

TONALITY DISTRIBUTION Inc.

Information on the Package Deal	
Maker :	Inc.
Name of the Representative :	
Multiservices Package Deal Tonality.ca : <u>Online Shop</u> iThèque.net : <u>The Library on Internet</u>	
Lump Sum Value :	CDN \$ -----+ TX
Information on the Client	
Company :	
Address :	
Person in Charge :	
Phone :	
Title :	
Fax :	
E-mail :	
Cellular Phone :	
Information on the catalogue	
Titles :	
Artists :	
Distributor :	
Producers :	
Labels :	
Catalog # :	
UPC Code :	
Artist's Website :	
Styles :	
Promotional Video :	
Date of Release in Store	<i>Day/Month/ Year</i>
Date of On-Lining	<i>Day/Month/ Year</i>

Agreement

By Definition :

1. "CLIENT": The CLIENT is the individual – client and/or songwriter and/or composer and/or rightful owner and/or assign - who owns and holds the masters, the rights on the artwork, pictures, images (i.e. CD covers) specified in Appendix A, whatever the titles are
2. The « DISTRIBUTEUR » : company holding the following websites www.tonality.ca, www.itheque.net .
3. "www.tonality.ca": On-line shop owned by Tonality Distribution Inc.
4. "www.itheque.net ": Service offered to public libraries.
5. "STREAMING ": Audio technological reading in transit on the Internet. The streaming listening is being done by using multimedia reader as RealAudio. To compensate transmission delays and to give more fluidity to audio, the multimedia reader holds data for a few seconds in its buffer memory before transmitting it to the speakers.
6. "TRANSIENT DOWNLOADING" : download which ends after 3 weeks.

Release of Rights

7. The CLIENT concedes to the DISTRIBUTEUR the non-exclusive right to edit, publish and distribute the artwork stipulated in Appendix A by way of Internet, throughout the world, in secured electronic downloadable format (any possible formats existing now and in the future). The latter artwork comprises the pieces specified in Appendix A.

Ownership Warranties

8. The DISTRIBUTEUR assures the distribution of the catalogue (i.e. Appendix A) through its online shop owned by Tonality Distribution Inc., www.tonality.ca and by its public library service iThèque, www.itheque.net .
9. The CLIENT commits himself to provide all the material necessary to the setting on line of the artwork mentioned in the subsection «*Information on the Album*».
10. The CLIENT commits himself to fill in the electronic version of the Appendix A and to e-mail it to the DISTRIBUTEUR.
11. The DISTRIBUTEUR will agree with the CLIENT on the electronic distribution terms and conditions, that is the street level selling price of each artwork or album, the format, the presentation, the choice of the text of presentation, etc.
12. The CLIENT authorizes the DISTRIBUTEUR to set online samples from each work for «stream» and also a reproduction of the title's cover art as the metadata that concern every piece mentioned in Appendix A.
13. No copyrights or royalties what so ever in regards to these samples, cover artwork or metadata, will be given by the DISTRIBUTEUR to the CLIENT.

Distribution Terms & Conditions

14. The DISTRIBUTEUR covers all the expenses of distribution for the artwork specified in Appendix A.
15. The financial terms and conditions shown in subsections 17, 18, 19 and 20 apply in the selling of artwork only made on www.tonality.ca.
16. A global fixed price of CDN\$20 will be taken by the DISTRIBUTEUR on the first few sales done on www.tonality.ca to cover administrative fees.
17. The payable royalties to the CLIENT will be due quarterly and will be paid in the thirty (30) following days of March 31st, June 30th, September 30th and December 31st of each contractual year.
18. The DISTRIBUTEUR will obtain the necessary licenses from the SODRAC, the CMRRA or any other individual who could ask for royalties for the mechanical reproduction of works. The DISTRIBUTEUR will pay the requested royalties for the mechanical reproduction of works and will deduce them from the sums to be poured to the CLIENT under the terms of the hereby agreement.
19. The payment will be accompanied by a detailed electronic report of the sales made on the DISTRIBUTEUR Web site. These reports will be in an Excel format and will mention the details of each download, including the following information: title, artist, quantity, downloading date, the downloaded file selling price and the sum due to the CLIENT.
20. If the CLIENT is not a member of the SODRAC (Société de gestion des droits mécaniques de reproduction) and owns the aforementioned rights, the DISTRIBUTEUR will pay **60 %** of the net selling price royalties (mechanical reproduction rights included). If the CLIENT has already conceded his mechanical reproduction rights, the DISTRIBUTEUR will obtain the requested licenses from the SODRAC, from The CMRRA or from any other agency that can enforce the payment of mechanical artworks reproduction. The DISTRIBUTEUR will honor the payable royalties for the artwork mechanical reproduction and will deduct them

from the amounts payable to the CLIENT under the terms and conditions of the hereby agreement.

21. The 22, 23rd, 24th subsections financial conditions will apply on the diffusion of the artworks only on the iThèque service (www.itheque.net).
22. The payable royalties to the CLIENT will be effective yearly, in the thirty (30) days following December 31st of each contractual year..
23. The payable royalties to the CLIENT will be determined the following way:
- For each subscription to the iThèque service, by an institution, **15%** of the subscription amount will be paid to all assigns (rightful owners).
 - The distribution of the total amount due to the assigns will be calculated by making a ratio in between the numbers of enquiries & downloads for a given artwork and the total number of enquiries & downloads.
24. A detailed electronic report of enquiries and loan by downloads, made on the iThèque service, will accompany the payment. The reports will be in an Excel format. They will detail each enquiry and completed downloading and, among things, will include the following information: title, artist, quantity, the total amount due to the CLIENT.

Responsibility Limitations

25. The DISTRIBUTOR will not be considered responsible for any damage or loss of documents handed out by the CLIENT. The latter hands them out to his own risk.
26. The DISTRIBUTOR will not be considered responsible for illegal hacking of any conceded work.

Terms and Cancellation

27. The hereby convention is one of a two (2) years term and an automatic renewal for the same period will occur, unless it is given up by one part or the other, three months before the end of the two years period. The hereby agreement could be cancelled out by the DISTRIBUTOR or by the CLIENT with written notice (certified mail only), 3 months in advance, and this, without any prejudice on both parties.

Applicable Laws

28. The hereby agreement is regulated and ruled by laws applicable in Quebec and Canada.

Signature of the CLIENT

Signature : _____

Date : _____ / _____ / _____
Day Month Year

Signature of the DISTRIBUTOR

Signature : X _____

Date : _____ / _____ / _____
Day Month Year

TONALITY DISTRIBUTION Inc. : www.tonality.ca , www.itheque.net, www.tounes.ca

5310 15ieme ave. Montréal, Bureau 303 Montréal, Québec H1X 3G2 Téléphone: 514-907-1129, courriel: info@Tonality.ca

Appendix A

1.	Title of the physical Catalogue	
2.	Name of the owner of the physical catalogue :	
3.	Catalog's number:	
6.	UPC code ("Universal Product Code"):	

# of the physical items	name of each artwork <i>(fill in once if there is only one name for all)</i>	Name of the producer :	UPC code ("Universal Product Code"):	Name of the publisher of each artwork:	
1					
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