or otherwise relating to the Proprietary Subject Matter: Casio G-SHOCK wrist watches, as follows: Licensee will put the ARTI logo on only the ARTI model (only one color of new series of Casio G-SHOCK); and will use the ARTI image and name to promote the same series in magazines in Asia. The series has a compass and will have 5 to 10 different colors, but will not bear the ARTI logo except for the ARTI model. The watches will retail for approximately USD \$300. Casio is not limited to one model or design of the ARTI watch but could produce more than one model as long as there is just one color of the ARTI model of Casio G-SHOCK watch.
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7. **Exclusivity (check one):** Non-exclusive license Exclusive license

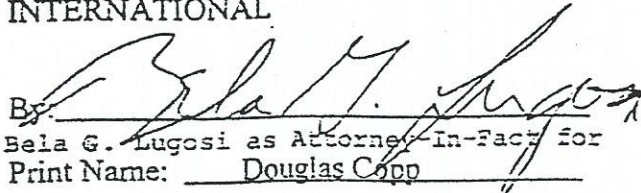
18. **Additional Terms:** The attached Exhibit "A" (Standard Terms and Conditions) is incorporated herein by this reference.

By signing below, Licensee affirms that it is in agreement with the foregoing and that it has read and understands and agrees to be bound by Exhibit "A" (Standard Terms and Conditions) attached hereto and forming a part hereof. Licensee further agrees that this Agreement shall also serve as an invoice to Licensee with respect to the amounts payable as set forth above and Licensee agrees to pay such amounts to Licensor as and when specified above. This Agreement shall not be binding upon Licensor until fully executed and delivered.

ACCEPTED AND AGREED TO:

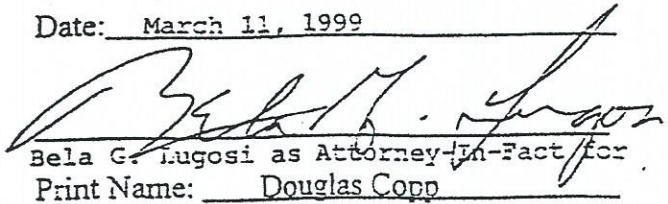
LICENSOR

AMERICAN RESCUE TEAM
INTERNATIONAL

By: 
Bela G. Lugosi as Attorney-In-Fact for
Print Name: Douglas Copp

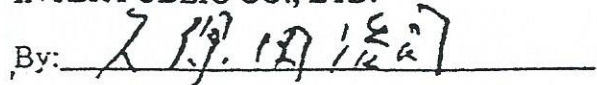
Title: President

Date: March 11, 1999


Bela G. Lugosi as Attorney-In-Fact for
Print Name: Douglas Copp

LICENSEE

INTER PUBLIC CO., LTD.

By: 

Print Name: Koji Kubota

Title: President

Date: Dec. 17, '98

(REVISED as of November 20, 1998)
EXHIBIT "A"

MERCHANDISING LICENSE AGREEMENT
STANDARD TERMS AND CONDITIONS

These Standard Terms and Conditions shall be deemed fully incorporated in the Merchandising License Agreement ("Underlying Agreement") to which this Exhibit "A" is attached, and these Standard Terms and Conditions and the Underlying Agreement shall hereinafter be collectively referred to as the "Agreement". All terms shall, unless expressly provided to the contrary herein, have the same respective meanings as set forth in the Underlying Agreement. Unless expressly provided to the contrary herein, to the extent that any provision of these Standard Terms and Conditions conflicts with any provision of the Underlying Agreement, the Underlying Agreement shall control.

19. FURTHER CONDITIONS ON GRANT OF RIGHTS.

Licensor hereby grants to Licensee, and Licensee hereby accepts, the right and license to utilize during the Term the Proprietary Subject Matter solely on or in connection with the manufacture and sale of Articles in the Territory, subject to the terms and conditions hereunder. Licensee shall be entitled to sell Articles solely in the Channels of Distribution set forth in Paragraph 11 of the Underlying Agreement. No such sales shall be on an approval, consignment, guaranteed sale or return basis. Licensee agrees that it will not make or authorize any use, direct or indirect, of the Articles outside the Territory or outside the Channels of Distribution and that it will not intentionally sell Articles to persons who intend or are likely to resell them outside the Territory or outside the Channels of Distribution.

20. CONSIDERATION.

20.1 Licensee shall pay Licensor a non-refundable Advance in the amount(s) and at the time(s) specified in Paragraph 9.

20.2. Intentionally left blank.

20.3 Intentionally left blank.

20.4 Intentionally left blank.

20.5 Intentionally left blank.

20.6 Licensee shall pay Licensor a minimum Royalties Guarantee for the Term, inclusive of the Advance, in the amount specified in Paragraph 10, payable at the expiration or earlier termination of the Term.

21. ACCOUNTING; AUDITING.

21.1 Following the expiration of the term of this Agreement, Licensee or its advertising agency, Inter Public Co., Ltd., shall deliver to Licensor, a report showing the total

number of Articles sold, the countries and the number of units sold in each respective country within the Territory, and the price at which the Articles were sold. Licensee shall render such royalty report to Licensor on or before July 1, 2000 for sales during the Term, and thereafter shall render quarterly Royalty Reports within thirty (30) days after the close of each calendar quarter for any quarter after April 1, 2000 in which there are any sales of Articles by Licensee. All Royalty Reports shall be sent to: Douglas Copp, c/o American Rescue Team International, P.O. Box 489, Alameda, California 94501.

