



The following sets forth the material terms and conditions with respect to CraddyMusic ("Producer", "me", "we", or the like) producing certain recording(s) embodying the musical performance of Licensee ("Artist", "you", "you're", or the like). In the event the number of master recordings hereunder is no more than one (1), then all references to "Masters" hereunder shall be read and deemed to refer to one (1) "Master". For good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties hereby agree as follows:

**1. License Fee:** Producer's receipt of a **\$599.99** licensee fee (the "Exclusive License Fee") from you is a precondition to this Exclusive License Agreement.

**2. Beat Removal:** The Producer agrees to remove the beat from the web store after the exclusive rights license purchase, therefore making it not available for sale anymore.

**3. Delivery of the Beat:** Following receipt of the Exclusive License Fee and execution of this Exclusive License Agreement, Producer will email a link to the Beat in 24-bit/44.1k WAV and 320kbps MP3 file format, along with a "tracked out" stem files for the Beat (as such terms are understood in the music industry), to the email address you provided to Producer.

**4. Term:** The Term of this Exclusive License Agreement shall be in perpetuity (unless terminated earlier pursuant to the terms of this Agreement).

## **5. Use of the Beat:**

**a. Exclusive.** The Beat is being licensed to you on an exclusive basis going forward. You acknowledge that Producer has previously exploited the Beat and/or licensed it to third parties (the “Prior Licensees”) and that such Prior Licensees shall continue to have the non-exclusive right to make use of the Beat pursuant to their pre-existing licenses. You agree not to prevent, block, or take action against any such Prior Licensees in their licensed use of the Beat. But for the avoidance of doubt, Producer may not continue to issue new licenses of the Beat to third parties.

**b. Making One New Song.** You will have a limited, non-transferable license to create one (1) new, substantially different (i.e., with substantial unique addition) derivative musical composition (the “New Composition”) and one (1) new derivative master recording (the “New Recording”) incorporating the Beat. For example, you may choose to record your own topline vocals over the Beat, and/or incorporate all or portions/samples of the Beat into the instrumental music of a New Composition and New Recording. You will have the right to modify the arrangement, tempo, duration, and/or pitch of the Beat in preparation for the New Composition and New Recording. You will have the right to sublicense the New Composition and/or New Recording to third parties (e.g., you may permit third parties to “sample” your New Recording in a subsequent master recording), but you may not license the Beat to third parties for the creation of new musical compositions and/or master records that are derivative only of the Beat as opposed to being derivative of your New Composition and New Recording. You can make music based on the Beat, but you don’t get to let other people do that.

**c. For Sale and Streaming.** You may exploit and/or permit exploitation of the New Composition and New Recording in non-paid and/or paid uses—e.g., where people don’t have to pay to listen to and/or download it, and where they do. For example, you may release the New Recording for free download, include it on a free mixtape or free compilation of music, or release it on a non-monetized digital streaming service (such as SoundCloud); and you may also sell physical copies of it (e.g., on CD), or release it for sale on a digital service platform (such as iTunes or Amazon Music), or release it on a monetized digital streaming service (such as Spotify or Apple Music).

**d. Public Performances.** You may perform the New Recording (and/or underlying New Composition) publicly (for example, in a live concert performance, at a festival, or in a nightclub), even if people are paying to see you perform. Any recording of a live performance of the New Composition shall be subject to the same terms of this Exclusive License Agreement (i.e. and would qualify as a New Recording hereunder).

**e. Radio.** You may pitch, submit or permit the pitching or submission of the New Composition and New Recording for performance on terrestrial, satellite, or internet radio (e.g., over-the-air radio, Sirius XM, Pandora, etc.).

**f. Music Videos & Synchronizations.** You may synchronize (use) the New Composition and New Recording in audiovisual works (“Music Videos”), and you may issue third-party master use synchronization licenses for the New Recording and third-party musical composition synchronization license for your share (but not Producer’s share) in the New Composition. You may exploit the Music Videos on internet video platforms (e.g., YouTube, Vimeo, Instagram, Facebook, and/or Vevo), and you may monetize the Music Videos (on those platforms or otherwise). The description of the Music Videos on such video platforms must include credit to "CraddyMusic" as producer. You may license or permit the Music Videos to be broadcast on television networks, or to be otherwise licensed to third parties. For the avoidance of doubt, the New Composition and/or New Recording (and/or Beat) may not be synchronized with or incorporated in any other audiovisual work (i.e., other than the Music Videos as permitted above)—for example without limitation, in any commercial, television show, film, or video game—without Producer or Producer’s publisher approving and issuing a license in connection with Producer’s share of the New Composition (and you will cause Producer to be paid a share of your royalties on the New Recording in connection with such synchronization, as set forth in paragraph 8. b).

