

## MUSIC DISTRIBUTION AGREEMENT

This Agreement, dated as of and effective \_\_\_\_\_, 20\_\_ (the “**Effective Date**”), is between **Juxta Publishing Ltd.** (“**Juxta**” or “**we**” or “**us**”), a Hong Kong company extraprovincially registered in the Province of British Columbia, Canada and \_\_\_\_\_ (“**you**”), an independent recording artist with offices at \_\_\_\_\_.

### BACKGROUND

- A. We operate a website (the “**Website**”) currently located at [www.DivineNotes.com](http://www.DivineNotes.com). We allow our customers to download electronic music recordings from various Baha’i and other artists.
- B. You solely own all copyright in the sound recordings described in Schedule A. You wish to make those recordings available for download on the Website.

### AGREEMENTS

For good and valuable consideration, the receipt and sufficiency of which each party acknowledges, the parties agree as follows:

1. **Licence.** You hereby grant us a worldwide licence (the “**Licence**”) to:
  - (a) make copies of the recordings described in Schedule A and any other recordings which you and we may agree to include in this agreement in the future (collectively, the “**Recordings**”) to assist in the marketing and distribution of the Recordings through the Website;
  - (b) allow our customers and potential customers to download and stream copies of the Recordings from the Website;
  - (c) allow our customers and potential customers to make copies of the Recordings onto their computers, CDs, DVDs, MP3 players and other digital and electronic formats and devices for their personal use; and
2. **Delivery.** Upon execution of this agreement you will deliver to us a copy of the current Recordings in MP3 format, according to the specifications we set from time-to-time. If you cannot deliver the Recordings in MP3 format, you will deliver the Recordings to us on a final, mastered CD.
3. **Review.** The Recordings may be reviewed by us or by third parties selected by us to determine whether the Recordings: (a) are consistent with the teachings, beliefs and practices of the Baha’i faith, (b) are not offensive, derogatory or otherwise objectionable, and (c) otherwise meet our content and quality standards. We will notify you in writing if any of the Recordings do not meet those standards, in which case those recordings will be returned to you and removed from the scope of this Agreement.

4. **Prices.** We have the right to set and vary the prices we charge our customers from time-to-time to download and stream copies of the Recordings. We can set and vary the prices in our absolute discretion without obtaining your approval.

5. **Compensation.** We will pay you royalties (the “**Royalties**”) quarterly, in the amount of 50% of the gross revenues (excluding taxes and refunds) we receive from the downloading and streaming of your Recordings. We will retain the remaining 50% of such revenues as compensation for our services.

6. **Payment.** We will pay Royalties to you for a calendar quarter within 30 days after the end of the quarter, provided that such Royalties exceed a minimum threshold set (or varied) from time-to-time by us. The minimum threshold is currently US\$25. All payments will be made by PayPal, cheque, or through any other reasonable means selected by us from time-to-time. You will take all steps necessary to receive payment through the means we have selected.

7. **Samples.** We may allow customers and potential customers to download or stream free samples of your music. Typically such samples will be approximately 30 seconds long, but may be longer (and may include entire songs). We may also place such samples on CDs or other media which we distribute for free to market the Website, your Recordings and the recordings of other artists.

8. **No guaranties.** We do not represent, warrant or guarantee that we will market your Recordings or generate any revenues from the exploitation of your Recordings. Your sole remedy for our failure to do so is to terminate the Licence as described in section 11.

9. **Promotion.** We may use your name, photograph and likeness in any media to promote the Recordings. We may also use the Recordings themselves (or excerpts thereof) for the same purpose.

10. **Term.** The Licence will remain in effect for an initial term of one year from the date you executed this Agreement (the “**Initial Term**”). The term will automatically renew for successive one-year terms unless a party gives the other party notice of non-renewal at least 90 days prior to the end of the term (or renewal term) then in effect.