21.2 Licensee shall keep and maintain accurate books of account and records covering all transactions relating to this Agreement. Licensor or its designee shall be entitled to (i) audit and inspect such books and records at any time or times during or after the Term of the Agreement during reasonable business hours and upon five (5) days prior written notice to Licensee, and (ii) make copies and summaries of such books and records. All such books of account and records shall be retained by Licensee for a minimum of three (3) years after expiration or termination of this Agreement.

22. EXCLUSIVITY.

22.1 If, and only if, the Underlying Agreement specifies that Licensee's license hereunder is exclusive, Licensor shall not, except as otherwise provided herein, grant any other licenses effective during the Term for the use of the Proprietary Subject Matter in connection with the manufacture, distribution and sale in the Channels of Distribution in the Territory of the Articles as expressly described in the Underlying Agreement. Notwithstanding the foregoing, nothing in this Agreement shall be construed to prevent Licensor from granting any licenses for the use of the Proprietary Subject Matter other than as provided herein, or from utilizing the Proprietary Subject Matter in any manner whatsoever other than as provided herein. If the Underlying Agreement specifies that Licensee's license hereunder is exclusive, and in the event that Licensee is unable to timely provide Licensor with such quantities of Articles as it from time to time requests pursuant to Paragraph 28.6, then Licensor shall have the right to manufacture, advertise, and sell Articles so long as such Articles are sold only in retail establishments owned or controlled by Signatures or Licensor.

22.2 If the Underlying Agreement specifies that Licensee's license hereunder is non-exclusive, then Licensor shall be free to utilize, or to grant any license to third parties to utilize, the Proprietary Subject Matter in any manner for any purposes whatsoever.

23. COPYRIGHT, TRADEMARKS, ETC.

23.1 Licensee's use of the Proprietary Subject Matter shall inure exclusively to the benefit of Licensor, and Licensee shall not acquire any rights therein. Licensee recognizes the value of the goodwill associated with the Proprietary Subject Matter, and that the Proprietary Subject Matter has acquired secondary meaning in the mind of the public. Licensee agrees, during the Term and thereafter, never to contest the rights of Licensor in such Proprietary Subject Matter or the validity of the license herein granted to it. Licensee shall not at any time apply for any registration of any copyright, trademark, patent, or any other intellectual property right, whether recognized currently or in the future, or other designation which would affect the ownership or rights of Licensor in and to the Proprietary Subject Matter nor file any document with any governmental authority or otherwise to take any action which would adversely affect

any of such ownership or rights in and to the Proprietary Subject Matter, or assist anyone else in doing so.

23.2 Ownership of all intellectual property rights, whether recognized currently or in the future, including, without limitation, copyright, patent and trademark rights, in the Articles and in all artwork, packaging, copy, literary text, advertising material and promotion material of any sort utilizing the Proprietary Subject Matter, including all such material developed by Licensee, shall vest in Licensor and title thereof shall be in the name of Licensor, or its respective designees. All such items and all Articles shall bear the copyright and trademark notices specified in Paragraph 14 and any other legal notices which Licensor may from time to time prescribe. Any and all additions to, and new renderings, modifications or embellishments of the artwork shall, notwithstanding their invention, creation and use by Licensee or its agents, be and remain the property of Licensor, and Licensor may use, and license others to use the same, subject only to the provisions of this Agreement. Licensee shall enter into written agreements with all of its employees and independent contractors (i) providing that all artwork and designs created by them in the course of Licensee's performance under this Agreement shall be the property of Licensor either as works for hire under United States copyright law or otherwise, and (ii) obligating them to assign all rights in such artwork and designs to Licensor. Upon the request of Licensor, Licensee shall submit to Licensor for Licensor's approval copies of all such agreements prior to use thereof. Licensee shall not permit any of its employees or independent contractors to obtain or reserve, by written or oral agreement or otherwise, any rights as "authors" or "inventors" of any such artwork or designs (as such terms are used in present or future United States copyright and/or patent statutes or judicial decisions). Licensee shall furnish to Licensor at Licensor's request, full information concerning the invention and creation of such artwork and designs, together with the originals of assignments of all rights therein obtained from all such third parties to Licensor.

23.3 Licensee shall assist Licensor, at Licensor's request and expense, in the procurement and maintenance of Licensor's rights in the Proprietary Subject Matter (including all intellectual property rights, whether recognized currently or in the future). In connection therewith, Licensee shall, without limitation, execute and deliver to Licensor in such form as it may reasonably request, all instruments necessary to (i) effectuate copyright and trademark protection, (ii) record Licensee as a registered user of any trademarks pursuant to this Agreement, or (iii) cancel any such registration. Such registration shall be handled by attorneys selected or approved by Licensor. Licensor makes no warranty or representation that trademark or copyright protection shall be secured in the Proprietary Subject Matter.

