

SOUND KIT LICENSE AGREEMENT

This Non-Exclusive Sound Kit License (this "Agreement") is entered into on **[[date]]** by and between (1) **[[producer_real_name]]** p/k/a **[[producer_name]]** ("Producer") and (2) **[[customer_name]]**, who resides at **[[customer_address]]** ("Licensee") and sets forth the terms and conditions upon which the Licensee may use any or all of the "sound files" that comprise the Sound Kit "**[[sound_kit_name]]**" (all sound files are collectively the "Sound Kit") and the license fee charged by Producer, \$24.95 USD (the "License Fee").

WHEREAS, Producer and Licensee have voluntarily elected to enter into this Agreement and to utilize the services of and provided by License Lounge, LLC ("License Lounge") through its website and Content Licensing Platform, www.license lounge.com, to issue this Agreement, collect any payments due hereunder and deliver the Sound Kit to Licensee for use on the terms and conditions set forth below. Both Producer and Licensee acknowledge and agree that License Lounge is not a party to this Agreement. Furthermore, License Lounge shall not be deemed an owner, partner, or joint venturer with the Licensor or Licensee.

WHEREAS, Producer has made the Sound Kit available through his/her active account/profile on the Beat Licensing Platform and is bound by the express terms of the Content Administration Agreement, the subject matter of which is the Sound Kit;

WHEREAS, Licensee, by virtue of its request to license the Sound Kit from Producer through License Lounge, has agreed to be and is bound by the Terms and Conditions of Use which govern all use of the Beat Licensing Platform;

Therefore, the Producer and Licensee hereby acknowledge that the terms and conditions set forth below have been accepted and agreed to as it relates to their

rights in and use of the Sound Kit. The Producer and Licensee are legally bound as follows:

1. PAYMENT OF LICENSE FEE:

Payment of the License Fee shall be made to Producer on the date of this Agreement. Licensee shall make payment to License Lounge, the parties' authorized intermediary for the license of the Sound Kit through the Platform. All rights granted to Licensee by Producer in the Sound Kit are conditional upon Licensee's payment of the License Fee. Licensee's failure to pay the License Fee prior to delivery of the Sound Kit by Producer and in the manner above shall result in the automatic and immediate termination of this Agreement. Upon termination Licensee shall be legally prohibited from using the Sound Kit in any manner unless and until a new Sound Kit License is entered into by the parties.

2. DELIVERY & FORMAT OF SOUND KIT:

(a) Agreement: License Lounge shall deliver this Agreement to the parties in PDF file format via electronic mail to the addresses it has been provided.

(b) Sound Kit Files: Upon receipt of the License Fee by License Lounge on behalf of the Producer, License Lounge shall use all commercially reasonable efforts to immediately deliver the Sound Kit to the Licensee. Delivery of the Sound Kit to Licensee will be made by electronic mail within twenty (24) hours of payment of the License Fee. License Lounge shall cause Licensee to receive an e-mail containing an active hyperlink allowing Licensee to download and save a file folder containing all of the individual sound files and/or art work which collectively comprises the Sound Kit as provided to License Lounge by the Producer. If delivery of the Sound Kit cannot be made in the aforementioned method, License Lounge shall attach the Sound Kit to a new e-mail and deliver the same to an email address provided by the Licensee.

3. RIGHTS GRANTED TO LICENSEE:

In consideration for Licensee's payment of the License Fee, the Producer hereby grants to Licensee a limited **non-exclusive, royalty free license** to use the Sound Kit in connection with the Licensee's production of music. Specifically, any or all of the sound files within the Sound Kit may be used ONLY in compositions (music) that are written or produced by the Licensee, individually or as a collaborator. The Licensee, so long as its use of the Sound Kit does not violate the terms of this Agreement, may engage in the use of the Sound Kit as provided for herein throughout the World and in perpetuity.

(a) Commercial & Promotional Use: Any composition (music) created by Licensee which contains one or more of the sound files from the Sound Kit may be used for any promotional or commercial purposes, including but not limited to demo tracks, free mix-tapes, singles, EPs or albums sold at digital retailers, records, remixes, commercials, jingles, post productions, music commissioned by third party, soundtracks for film, theatre, musicals, production music libraries, television and/or live performances.

(b) Royalty Free: The Producer acknowledges that payment of the License Fee shall be its sole remuneration for the rights granted to Licensee in the Sound Kit subject to Producer's rights to collect any publishing income as set forth below in paragraph 4, if applicable pursuant to the terms expressly provided therein. The Licensee shall not be required to account or pay to Producer any royalties, fees or percentage of advances paid in connection with the commercial exploitation of the master/sound recording rights in any new songs or instrumentals produced by Licensee which contains one or more of the sound files comprising the Sound Kit.