11. **Termination.** A party may terminate the Licence with respect to all Recordings or particular Recordings by giving the other party a minimum of 90 days’ prior written notice thereof. Either party may also terminate the Agreement after 15 days prior written notice at any time for a material breach if the other party does not cure the material breach during such 15 day period.

12. **Review.** Once each calendar year you may review our records at our offices during normal business hours to confirm the amounts of Royalties owed to you for that calendar year, provided that you first give us 7 days’ prior written notice and you do not unduly disrupt our business operations. All such inspections will be at your sole cost. If you discover you have been underpaid by greater than 3% of what you are owed, we will pay you the amount of the deficiency.

13. **Your Representations and Warranties.** You represent and warrant to us that:

(a) you solely own the copyright and all other proprietary rights in the Recordings;

- (b) you have the power and capacity to grant the Licence to us;
- (c) you have not previously assigned or licensed any rights described in the Licence to any third party;
- (d) no third party has any rights in the Recordings which would conflict with any of the rights granted to us in the Licence;
- (e) our copying and other exploitation of the Recordings as permitted by the Licence will not violate or infringe the copyright or other proprietary rights of any third party; and
- (f) the Recordings have passed the necessary Baha'i institutional review by a National Spiritual Assembly or the equivalent, as required by the Universal House of Justice (the international governing body of the Baha'i faith).

The representations and warranties set forth above are true now and will be true in the future.

14. **Indemnity.** You will indemnify and hold harmless us and our directors, officers, employees, representatives, licensees and customers (the "**Indemnified Parties**") from all losses, damages, costs and expenses (including lawyers' fees) claimed against or incurred by any of the Indemnified Parties in connection with any claim by a third party arising from a breach of any of your obligations or the untruthfulness of any of your representations or warranties under this Agreement.

15. **Modifications.** We may make changes to this Agreement upon 30 days' written notice to you, advising of the change and the effective date thereof. Such changes will be effective if you do not notify us that you object within 30 days. If you do provide notice to us of objection, then we may either continue exploiting the Recordings under the terms of this Agreement without such change or elect to discontinue exploiting the Recordings.

16. **General.** Waiver: No waiver, delay, or failure to act by us regarding any particular default or omission by you will prejudice or impair any of our rights or remedies regarding that or any subsequent default or omission that are not expressly waived in writing. Disputes: This Agreement is governed by the laws applicable in British Columbia. All disputes under or relating to this Agreement will be first submitted to the Spiritual Assembly of the Bahai's of Hong Kong. If the dispute is not resolve within 30 days after such submission (or such other period agreed to in writing by the parties) the dispute will be referred to and finally resolved by arbitration administered by the British Columbia International Commercial Arbitration Centre pursuant to its Rules. In the absence of any written agreement otherwise, the place of arbitration will be Vancouver, British Columbia. Further Assurances: The parties will execute and deliver to each other any further instruments, and do any further acts, that may be required to give full effect to the intent expressed in this Agreement. Entire Agreement: This Agreement supersedes all prior agreements of the parties regarding the subject matter of this Agreement, and constitutes the whole agreement with respect to that subject matter. Assignment: You may not assign this Agreement without our prior written consent, which may be withheld without cause. We may assign this Agreement upon written notice to you without your consent. Enurement: This Agreement will enure to the benefit of and be binding upon the parties and their lawful successors and permitted assigns. Independent Legal Advice: You confirm

that we have urged you to obtain independent legal advice regarding this Agreement and its effect. You represent that you have obtained such advice or have voluntarily chosen not to do so

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the Effective Date through their respective officers, duly authorised for that purpose:

**Witness of your signature:**

\_\_\_\_\_  
Signature of Witness

\_\_\_\_\_  
Name of Witness

\_\_\_\_\_  
Address of Witness

} \_\_\_\_\_  
Your Signature

**JUXTA PUBLISHING LTD.**

By: \_\_\_\_\_  
*Authorized Signatory*

Its: \_\_\_\_\_  
*Title of Authorized Signatory*

## **SCHEDULE A**

### **Recordings**

The Recordings are as follows: