

AVLA AUDIO-VIDEO LICENSING AGENCY INC.

85 Mowat Avenue Toronto, Ontario M6K 3E3

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The AVLA Audio-Video Licensing Agency Inc. is a non-exclusive agent that administers licensing in Canada for the owners and exclusive holders of copyright in sound recordings and music videos. AVLA licenses the exhibition and duplication of music videos, as well as the duplication of audio recordings. AVLA is the licensing agent of all the major record companies in Canada and many independent labels, artists and producers. AVLA's members own or control the copyright of over 95% of all musical audio recordings and music videos produced and/or distributed in Canada.

Anyone who duplicates sound recordings or music videos and anyone who exhibits or broadcasts music videos requires a licence from AVLA or authorization from the owner or holder of the copyright. The unlicensed duplication of sound recordings or music videos and/or the unlicensed exhibition of music videos is an infringement of copyright and may be subject to legal prosecution.

AGREEMENT SUMMARY: RADIO STATION TV COMMERCIAL

The following is a brief summary of the provisions contained in an AVLA Radio Station TV Commercial Agreement and is not meant to replace the Agreement. For complete terms and conditions, the full Agreement must be read. It is suggested that the Agreement be read in full and consultation with independent legal counsel be obtained prior to execution.

Grant of Licence:

An AVLA Radio Station TV Commercial Agreement allows the licensee (or third party television station) to copy and broadcast pre-approved eight-second (or less) portions of music videos and/or sound recordings for use in television commercials promoting the radio station, announcer's contests and special events. The record companies will directly supply approved music videos for licensee's use in commercials. The licensee is solely responsible for obtaining sound recordings approved for use to be copied and included in commercials.

Please note that record company approval through AVLA is required **before** copying and/or broadcasting of music videos and sound recordings.

Term:

The Agreement is one calendar year. Each television commercial may be broadcast for an eight week broadcast period with no limit on the number of commercials to be broadcast and no limit on the number of television stations used for broadcasting. The eight week broadcast period may run consecutively for a total of eight weeks, or may be staggered over sixteen (16) weeks, with the commercials airing two weeks on, two weeks off. Please note: If you wish to extend the broadcast period of your commercial or broadcast the commercial again at a later date, you will be required to submit a new clearance request form.

Fees:

The licence fee is for each eight second excerpt of a sound recording and/or music video for a broadcast period of eight weeks. The fees are as follows:

Music Clearance PRIOR to First Broadcast of Commercial with a minimum of three (3) different Music Videos and/or Sound Recordings by a minimum of three (3) different artists in Commercials:

- Broadcast areas of Vancouver, Montreal, Toronto = \$100.00 per Music Video and/or Sound Recording per Broadcast Period.
- Broadcast areas in rest of Canada = \$50.00 per Music Video and/or Sound Recording per Broadcast Period.

An administration fee is charged if a clearance request is made AFTER the first broadcast of a commercial. The administration fees for Commercials with three (3) different Music Videos and/or Sound Recordings by a minimum of three (3) different artists in Commercials:

- Broadcast areas of Vancouver, Montreal, Toronto = \$400.00 per Music Video and/or Sound Recording per Broadcast Period.
- Broadcast areas in rest of Canada = \$200.00 per Music Video and/or Sound Recording per Broadcast Period.

Music Clearance PRIOR to First Broadcast of Commercial with fewer than three (3) different Music Videos and/or Sound Recordings:

- Broadcast areas of Vancouver, Montreal, Toronto = \$500.00 per Music Video and/or Sound Recording per Broadcast Period if only one (1) Music Video or Sound Recording is used.
- Broadcast areas in rest of Canada = \$250.00 per Music Video and/or Sound Recording per Broadcast Period if only (1) Music Video or Sound Recording is used.

An administration fee is charged if a clearance request is made AFTER the first broadcast of a commercial. The administration fees for Commercials with three (3) different Music Videos and/or Sound Recordings:

- Broadcast areas of Vancouver, Montreal, Toronto = \$2,000.00 per Music Video and/or Sound Recording per Broadcast Period if only one (1) Music Video or Sound Recording is used.
- Broadcast areas in rest of Canada = \$800.00 per Music Video and/or Sound Recording per Broadcast Period if only (1) Music Video or Sound Recording is used.