**g. No ContentID Registration.** You may not register or permit the registration of the New Composition and/or New Recording with any content identification system or service (for example without limitation, with YouTube’s Content ID, whether directly or through a third party such as CDBaby or TuneCore). Although this is an exclusive license agreement going forward (meaning that Producer will not license the Beat to any new parties after you), the Beat may have been previously licensed to third parties for their own use (Prior Licensees); if you or any of the Prior Licensees tried to register their derivative songs with a service or automated method like Content ID, the content identification system might improperly flag all other users of the Beat as infringing uses. Producer reserves the sole right to register or permit the registration of the Beat or any work derivative of the Beat with content identification systems and services.

**h. No Copy / Stream Cap.** Your rights to exploit a New Composition and New Recording are not subject to a maximum aggregate number of streams or copies (physical, or digital downloads).

**i. No Direct Use of the Beat.** For the avoidance of doubt, you are not getting any right to exploit the Beat directly, only to create and exploit New Compositions and New Recordings that incorporate the Beat along with sufficient new and unique material to distinguish the New Composition and New Recording from the Beat.

**6. PRO Registration:** The producer has written and composed the Beat, which is commonly treated as one-half of the total songwriting on a musical composition (and you agree that the Producer retains 40% ownership of the copyright in the New Composition). You agree that any registration of the New Composition with relevant performance rights organizations (e.g., ASCAP, BMI, etc.) will reference the Producer having 40% of the total writer's share under **CraddyMusic (PRO: ARTISJUS - IPI Number: 730189061)**.

**7. Royalties:** In addition to the Exclusive License Fee, you agree to pay the following royalties to the Producer, either by directing the distributor of your records to do so (i.e., your record label, or the digital distribution company you use, e.g., TuneCore, DistroKid, etc.), or by doing so yourself (e.g., to PayPal ID: **CraddyMusicBeats@Gmail.com**, or via Producer banking information that may be provided upon emailed request):

**a. Mechanical Royalties.** When a copy of a master recording like the New Recording is sold (either on a CD or when someone buys it on a service like iTunes) or streamed (e.g., on a service like Apple Music or Spotify), copyright law requires that the songwriters get paid a royalty called a mechanical license. You agree to make sure that Producer is paid mechanical royalties for the Producer's 40% songwriting share of the New Composition, at the minimum statutory rate.

**b. Producer Royalties.** For the Producer's production of the Beat you intend to use in the New Recording, you agree to pay the Producer 25% of everything you make from the New Recording (i.e., including without limitation from master use synchronization licenses, but not including in connection with the Music Videos, which shall be subject to paragraph 8.c.)

**c. Music Videos Royalties.** Notwithstanding anything to the contrary herein, you will pay or cause to be paid to Producer 12.5% of all monies you make in connection with the exploitation of the Music Videos (for example without limitation, from ad revenues in connection with monetization on YouTube, from digital or physical sales of the Music Videos, etc.).

**8. Credit:** You will have the right to use and permit others to use the Producer's approved name "CraddyMusic" for purposes of the New Recording for purposes of the New Composition, but solely in connection with uses of the New Composition and New Recording permitted hereunder. You will cause Producer to be credited as a "producer" of the New Recording (e.g., "Produced by CraddyMusic") and co-writer of the New Composition (e.g., "Written by CraddyMusic [and other co-writers]") in any and all metadata, liner notes, and/or other customary places for such credits in connection with all exploitations of the New Recording and/or New Composition (as applicable), and in a manner no less favorable to Producer than credit accorded to any other producer or songwriter of the master recordings and musical compositions (respectively) bundled with the New Recording and/or New Composition. In the event of any failure to have the Producer properly credited, you will use reasonable efforts to cure such failure immediately on a prospective basis.

**9. Audio Samples:** If the Instrumental includes third-party samples, the Licensee understands that the sequence and music arrangement are considered original work. Samples may not be cleared before composition, and Licensee is required to seek clearance for the samples. The Licensee is responsible for clearing all samples used (if any) and the Licensor cannot and will not be held liable for the misuse of any sampled material that the Licensee uses in conjunction with the composition/arrangement that is being licensed in this agreement.