23.4 Licensor and Licensee shall cooperate to ensure that third parties may not unlawfully infringe on the Proprietary Subject Matter or engage in any acts of unfair competition involving the Proprietary Subject Matter. Licensee shall promptly notify the Licensor of any such infringements or acts of unfair competition by third parties that comes to its attention. Licensor shall have the exclusive right, exercisable at its discretion, to institute in its own name and/or Licensee's name and to control, all actions against third parties relating to Licensor's copyrights, trademarks, and other proprietary rights in and to the Proprietary Subject Matter, at Licensor's expense. With respect to any such actions, Licensor shall employ counsel of its own choice to direct the handling of the litigation and any settlement thereof. Licensor shall be entitled to receive and retain all amounts awarded, if any, as damages, profits or otherwise in connection with such suits. Licensee shall not, without Licensor's prior written consent, institute any suit or take any action on account of such infringements, acts of unfair competition or

unauthorized uses. If, with Licensor's consent, Licensee institutes, at its sole cost and expense, such a suit or action, Licensee shall be entitled to recover all reasonable costs and expenses incurred in such suit or action from any financial recovery awarded or obtained and the remainder shall be treated as Net Sales hereunder. Licensor shall incur no liability to Licensee by reason of Licensor's failure or refusal to prosecute, or by Licensor's refusal to permit Licensee to prosecute, any alleged infringement by third parties, nor by reason of any settlement to which Licensor may agree.

23.5 Licensor can withdraw any or all elements of the Proprietary Subject Matter, or any component part thereof, from the terms of this Agreement if Licensor determines that the exploitation thereof would or might violate or infringe the copyright, trademark or other proprietary rights of third parties, or subject Licensor to any liability or violate any law, court order, government regulation or other ruling of any governmental agency, or if, on account of the expiration or sooner termination of an agreement between Licensor and a third party from whom Licensor has obtained certain underlying rights relating to the exploitation of the Proprietary Subject Matter hereunder or otherwise, Licensor shall no longer have the right to act in the capacity herein contemplated on behalf of any third party or parties, or if Licensor determines that it cannot adequately protect its rights in the Proprietary Subject Matter under the copyright, trademark or other laws of the Territory. Such a withdrawal shall not be deemed a breach of this Agreement. Within five (5) business days of such withdrawal, Licensee shall, at Licensor's sole discretion, (a) destroy or (b) deliver to Licensor at Licensor's expense, any Articles which are in Licensee's inventory. Licensor shall indemnify Licensee for the direct production cost of such destroyed or returned Articles; provided, however, that Licensee furnishes Licensor with (i) a detailed inventory of such Articles, (ii) source documentation supporting such direct production costs, and (iii) an affidavit of destruction, if applicable, in a form acceptable to Licensor, evidencing the same.

23.6 Licensee shall not use Licensor's name, or the Proprietary Subject Matter, other than as permitted hereunder and, in particular, shall not incorporate Licensor's name, or the Proprietary Subject Matter, in the Licensee's corporate or business name in any manner whatsoever. Licensee agrees that in using the Proprietary Subject Matter it will in no way represent that it has any rights, title and/or interest in or to the Proprietary Subject Matter other than those expressly granted under the terms of this Agreement. Licensee further agrees that it will not use or authorize the use, either during or after the Term, of any configuration, trademark, trade name, or other designation confusingly or substantially similar to Licensor's name or the Proprietary Subject Matter, or any element thereof.

24. INDEMNIFICATION.

24.1 Licensor shall indemnify, hold harmless and defend Licensee, and its parents, subsidiaries, affiliates, officers, directors and employees, against any claims, liabilities, losses demands, causes of action, judgments, settlements and expenses (including, but not limited to, reasonable attorneys' fees and court costs) arising solely out of Licensee's use of the Proprietary Subject Matter as authorized hereunder; provided, however, that Licensee shall notify Licensor in writing within ten (10) days after Licensee receives notification of any claim or suit relating to the Proprietary Subject Matter. Licensor shall undertake and control the defense and settlement of any such claim or suit and Licensee shall cooperate fully with Licensor in connection herewith. In no event shall Licensor be liable for any consequential damages or loss of profits which Licensee may suffer arising out of same. The foregoing indemnity shall not be construed

to cover any claim with respect to which Licensee has committed to indemnify Licensor under Paragraph 24.2 below.

24.2 During and after the Term hereof, Licensee shall indemnify and hold harmless, Licensor, and its respective subsidiaries, affiliates, officers, directors, representatives, employees and agents, and all persons whose names and/or likenesses are licensed hereunder (each, an "Indemnitee" and collectively "Indemnitees") from and against any and all claims, liabilities, losses, demands, causes of action, judgments, settlements and expenses (including, but not limited to, reasonable attorneys' fees and court costs) ("Claim") arising out of or in connection with (i) the design, manufacture, packaging, distribution, shipment, advertising, promotion, sale, or exploitation of the Articles, (ii) any breach of any representation, warranty, or covenant made by Licensee hereunder, or (iii) the failure of Licensee to perform any of its covenants or obligations contained in this Agreement. Without limiting the generality of the foregoing, Licensee's indemnity shall specifically apply to claims relating to or based upon defects in the Articles, whether hidden or obvious, and despite Licensor's approval of the Articles, it being agreed that any governmental order of recall or injunction against distribution and/or sale shall, as between Licensee and Licensor, be deemed conclusive proof of such defect for purposes of invoking Licensee's indemnity hereunder. The foregoing indemnity shall not be construed to cover any claim with respect to which Licensor has committed to indemnify Licensee under Paragraph 24.1 above. If any Claim is initiated against any Indemnitee with respect to which such Indemnitee may make a claim against Licensee pursuant to this Paragraph 24.2, then the Indemnitee shall give prompt written notice of such Claim to the Licensee; provided, however, that the failure to so notify the Licensee shall not relieve the Licensee from any liability under this Paragraph 24.2 unless, and only to the extent that, such failure results in prejudice to or forfeiture of, substantive rights or defenses of the Licensee. Licensee, at Licensee's own expense, shall have the option to assume the defense of such Claim. If Licensee assumes the defense of such Claim, (i) Licensee shall keep the Indemnitee informed of all material developments and events relating to such Claim, (ii) the Indemnitee shall have the right to participate, at its own expense, in the defense of such Claim (but such participation shall not be deemed to give the Indemnitee the right to control such defense), (iii) the Indemnitee shall cooperate as reasonably requested by Licensee in the defense of such Claim, and (iv) Licensee shall not settle such Claim without the prior written consent of the Indemnitee, which consent shall not be unreasonably withheld. If Licensee fails to assume the defense of such Claim, or fails to diligently defend such Claim, Indemnitee may assume the defense of such Claim and Licensee shall reimburse Indemnitee for all reasonable expenses (including reasonable attorneys' fees which may include, without limitation, an allocation for in-house counsel) as such expenses are incurred, relating to the defense of such Claim.