(c) Non Exclusive License: Licensee acknowledges and agrees that any rights granted to Licensee in the Sound Kit pursuant to this Agreement are on a NON-EXCLUSIVE basis and Producer shall continue to license the Sound Kit and/or sound files contained therein, upon the same or similar terms and conditions as this Agreement.

ATTENTION - THE TERMS AND CONDITIONS EXPRESSLY PROVIDED FOR IN PARAGRAPH 4 ARE ONLY APPLICABLE TO "NEW WORKS" THAT INCORPORATE ONE OR MORE "LOOPS" INCLUDED IN AND/OR MADE FROM THE AUDIO FILES THAT COMPRISE THE SOUND KIT WHICH IS SUBJECT TO THIS LICENSE.

4. USE OF LOOPS:

For the purposes of this Agreement, a "LOOP" shall mean a piece of music with more than one musical note or layered musical patterns comprised from one or more of the audio files comprising the Sound Kit. A LOOP shall not exist from the use of any individual sound within an otherwise "New Work" (i.e. use of an individual drum sound is not a Musical Composition).

(a) New Instrumentals and/or Songs: Each time You create a new instrumental or song (a "New Work"), there are two sets of rights in the New Work: (1) the rights in the master/sound recording; and (2) the rights in the underlying publishing/composition (written lyrics and music). Each set of rights shall be owned and controlled by the parties as set forth in the provisions below:

(i) Master Rights (New WORK): YOU OWN the MASTER/SOUND RECORDING rights in the NEW WORK and You may exploit the MASTER rights in and to the New Work for commercial purposes without being required to make payment to Producer of any income You receive in connection therewith, including direct sales income, any advances or royalties.

(ii) Publishing Rights (Generally): Upon use by Licensee of a LOOP created from the sounds contained in the Sound Kit in a New Work the Producer shall be deemed and is the owner of an amount equal to fifty (50%) percent of YOUR interest in the underlying composition. By way of example, if you are the sole writer of an instrumental, You and Producer shall each own 50% of the composition of that instrumental. If you are the 50% owner of a new song (i.e. the New Work has lyrics), then You and Producer each own 25% of the composition of the New Work.

(b) Ownership of Publishing in the New Work: Where a LOOP is incorporated into the New Work by You, with respect to the publishing rights and ownership of the underlying composition embodied in the **NEW WORK**, the Licensee and the Producer hereby acknowledge and agree that the underlying composition shall be owned/split between them as follows:

- **YOU OWN FIFTY (50%) PERCENT:** You, the Licensee, shall own, control and administer 50% of publishing rights in and to the underlying composition of the

NEW WORK. Your share, or “split”, of the publishing in the New Work is Fifty (50%) Percent and you are entitled to 50% of the income generated by the composition of the New Work. You are legally entitled to register your interest and collect all income generated and payable by the **WRITER'S SHARE** of the New Work

- **PRODUCER OWNS FIFTY (50%) PERCENT:** PRODUCER, shall own, control and administer 50% of the publishing in and to the underlying composition of the NEW WORK. Producer's overall share, or “split”, of the publishing rights in and to the New Song shall be Fifty (50%) Percent. Producer shall be entitled to collect, receive or be paid 50% of the income generated by the composition embodied in the New Work if and when provided for pursuant to the terms of this Agreement. Producer is legally entitled to register its' interest and collect all income generated and payable by the **PUBLISHER'S SHARE** of the New Work. Notwithstanding and subject to the foregoing, if You transfer, assign and/or agree that a third party shall also have an ownership in and to the New Work, the Producer shall own 50% of the remaining interest in and to the composition of the New Work, i.e. an amount equal to Your remaining ownership of the publishing in the New Work

(c) Publishing Royalties: Licensee shall not be obligated to make payment to Producer, directly, of any producer royalties in connection with Producer's ownership of the publishing in one or more New Works, including but not limited to mechanical royalties or public performance royalties in connection with the New Work. Notwithstanding the foregoing, nothing contained herein shall prohibit, limit, restrain or prevent Producer from collecting any and all income generated by Producer's share of any income generated by the composition of each New Work from third party collection societies, DSPs and/or record labels. Licensee shall notify License Lounge of any New Works subject to this Agreement which are released by third party record label, distributor and/or which are licensed for commercial use.

5. PROHIBITED USES OF SOUND KIT:

(a) This license and the rights granted to Licensee are **NON-TRANSFERABLE** to any third party. **ONLY** the Licensee can use the Sound Kit for those purposes intended in this license.

(b) Licensee shall not engage in any unlawful copying, duplicating, selling, lending, renting, hiring, broadcasting, uploading or downloading to any database, news groups, servers, computers, file sharing services and/or otherwise distributing of the Sound Kit or the individual sound files contained therein is strictly forbidden.