**10. Breach by You:**

**a.** If you fail to cure any breach of this Exclusive License Agreement within five (5) business days of Producer providing you with written notice of a breach, Producer will have the right to immediately terminate this Exclusive License Agreement, and if Producer notifies you of such termination, you will have no further right to use the Beat in the New Composition, New Recording, and/or Music Videos (and you must immediately cause them to be no longer available to the public).

**b.** If you use the Beat, New Composition, New Recording, and/or any Music Videos in a manner not expressly permitted in this Exclusive License Agreement, you agree to pay Producer any and all amounts previously or thereafter collected, received, or credited to you or any third party in connection with such exploitation of the Beat, New Composition, New Recording, and/or Music Videos (as applicable).

**c.** You recognize and agree that a breach or threatened breach by you of this Exclusive License Agreement could cause irreparable injury to Producer, which may not be adequately compensated by monetary damages. Accordingly, in the event of a breach or threatened breach by you, Producer shall be entitled to a temporary restraining order and a preliminary injunction restraining you from violating the provisions of this Exclusive License Agreement.

**d.** Nothing herein shall prohibit Producer from pursuing any other available legal or equitable remedy in connection with a breach or threatened breach of this Exclusive License Agreement, including but not limited to the recovery of monetary damages from you.

## **11. Representations, Warranties, and Indemnification:**

**a.** Producer represents and warrants that Producer has the full right and ability to enter into this Exclusive License Agreement and grant those rights granted herein. Producer warrants that the exploitations of the Beat permitted hereunder will not infringe upon or violate any common law or statutory right of any person, firm, or corporation; including, without limitation, contractual rights, copyrights, and right(s) of privacy and publicity and will not constitute libel and/or slander.

**b.** You represent and warrant that exploitation of the New Composition and/or New Recording hereunder will not infringe upon or violate any common law or statutory right of any person, firm, or corporation; including, without limitation, contractual rights, copyrights, and right(s) of privacy and publicity and will not constitute libel and/or slander. Just to be clear, Producer takes no responsibility whatsoever as to any elements added to the New Composition and/or New Recording by Licensee or any third party, and Licensee indemnifies and holds Producer harmless for any and all such elements.

**c.** Parties hereto shall indemnify and hold each other harmless from any and all third-party claims, liabilities, costs, losses, damages, judgments, costs, and expenses as are actually incurred by the non-defaulting party (including, without limitation, reasonable attorneys' fees) arising in connection with any breach or claim of breach of this Exclusive License Agreement by the defaulting party, their agents, heirs, successors, assigns, and employees, which have been reduced to final judgment or settled with the defaulting party's consent. The non-defaulting party shall give the defaulting party prompt written notice of all claims giving rise to indemnification obligations hereunder, and the defaulting party shall have the right to participate in the defence of such claims with counsel of its choice at its sole expense.

**12. Miscellaneous:** In no event shall Artist be entitled to seek injunctive or any other equitable relief for any breach or non-compliance with any provision of this Exclusive License Agreement. This Exclusive License Agreement constitutes the entire understanding of the parties and cannot be changed or waived, in whole or in part, except in writing signed by both parties hereto. This Exclusive License Agreement supersedes all prior agreements between the parties, whether oral or written. Should any provision of this Exclusive License Agreement be held to be void, invalid, or inoperative, such decision shall not affect any other provision hereof, and the remainder of this Exclusive License Agreement shall be effective as though such void, invalid, or inoperative provision had not been contained herein. No failure by Producer hereto to perform any of its obligations hereunder shall be deemed a material breach of this agreement until you give Producer written notice of its failure to perform, and such failure has not been corrected within thirty (30) days of notice (or if such breach is not reasonably capable of being cured that quickly, Producer does not commence to cure such breach within the said time period and proceed with reasonable diligence thereafter). This agreement shall be governed by and interpreted in accordance with the laws of the State of Nevada applicable to agreements entered into and wholly performed in said State, without regard to any conflict of laws principles. You hereby agree that the exclusive jurisdiction and venue for any action, suit, or proceeding based upon any matter, claim, or controversy arising hereunder or relating hereto shall be in the state or federal courts located in the State of Nevada, Clark County. You don't have the right to make any money off the Beat, the New Composition, or the New Recording except as specifically allowed in this Exclusive License Agreement. You shall be deemed to have signed, affirmed, and ratified your acceptance of the terms of this Exclusive License Agreement by virtue of your payment of the Exclusive License Fee to the Producer and your electronic acceptance of the terms and conditions (e.g., at the time of your payment of the Exclusive License Fee).