25. INSURANCE.

Licensee shall at all times while this Agreement is in effect and for three (3) years thereafter, obtain and maintain at its own expense, from a qualified insurance carrier with a Best rating of at least "A+", insurance, including, without limitation, products, personal injury, advertising, and contractual liability coverage, which includes as an additional insured Licensor, and its respective subsidiaries, affiliates, officers, directors, employees, representatives and agents. The amount of coverage shall be not less than the amount specified in Paragraph 16 combined single limit (with no deductible amount) for each single occurrence. The policy shall provide for thirty (30) days written notice to Licensor from the insurer by registered or certified mail, return receipt requested, in the event of any modification, cancellation or termination.

Upon execution of this Agreement, Licensee shall furnish Licensor with a certificate of insurance issued by the carrier evidencing the same. Said certificate of insurance shall also show as deleted any disclaimer regarding Notice of Cancellation contained in the policy. An Endorsement shall also be furnished to Licensor showing Licensor and its respective parents, subsidiaries, affiliates, officers, directors, employees representatives and agents named as additional insureds and stating that the endorsement is primary over any other collectible insurance. In no event shall Licensee manufacture, advertise, distribute or sell any Articles prior to Licensor's receipt of such certificate of insurance.

26. ARTWORK: APPROVALS: SAMPLES: QUALITY CONTROL.

26.1 Licensee undertakes that the Articles as well as all packaging, hang tags, labels, press releases, advertising, promotion display or other materials of any and all types prepared in connection with the Articles (collectively the "Collateral Materials") shall be of the highest standard and quality and shall ensure that all Articles and the manufacture, distribution, sale, promotion and advertisement thereof comply with all federal, state and local laws and regulations.

26.2 Licensor shall supply Licensee with its standard package of photographs, transparencies, designs, materials, and artwork, as applicable, embodying the Proprietary Subject Matter ("Artwork") for Licensee's use in the Articles or in the Collateral Materials. If Licensee has supplemental requests for Artwork or special needs or requirements for the Artwork, Licensee shall pay Licensor or Licensor's designee for duplicating and providing such Artwork to Licensee.

26.3 Licensee shall submit to Licensor and Licensor shall have absolute approval over all artwork (whether Artwork or artwork created by Licensee and/or its designees), all Articles and all Collateral Materials at all stages of development and production. Licensee may not manufacture, use, offer for sale, sell, advertise, ship or distribute any Articles or Collateral Materials without Licensor's prior written approval. Licensee shall, at its own cost, submit to Licensor for approval, one (1) prototype of each Article ("Prototype") and each Collateral Material and/or one (1) drawing, storyboard or rough cut of each Article (collectively "Preliminary Artwork"), as applicable. All such Prototypes and/or Preliminary Artwork shall be sent to: Douglas Copp c/o American Rescue Team International, P.O. Box 489, Alameda, California 94501. Licensee shall submit Prototypes and Preliminary Artwork, as applicable, for approval as provided herein not later than sixty (60) days after receipt of Artwork from Licensor. Any submission of a Prototype and/or Preliminary Artwork which is not approved in writing by Licensor shall be deemed disapproved. Any changes required by Licensor to any such Prototypes and/or Preliminary Artwork which have been disapproved by Licensor, shall be made by Licensee. Thereafter, Licensee shall submit final samples of all Articles and Collateral Materials to Licensor for final approval. With respect to all such samples which have received Licensor's final approval, Licensee shall not depart therefrom in any material respect, without Licensor's prior written approval. All Articles and Collateral Materials not approved by Licensor shall be destroyed or shall have the Proprietary Subject Matter removed. Such destruction shall be attested to in a certificate signed by one of Licensee's officers.

26.4 Licensee shall furnish to Licensor, without charge, a minimum number of samples of each finished Article from the first production run, together with its Collateral Materials, as is

specified in Paragraph 17. Licensee shall not sell, ship, or distribute any Articles until all such samples have been furnished to Licensor. Licensor may, periodically, but not more often than twice per calendar year, during the Term, require that Licensee submit to Licensor, without charge, up to six (6) additional samples of Articles, together with Collateral Materials, for subsequent review of the quality and copyright, trademark, and other legal notices on same and for any other purpose the Licensor deems appropriate. No Royalties shall be due or payable on all finished samples furnished to Licensor.

