

**FORM 27**

**SECURITIES ACT**

**MATERIAL CHANGE REPORT UNDER SECTION 75(2)  
OF THE ACT**

**ITEM 1 Reporting Issuer:**

Video Headquarters Inc.  
6201- 46<sup>th</sup> Avenue  
Red Deer, Alberta  
T4N 6Z1

(The "Corporation")

**ITEM 2 Date of Material Change:**

November 3, 2000

**ITEM 3 Press Release:**

Press Release over the Canada News Wire – November 3, 2000

**ITEM 4 Summary of Material Change:**

The Corporation's partially owned subsidiary, E-Trend Networks, Inc ("E-Trend") has entered into a binding letter of intent with Cool Entertainment Inc. (OTCBB: CULE) ("Cool") wherein Cool has agreed, subject to certain conditions, to acquire all of the issued and outstanding shares of E-Trend pursuant to a share exchange and reorganization between Cool and the shareholders of E-Trend (the "E-Trend Shareholders").

**ITEM 5 Full Description of Material Change:**

On November 3, 2000, E-Trend, a partially owned subsidiary of the Corporation, enter into a binding letter of intent with Cool, wherein Cool has agreed, subject to the completion by both parties of certain matters, to purchase all of the issued and outstanding shares of E-Trend from the E-Trend Shareholders pursuant to a share exchange and reorganization (the "Transaction"). Pursuant to the Transaction, Cool shall issue to the E-Trend Shareholders a certain number of common shares of Cool (not to exceed 4,450,000 shares on a post-consolidation basis), on a pro-rata basis based on

the percentage ownership each E-Trend Shareholder had in E-Trend, in exchange for all of the issued and outstanding shares of E-Trend.

The Transaction is subject to the completion of a number of matters by both parties, including, but not limited to, the following:

1. E-Trend and Cool entering into a formal share exchange and reorganization agreement with standard conditions, covenants, representations, and warranties;
2. Obtaining the approval for the Transaction from the board of directors for each of E-Trend and Cool;
3. Obtaining approval from the shareholders of Cool for a number of things including the re-domestication of Cool into the State of Delaware, the change of name of Cool to E-Trend Networks, Inc., and the consolidation of the share capital of Cool on a one (1) new for each one hundred (100) old basis, with such consolidation to occur immediately prior to the closing of the Transaction.
4. Obtaining the approval of the E-Trend Shareholders and the shareholders of Cool for the Transaction including the reorganization with Cool and the share exchange of the issued and outstanding shares of E-Trend for not more than 4,450,000 post-consolidation common shares of Cool.

E-Trend is a web based content destination for “everything entertainment”, including movies (theatrical and home video), music, games and more. [www.Entertainme.com](http://www.Entertainme.com) is the gateway to E-Trend’s network of entertainment-based specialty eCommerce sites, including, [www.Moviesource.com](http://www.Moviesource.com), [www.VHQMUSIC.com](http://www.VHQMUSIC.com), and [www.VHQGames.com](http://www.VHQGames.com). All E-Trend sites feature live, in-house customer service representatives who chat real time with visitors and offer assistance on product selection.

Cool is a entertainment retail website, found at [www.coolentertainment.com](http://www.coolentertainment.com), offering a wide range of products including CDs, DVDS, videos, and video games. The website also offers other services including online games, free e-mail accounts, and other entertainment.

**ITEM 6 Reliance on Section 75(3) of the Act:**

Not applicable.

**ITEM 7 Omitted Information:**

Not applicable.

**ITEM 8 Senior Officers:**

For further information please contact:

Trevor M. Hillman, President and CEO

Telephone: (403) 346-8119

Facsimile: (403) 309-5511

**ITEM 9 Statement of Senior Officer:**

The foregoing accurately discloses the material change referred to herein.

**DATED** at the City of Red Deer, in the Province of Alberta, this 9th day of November, 2000.

**Video Headquarters Inc.**

Per: "Trevor M. Hillman"

Trevor M. Hillman  
President and CEO

**IT IS AN OFFENCE UNDER THE SECURITIES ACT AND THE SECURITIES REGULATION FOR A PERSON OR COMPANY TO MAKE A STATEMENT IN A DOCUMENT REQUIRED TO BE FILED OR FURNISHED UNDER THE ACT OR THE REGULATION THAT, AT THE TIME AND IN THE LIGHT OF THE CIRCUMSTANCES UNDER WHICH IT IS MADE, IS A MISREPRESENTATION.**