(c) Use of the sound files in the Sound Kit in isolation and outside of the permitted uses intended in this Agreement, including but not limited to use in video games, gaming machines, ringtones and/or apps is a material breach of this agreement and shall result in immediate termination of Licensee's rights hereunder. Additionally, sound files may not be used either individually or in combination with other sound files to create alternative sample packs by competitive sample companies. Licensee's violation or infringement of Producer's rights in the Sound Kit or the terms of this Agreement will be pursued to the fullest extent of the law.

6. NO GUARANTEES:

The Producer, and License Lounge by virtue of its role as intermediary of this transaction, will not be held responsible if the Sound Kit or any of the sound files contained therein do not fit, or cannot be used, for the particular purpose intended or desired by the Licensee. The Sound Kit and each sound file contained therein are licensed to the Licensee 'as is' without warranties of any kind. Producer and/or License Lounge cannot be held responsible for any direct, indirect or consequential loss of income or business sustained by the Licensee arising from the Licensee's use of the Sound Kit or any sound files comprising the Sound Kit, regardless of the nature of such use.

7. REPRESENTATIONS & WARRANTIES (LL):

License Lounge makes no representation or warranties on behalf of the Producer and in connection with Producer's rights and ownership to the Sound Kit and/or the sound files contained therein. Notwithstanding the foregoing, as a pre-condition to uploading the Sound Kit to and licensing it through License Lounge's Beat Licensing Platform, the Producer has represented to License Lounge that it is the lawful owner of and has all rights in and to the Sound Kit and License Lounge has relied on those representations made by Licensor which caused and materially induced

License Lounge to facilitate the license of the Sound Kit. As a material inducement to License Lounge's facilitating the license of the Sound Kit, the Licensee hereby agrees that License Lounge shall not be liable or responsible to the Licensee for any and all damages sustained by Licensee in connection with the use of the Sound Kit, including but not limited to any claims which arise from the infringement of another's copyright resulting from the use of any composition or piece of music written, produced or created by Licensee and which includes or embodies any of the sound files comprising the Sound Kit. Except as otherwise expressly provided herein, License Lounge makes no representations to the parties with respect to their respective authority or right to enter into this Agreement and License Lounge assumes no duties in connection with the same. Any liability arising from License Lounge's negligence, gross negligence, or intentional conduct in connection with its role as the parties' intermediary to this transaction and license of the Sound Kit or otherwise, shall be limited to the amount of the License Fee paid by Licensee pursuant to this Agreement. A copy of any and all notices sent by the parties hereto, which refer or relate to any claims against License Lounge, shall be sent to LICENSE LOUNGE, LLC, attn: Legal Department 153 West 27th Street, Suite 204 New York, NY 10001 and emailed to License Lounge.

8. MONETARY AND INJUNCTIVE RELIEF:

Licensee recognizes and agrees that a breach or threatened breach of this Agreement by Licensee gives rise to irreparable injury to Producer, which may not be adequately compensated by damages. Accordingly, in the event of a breach or threatened breach by the Licensee of the provisions of this Agreement, Producer may seek and shall be entitled to a temporary restraining order and preliminary injunction restraining the Licensee from violating the provisions of this Agreement. Nothing herein shall prohibit Producer from pursuing any other available legal or equitable remedy from such breach or threatened breach, including but not limited to the recovery of damages from the Licensee. The Licensee shall be responsible for all costs, expenses or damages that Producer incurs as a result of any violation by the Licensee of any provision of this Agreement, including but not limited to court costs, litigation expenses, and reasonable attorneys' fees.

9. ENTIRE AGREEMENT:

This Agreement contains the entire understanding of the parties relating to its subject matter. No change or termination of this agreement will be binding unless it is made by an instrument signed by each party hereto. Notwithstanding and subject to the foregoing, the parties acknowledge that they shall remain subject to the Terms and Conditions of Use for the Beat Licensing Platform at all times. Nothing contained herein shall change, alter, modify, revoke or replace the terms and conditions of the Content Administration Agreement entered into by Producer.

10. GOVERNING LAW:

This Agreement has been entered into in the state of New York and the validity, interpretation and legal effect of this agreement shall be governed by the laws of the state of New York applicable to contracts entered into and performed entirely within such state. All parties to this Agreement agree that the State and federal courts located in New York County will have exclusive jurisdiction of any controversies regarding this agreement and the parties hereto consent to jurisdiction of said courts.

11. AFFIRMATION/ACCEPTANCE OF TERMS:

Licensee shall be deemed to have executed and accepted the terms of this Agreement by virtue of its voluntary payment of the License Fee and pursuant to the Terms and Conditions of Use of the Beat Licensing Platform, which are incorporated herein by reference. Producer shall be deemed to have signed this Agreement by virtue of its use of the Beat Licensing Platform and agreement to be bound by the Content Administration Agreement entered into with License Lounge as a condition precedent to uploading and licensing the Sound Kit through the Beat Licensing Platform.