26.5 Licensee shall allow Licensor or its representative to enter Licensee's premises and all manufacturing facilities during regular business hours, upon three (3) business days notice, for the purpose of inspecting the Articles, the Collateral Materials, and the facilities in which they are manufactured and packaged. In the event that the quality standards hereinabove referred to are not met, Licensee shall, upon written notice from Licensor, discontinue the manufacture and distribution of such Articles and/or the Collateral Materials related thereto, unless Licensee shall have remedied such failure of quality to Licensor's satisfaction within ten (10) days after Licensee's receipt of notice thereof; failure to effect such remedial measures shall entitle Licensor to terminate this Agreement upon notice to Licensee.

27. RESERVED RIGHTS.

27.1 Licensor reserves all rights not expressly granted to Licensee hereunder.

27.2 Licensor shall not be prevented from granting third parties the right to use the Proprietary Subject Matter in any manner whatsoever, except as otherwise provided herein.

27.3 Licensor specifically reserves unto itself and/or its designees the right to manufacture, distribute, offer for sale, sell, advertise, promote, display and otherwise exploit without limitation and throughout the world merchandise, goods and products similar and/or identical to the Articles for use in connection with premium sales, promotional tie-ins, give-aways, home television sales (e.g., QVC), cable programs, vending machines, electronic sales (e.g., Prodigy and Internet sales directly to the public), direct response sales (e.g., direct mail and telephone sales directly to the public), in studio sales where the Property is being filmed or taped, in-theater sales, sales at theme parks, amusement parks, entertainment centers or other amusement or live entertainment attractions (e.g., concert halls, arena shows, circuses, stadiums), retail sales, radio sales, sales by or through fan clubs and conventions, and fund-raisers.

27.4 Unless the name of a performer appearing in the Property is set forth in Paragraph 3, then it is specifically acknowledged by Licensee that all personal publicity and other rights of the performer, including but not limited to, the name, image, likeness and voice of the performer, shall not be included in the definition of Proprietary Subject Matter and the use thereof is not licensed herein. Proprietary Subject Matter also expressly excludes actual film footage, clips or soundtrack from the Property, and the voices of the performers appearing in the Property, unless otherwise specified in writing to Licensee.

27.5 Licensee acknowledges that the license granted herein does not include any right, title, or interest in or to the Property nor to any intellectual property rights in the Property, including, without limitation, any copyrights, patents, and/or trademarks therein or associated therewith. Furthermore, this Agreement relates solely to the Property. Licensee is not, by virtue of this Agreement, acquiring any right whatsoever with respect to any motion picture or

television production or other endeavor which is based upon, derivative of, inspired by or otherwise related to the Property, including, without limitation, remakes, sequels, sound recordings, or publications ("Derivative Properties"). In this connection, Licensee expressly acknowledges that its license hereunder does not include the right to use photographs, designs, materials, and artwork from Derivative Properties to the extent such materials are different from the Proprietary Subject Matter. All right, title and interest in and to the Derivative Properties is retained by Licensor.

28. MANUFACTURE AND DISTRIBUTION.

28.1 The Proprietary Subject Matter may only be used in connection with the manufacture, actual packaging and advertising, promotion and distribution of the Articles.

28.2 Licensee shall be entitled to sublicense the right to manufacture Articles to any third party ("Supplier"), in whole or in part, with Licensor's prior written consent. Licensee represents and warrants that it shall familiarize each such Supplier with the terms and conditions of this Agreement as they apply to such Supplier. In addition, Licensee acknowledges and agrees that Licensee's use of any such Supplier shall in no way derogate from or relieve Licensee of any of its obligations under this Agreement. Licensee further acknowledges and agrees that it shall be responsible and primarily liable for all activities and obligations of all such Suppliers with respect to the Articles. Furthermore, if Licensor so requests, Licensee shall cause each such Supplier to sign an agreement with Licensee for the manufacture of the Articles, in whole or in part, in a form satisfactory to Licensor.

28.3 Without the prior written consent of Licensor, Licensee shall not commence distribution, shipment, and sale of Articles prior to the Earliest In-Store Date specified in Paragraph 12.

28.4 Licensee shall commence distribution, shipment and sale of substantial quantities of Articles no later than the Shipping Date specified in Paragraph 13.

28.5 During the Term, and subject to the terms and conditions hereof, Licensee shall (i) continue to diligently and continuously advertise, promote, distribute, ship and sell the Articles in the Territory, and (ii) use its best efforts to make and maintain adequate arrangements for the distribution, shipment and sale necessary to meet the demand for such Articles in the Territory.

28.6 Intentionally left blank.

28.7 The Proprietary Subject Matter shall not be used in conjunction with any other licensed name, character, symbol, design, likeness or literary or artistic material, except that actual representations of an Article and its packaging may be shown in advertising showing other articles sold by Licensee, provided such use is not made in a manner that may be likely to cause doubt or confusion in the minds of the public as to the ownership of the Proprietary Subject Matter, and in no event may the Articles be packaged for sale with other articles.

28.8 Upon request by Licensor and upon ten (10) days prior written notice to Licensee, Licensee agrees to provide Licensor with any and all lists compiled by Licensee in connection with Licensee's marketing of the Articles hereunder of names and addresses of customers or

potential customers thereof, including but not limited to any so-called registration cards as completed and sent to Licensee by purchasers of the Articles hereunder. Licensor acknowledges and agrees that it can neither provide such lists to existing licensees who have licenses for similar products in the Territory, nor utilize such lists for its own purposes for similar articles in the Territory during the Term.