Music Clearance PRIOR to First Broadcast of Commercial with fewer than three (3) different Music Videos and/or Sound Recordings:

- Broadcast areas of Vancouver, Montreal, Toronto = \$200.00 per Music Video and/or Sound Recording per Broadcast Period if only two (2) Music Videos or Sound Recordings are used.
- Broadcast areas in rest of Canada = \$100.00 per Music Video and/or Sound Recording per Broadcast Period if only (2) Music Video or Sound Recording is used.

An administration fee is charged if a clearance request is made AFTER the first broadcast of a commercial. The administration fees for Commercials with three (3) different Music Videos and/or Sound Recordings:

- Broadcast areas of Vancouver, Montreal, Toronto = \$800.00 per Music Video and/or Sound Recording per Broadcast Period if only two (2) Music Videos or Sound Recordings are used
- Broadcast areas in rest of Canada = \$400.00 per Music Video and/or Sound Recording per Broadcast Period if only (2) Music Video or Sound Recording is used.

Fees for Use of Commercial on Website are as follows:

- Clips using three (3) or more Artists = \$50.00 per Sound Recording or Music Video excerpt of up to 8 seconds, each Broadcast Period.
- Clips using two (2) Artists = \$125.00 per Sound Recording or Music Video excerpt of up to 8 seconds, each Broadcast Period.
- Clips using only one (1) Artist = \$250.00 per Sound Recording or Music Video excerpt of up to 8 seconds, each Broadcast Period.

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Details:

The radio stations must submit a clearance list of music videos and/or sound recordings to AVLA for approval prior to licensing. If sound recordings are to be used as background music in the commercial, a script must be sent to AVLA clearly outlining the video images that will be shown in conjunction with the sound recordings.

Upon approval of the requested clips, the radio station must submit a final line-up report within 30 days after the proposed first broadcast date. If the radio station has not provided the final line-up report to AVLA within those 30 days, the radio station will be invoiced based on the details provided in the initial clearance request form. Licence fees may be adjusted by AVLA based on complete reports when received.

The sound recordings and music videos are the sole property of the record companies. The licensee shall not accrue any rights, including any copyright to sound recordings and/or music videos or to copies of sound recordings and/or music videos contained in commercials.

AVLA has the right, upon receiving written instructions from a member record company, to recall any sound recording and/or music video from licensee upon written notice.

Unless permission is received from AVLA, the licensee shall only exhibit music videos so that the sound and image portion are shown together; the video portion shall not be shown without the audio portion, and the audio portion shall not be performed without the video portion.

The licensee shall maintain records of all music videos received and all duplications thereof. The licensee's records shall be available for inspection by AVLA. The licensee shall pay all costs incurred to the record companies for the delivery and return of music videos. Costs incurred by the licensee in compiling commercials shall be borne solely by the licensee.

The licensee shall send one copy of each commercial containing sound recordings and/or music videos to AVLA. If AVLA notifies the licensee that the quality of the commercial is unacceptable, the licensee agrees to provide evidence that the defects complained of do not exist on other copies of commercials, or that all such commercials have been erased and are no longer being broadcast.

The licensee shall only use music videos and sound recordings for their intended purpose as set out in the Agreement. The music videos and sound recordings are not for "home use". The music videos and sound recordings and commercials containing music videos and sound recordings shall not be disposed of in any manner including sale and rental.

The licensee shall be responsible for loss, damage, or defacing in any manner of music videos and shall be responsible for the replacement cost.

The licensee's commercials shall only include promotional messages for its station and shall not contain any commercial advertising for any other product or service. The licensee shall not modify, amend, or alter music videos and sound recordings, except for the purposes of embodying said music videos and/or sound recordings in its commercials.

The licensee is solely responsible for any clearances and payments that may be required with respect to use of music videos and sound recordings, duplication of music videos and/or sound recordings and/or embodiment of sound recordings and/or music videos in commercials. The licensee shall be solely responsible for any payments that may be required to any performing rights society, publishers, etc.