29. REPRESENTATIONS AND WARRANTIES.

29.1 Licensor represents and warrants to Licensee as follows: (i) Licensor owns or controls all rights in and to the Proprietary Subject Matter; (ii) Licensor has the full right, authority and power to enter into this Agreement and to perform all its obligations hereunder. Licensor makes no representation or warranty as to the amount of receipts Licensee will derive or as to the quality or success of the Property. Furthermore, Licensor does not represent or warrant that the Proprietary Subject Matter will appear or continue to appear in or as a part of any publication, program, motion picture/television series or other work or that any such work will continue to be exploited.

29.2 Licensee represents and warrants to Licensor as follows: (i) Licensee has full power and authority to enter into this Agreement and perform its obligations herein; and (ii) Licensee's execution, delivery, and performance of this Agreement will not infringe upon the rights of any third party or violate the provisions of any agreement to which Licensee is a party.

29.3 Intentionally left blank.

30. TERMINATION.

30.1 In addition to any and all other remedies available to it hereunder, Licensor shall have the right to immediately terminate this Agreement upon written notice to Licensee upon the occurrence of any of the following:

30.1.1 Licensee makes, sells, offers for sale, uses or distributes any Article without having the prior written approval of Licensor as specified in Paragraph 26.3 or continues to make, sell, offer for sale, use or distribute any Article after receipt of notice from Licensor withdrawing approval of same.

30.1.2 Licensee becomes subject to any voluntary or involuntary order of any government agency involving the recall of any of the Articles because of safety, health or other hazards or risks to the public.

30.2 In addition to any and all other remedies available to it hereunder, on seven (7) days prior written notice to Licensee, Licensor may terminate this Agreement (in which case such termination shall be effective immediately upon expiration of the seven (7) day notice period), upon the occurrence of any of the following circumstances, provided that during such seven (7) day period, Licensee fails to cure the breach to Licensor's satisfaction:

30.2.1 Licensee fails to immediately discontinue the advertising, distribution or sale of Articles which do not contain the appropriate legal legend or notice.

30.2.2 Licensee breaches any of the provisions of this Agreement relating to the unauthorized assertion of rights in the Proprietary Subject Matter.

30.2.3 Licensee fails to make timely payment of Royalties when due or fails to make timely submission of Royalty Reports when due. However, in the event Licensee has previously been given notification and time to cure a prior breach relating to Licensee's failure to remit a Royalty payment (including Advances or Guarantees) and/or Royalty Report when due, then Licensor may terminate this Agreement immediately upon notice to Licensee and no further time to cure need be given to Licensee by Licensor regardless of whether or not Licensee cured any prior failure or breach.

30.2.4 Licensee intentionally sells or authorizes the sales of Articles outside the Territory or outside the Channels of Distribution, or sells the Articles to persons who intend or are likely to resell them outside the Territory or outside the Channels of Distribution.

30.3 In addition to any and all other remedies available to it hereunder, on thirty (30) days prior written notice to Licensee, Licensor may terminate this Agreement (in which case such termination shall be effective immediately upon expiration of the thirty (30) day notice period), upon the occurrence of any of the following circumstances, provided that during such thirty (30) day period, Licensee fails to cure the breach to Licensor's satisfaction:

30.3.1 Licensee fails to obtain or maintain insurance as required under Paragraph 25 hereof.

30.3.2 During any calendar quarter of the Term, if Licensee fails to reasonably satisfy Paragraphs 28.4 or 28.5, Licensor may terminate this Agreement as to such Article(s) in any country in the Territory or in whole, by written notice to Licensee.

30.3.3 Licensee fails to timely submit Prototype and/or Preliminary Artwork for approval by Licensor as provided in Paragraph 26.3.

30.3.4 A petition in bankruptcy is filed by or against Licensee; Licensee is adjudicated bankrupt or insolvent, or makes an assignment for the benefit of creditors or an arrangement pursuant to any bankruptcy law; Licensee discontinues its business; or a receiver is appointed for Licensee or Licensee's business and such receiver is not discharged within thirty (30) days.

30.3.5 Licensee or any of its controlling shareholders, officers, directors or employees take any actions in connection with the manufacture, sale, distribution or advertising of the Articles which damages or reflects adversely upon the Licensor, the Property and/or the Proprietary Subject Matter.

30.3.6 Licensee violates any of its other obligations or breaches any of its covenants, agreements, representations or warranties hereunder.

30.4 Intentionally left blank.

31. EFFECT OF TERMINATION.

31.1 On expiration or termination of this Agreement, all Royalties (including unpaid portions of the Guarantee, if any) shall be immediately due and payable without set-off of any kind and no Advance or Guarantee paid to Licensor shall be refunded to Licensee. Termination of this Agreement, or any portions thereof, by Licensor pursuant to Paragraph 30 shall in no way reduce, proportionally or otherwise, the Guarantee required to be paid to Licensor hereunder. Ninety (90) days before the expiration of the Term, and in the event of its sooner termination, ten (10) business days after receipt of notice of termination, a statement showing the number and description of Articles on hand or in process shall be furnished by Licensee to Licensor. Licensor shall have the right to take a physical inventory to ascertain or verify such inventory and statement. Refusal by Licensee to submit to such physical inventory by Licensor and/or failure by Licensee to render the final statement as and when required by this provision, shall result in a forfeiture by Licensee of Licensee's right to dispose of its inventory (as provided by Paragraph 31.2 hereof), Licensor retaining all other legal and equitable rights Licensor may have in the circumstances.

31.2 On expiration of this Agreement only (as compared to an early termination pursuant to Paragraph 30), Licensee shall have a period of ninety (90) days commencing with the expiration date, in which to sell-off (on a non-exclusive basis) Articles which are on hand or in process as of the expiration date; provided, however: (i) Licensee complies with all the terms and conditions of this Agreement, including, but not limited to, Licensee's obligation to pay Royalties on and to account to Licensor for such sales (such accounting to be provided to Licensor within fifteen (15) days after the expiration of the sell-off period); (ii) Licensee has not manufactured Articles solely or principally for sale during the sell-off period; and (iii) Licensee has given Licensor the opportunity to purchase such Articles at Licensee's cost of manufacture thereof, which purchase may be of some or all such units, in Licensor's sole discretion. Royalties earned during the sell-off period may not be applied to any Guarantee shortfall. Licensee shall not be authorized to dispose of the excess inventory in the sell-off period to the extent that it exceeds ten percent (10%) of the total number of Articles sold during the Term, without Licensor's prior written consent. During the sell-off period, Licensor may use or license the use of the Proprietary Subject Matter in any manner, at any time, anywhere in the world.

31.3 On expiration or termination of this Agreement, except as noted in Paragraph 31.2 above, Licensee shall have no further right to exercise the rights licensed hereunder or otherwise acquired in relation to this Agreement and such rights shall forthwith revert to Licensor. All Artwork and other materials supplied to Licensee by Licensor hereunder shall be immediately returned to Licensor at Licensee's expense. All remaining Articles and component parts thereof shall be destroyed within five (5) business days. Licensee shall within five (5) business days after such destruction deliver to Licensor a certificate of destruction evidencing same. Licensee agrees that (i) its failure to cease the manufacture, sale and/or distribution of Articles upon the expiration or termination of this Agreement will result in immediate and irreparable damage to Licensor, (ii) there is no adequate remedy at law for such failure and (iii) in the event of such failure, Licensor shall be entitled to injunctive relief.

31.4 Upon expiration or termination of this Agreement, (i) if the Underlying Agreement specifies that the license granted hereunder is an exclusive license, Licensor shall be free to license others to use the Proprietary Subject Matter in connection with the manufacture, sale, distribution and promotion of the Articles in the Territory (it being acknowledged that

Licensor has the full and complete right so to do during the Term if the license granted is a non-exclusive License), and (ii) Licensee shall refrain from further use of the Proprietary Subject Matter or any further reference, direct or indirect, thereto or to anything deemed by Licensor to be similar to the Proprietary Subject Matter, in connection with the manufacture, sale, distribution or promotion of Licensee's products except as permitted in Paragraph 31.2 above. It shall not be a violation of any right of Licensee if Licensor should at any time during the Term enter into negotiations with another to license use of the Proprietary Subject Matter in respect to the Articles within the Territory provided that, in the event that the license granted to Licensee hereunder is an exclusive license, it is contemplated that such prospective license shall commence after termination of the Agreement.

32. NOTICES.

All notices, demands, contracts or waivers hereunder shall be given in writing by mail, messenger, overnight air courier or telefax addressed as indicated in the Underlying Agreement or as otherwise indicated in writing by a party hereto. The date of messengering or telefaxing shall be deemed to be the date of service. Three (3) business days from the date of mailing shall be deemed to be the date of service for mailed notices. One (1) business day from the date of overnight air courier handling shall be deemed to be the date of service for courier handled notices.

33. NO MODIFICATION; WAIVER.

The terms of this Agreement shall not be modified except by an agreement in writing signed by both parties hereto. No waiver by either party of a breach or default hereunder shall be deemed a waiver by such party of a subsequent breach or default of a like or similar nature.

34. ENTIRE AGREEMENT.

This Agreement shall constitute the entire understanding of the parties with respect to the subject matter, superseding all prior and contemporaneous promises, agreements and understandings, whether written or oral pertaining thereto.

35. RELATIONSHIP OF THE PARTIES.

This Agreement does not appoint either party as the agent of the other party, or create a partnership or joint venture between the parties.

36. GOVERNING LAW.

This Agreement shall be construed and interpreted pursuant to the laws of the State of California, and the parties hereto submit and consent to the jurisdiction of the courts of the State of California, including Federal Courts located therein, should Federal jurisdiction requirements exist, in any action brought to enforce (or otherwise relating to) this Agreement. Notwithstanding the preceding sentence, nothing contained in this Agreement shall preclude Licensor from bringing an action in any appropriate forum to enforce the terms and provisions of this Agreement. Licensee hereby consents to the exclusive jurisdiction of any State or Federal court empowered to enforce this Agreement in the State of California, Los Angeles County, and waives any objection thereto on the basis of personal jurisdiction or venue.

37. SEVERABILITY.

If any provision of this Agreement is held by a court of competent jurisdiction to be unenforceable, such decision shall not affect the validity or enforceability of any of the remaining provisions, which remaining provisions shall continue to have full force and effect.

38. CONFIDENTIALITY.

Other than as may be required by any applicable law, government order or regulation, or by order or decree of any court of competent jurisdiction, Licensee shall not publicly divulge or announce, or in any manner disclose to any third party, any information or matters revealed to Licensee pursuant hereto, or any of the specific terms and conditions (including but not limited to Royalty Rates, Advances, Guarantees and Net Sales of Articles) of this Agreement.

39. COUNTERPARTS.

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same Agreement.

40. FURTHER ASSURANCES.

The parties hereto shall execute such further documents and perform such further acts as may be necessary to comply with the terms of this Agreement and consummate the transactions herein provided.

41. ATTORNEYS' FEES.

If any legal action or any other proceeding is brought for the enforcement of this Agreement, or if a dispute arises under this Agreement, the successful or prevailing party shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which it may be entitled.

42. HEADINGS.

The headings contained in this Agreement are for convenience and reference purposes only. They do not form a part hereof and shall not affect the meaning or interpretation of this Agreement.

43. ASSIGNMENT.

Licensee's rights and obligations hereunder are personal to Licensee and shall not be assigned to any affiliate of Licensee (including, without limitation, subsidiary and parent companies, and partnerships, joint ventures and the like, in which Licensee has an interest.) Licensee's rights and obligations hereunder shall not be sublicensed, assigned, mortgaged or otherwise transferred or encumbered by Licensee or by operation of law unless otherwise previously agreed in writing by Licensor. Licensor reserves the right to assign this Agreement to any third party and to hypothecate or pledge this Agreement as collateral for any purpose. In the event of any such assignment, Licensee shall pay the Royalties and the Guarantee due hereunder

as directed by Licensor. This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of Licensor.

44. EQUITABLE REMEDIES.

Licensee acknowledges that its failure to perform any of the material terms or conditions of this Agreement shall result in immediate and irreparable damage to Licensor. Licensee also acknowledges that there may be no adequate remedy at law for such failures and that in the event thereof, Licensor shall be entitled to equitable relief in the nature of an injunction and to all other available relief, at law or in equity.

END OF STANDARD TERMS AND CONDITIONS.

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Rider A

7. a Notwithstanding the provisions of paragraph 43 hereof, upon execution of this Agreement, Licensee may sub-license all of its rights and interest in this Agreement to Casio Co., Ltd. which shall assume all obligations of Licensee hereunder. All references to "Licensee" contained in this Agreement shall thereafter be deemed to include Casio Co., Ltd. Inter-Public Co., Ltd. shall remain fully responsible for performing all of the obligations of Licensee herein. Licensor consents to the sub-license under this Section 7. a.

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FIRST MODIFICATION TO
MERCHANDISING LICENSE AGREEMENT

This First Modification to Merchandising License Agreement ("Modification") dated as of February __, 1999 is entered into among American Rescue Team International, a corporation, Douglas Copp, an individual (collectively the "Licensor") and Inter Public Co., Ltd., a corporation (Licensee).

RECITALS

WHEREAS, Licensor and Licensee entered into a Merchandising License Agreement dated as of November 20, 1998 (the "Agreement");

WHEREAS, the parties desire to modify the Agreement by amending the term, Territory and number of sample watches to be provided by Licensee to Licensor;

NOW, THEREFORE, in consideration of the premises and of the mutual consents herein contained, the parties hereto agree as follows:

1. Definitions. Unless otherwise defined herein, all capitalized terms used herein shall have the respective meanings assigned to such terms in the Agreement.

2. Territory. Section 5 of the Agreement is hereby deleted in its entirety, and replaced with the following:

"5. Territory: Asia, United States, Canada, Europe, Great Britain.

3. Term. Section 6 of the Agreement is hereby deleted in its entirety, and replaced with the following:

"6. Term: The Term shall commence on July 1, 1999, and expire of June 30, 2000, unless sooner terminated as provided in Exhibit "A" hereto."

4. Earliest In-Store Date. Section 12 of the Agreement is hereby deleted, and replaced with the following:

"12. Earliest In-Store-Date: July 1, 1999."

5. Shipping Date. Section 13 of the Agreement is hereby deleted, and replaced with the following:

"13. Shipping Date: November 30, 1999."

6. Approvals. Section 15 of the Agreement is hereby deleted in its entirety, and replaced with the following:

"15. Approvals: All articles and any related packaging and advertising must be approved by Licensor in writing before distribution or sale by Licensee. Such approvals are within Licensor's sole discretion. Provided, however, Licensor agrees to respond to a request for approvals within seventy-two (72) hours after receiving such request. If Licensor fails to respond within such seventy-two hour time period, Licensor will be deemed to have approved such request."

7. Samples. Section 17 of the Agreement is hereby deleted in its entirety, and replaced with the following:

"17. Samples: 400 of the ARTI model G-SHOCK watches.

IN WITNESS WHEREOF, the parties hereto have caused this Modification to be executed by their respective officers thereunto duly authorized, as of the date first above written.

AMERICAN RESCUE TEAM INTERNATIONAL

By: [Signature]
Bela Lugosi, as attorney-in-fact
for Doug Copp

[Signature]
Bela Lugosi, as attorney-in-fact
for Doug Copp, Individually

INTER PUBLIC CO., LTD.

By: [Signature]
Koji Kubota
President

400 + 50
Watches at
\$ 350. each.
\$ 157,500 +
17,000 cash

\$ 174,500