

NON-EXCLUSIVE LICENSING AGREEMENT

This Non-Exclusive Licensing Agreement (the "Agreement") is effective as of the date of purchase (the "Effective Date") by and between **Logan Kresevich** ("Licensor") and any individual or entity purchasing a beat or instrumental from Licensor's website ("Licensee").

WHEREAS, Licensor owns one hundred percent (100%) of the master recording and underlying musical composition purchased by Licensee from Licensor's website (collectively referred to herein as the "Beat");

WHEREAS, pursuant to the terms of this Agreement, Licensee desires to license the Beat from Licensor for use in and in connection with the creation of one (1) original sound recording (the "New Recording") and musical composition embodied in the New Recording (the "New Composition"); the New Recording and New Composition are collectively referred to herein as the "New Work";

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Rights to Use the Beat

Subject to the terms and conditions of this Agreement, Licensor grants to Licensee the non-exclusive, non-transferable right and license to:

(a) Use and incorporate the Beat in the creation of the New Work, and to edit, rearrange, or modify the Beat for purposes thereof, provided that such modifications do not substantially alter the character of the Beat.

(b) Use, reproduce, distribute, perform, synchronize, manufacture, and otherwise exploit the Beat solely as embodied in the New Work, as follows:

(i) **Sales and Streams**: Licensee may reproduce and sell permanent downloads and physical copies of the New Work, and distribute and monetize up to a maximum of **one million** (1,000,000) audio and/or audiovisual sales or streams of the New Work (e.g., streams on Spotify, Apple Music, YouTube, SoundCloud, Pandora, etc.).

(ii) **Promotional Use**: Licensee may reproduce and distribute free, promotional downloads and streams of the New Work.

(iii) **Synchronization Licensing**:

- **Promotional Music Video**: Licensee is permitted to synchronize the New Work with **one (1) full-length promotional music video** for use on any platform (e.g., YouTube, Vimeo, etc.). This music video may be monetized or distributed for promotional purposes, but Licensee must credit Licensor in accordance with Section 11 of this Agreement.
- **Short-Form Content and Social Media**: Licensee is allowed to use the New Work for **unlimited short-form content** (defined as videos under two minutes in length), including but not limited to platforms such as TikTok, Instagram, YouTube Shorts, and other similar platforms. These short-form videos may be used for promotional purposes, engagement with audiences, or general content creation, without requiring additional synchronization licenses.
- **Trailers and Commercial Content**: Synchronizing the New Work with any trailers, advertisements, television programs, films, or other commercial content (beyond short-form content as defined above) requires **separate written approval** from Licensor, and additional licensing terms and royalties may apply.
- **Credit Requirement**: In all uses of the New Work in any form of video content, Licensee must credit Licensor as "Produced by (Foreign Lo)" in accordance with Section 11 of this Agreement.

(iv) **Radio Performance**: Licensee may permit performance of the New Work on an unlimited number of terrestrial or satellite radio stations.

(v) **Live Performances**: Licensee may perform the New Work during an unlimited number of nonprofit live performances and for-profit live performances.

2. Acceptance of Terms

By purchasing the Beat through Licensor's website or authorized channels, Licensee acknowledges and agrees to all terms and conditions of this Agreement. During the purchase process, Licensee must affirmatively accept this Agreement by checking a box or clicking a button indicating agreement. No physical or digital signature is required. A copy of this Agreement will be provided to Licensee at the email address supplied during the purchase process.

3. Restrictions on Use

(a) **No Sublicensing or Transfer:** Licensee shall not sublicense, assign, or otherwise transfer any rights granted under this Agreement to any third party without Licensor's prior written consent.

(b) **Remixes and Edits:** Licensee may remix or re-edit the New Work, provided that such remix does not make the Beat more prominent, longer in duration, or utilize additional portions of the Beat not included in the original New Work without Licensor's prior written approval. All terms of this Agreement apply to such remixes/edits.

(c) **Synchronization Restrictions:** Except as permitted under Section 1(b)(iii), Licensee shall not synchronize or permit a third party to synchronize the New Work with any audiovisual content without Licensor's express written permission.

(d) **Prohibited Activities:** Licensee shall not engage in unlawful or fraudulent activities in connection with the exploitation of the New Work, including but not limited to "fraudulent streaming" or any activities that violate the terms of service of any distribution platform.

(e) **No Sampling by Third Parties:** Licensee shall not license or permit the use of the New Work, as it embodies the Beat, for any "sample" use by third parties.

4. Payment

In consideration of the rights granted herein:

(a) **License Fee:** Licensee shall pay Licensor a non-recoupable, non-refundable license fee of **\$100** upon purchase of the Beat. Rights granted are not effective until payment is received.

(b) **Royalty Sharing:**

- **(i) Mechanical Royalties:** Licensee and Licensor shall register their respective shares (50% each) of the New Composition with the appropriate mechanical rights organizations or collection societies (e.g., The Mechanical Licensing Collective (The MLC) in the U.S.). Mechanical royalties shall be collected and paid through these organizations. Licensee is not required to provide separate accounting to Licensor for mechanical royalties.
- **(ii) Performance Royalties:** Both parties shall register their respective shares (50% each) of the New Composition with their Performing Rights Organizations (PROs) (e.g., ASCAP, BMI, SESAC) to ensure proper collection and distribution of performance royalties.
- **(iii) Synchronization Licensing:** Any synchronization licensing of the New Work beyond the one (1) promotional music video specified in Section 1(b)(iii) requires Licensor's express written consent. Income derived from such licensing shall be split fifty percent (50%) to Licensor and fifty percent (50%) to Licensee and will be handled through appropriate licensing channels.
- **(iv) Publishing Rights:** The New Composition shall be co-owned on a fifty percent (50%) basis by both parties. Each party has the right to administer their share and collect their respective publishing royalties through their chosen publishing administrators.

(c) **Payment Method:** All payments to Licensor shall be made in U.S. Dollars via mutually agreed-upon methods such as bank transfer, PayPal, or other electronic means.

(d) **Costs of Collection:** In the event any payment is collected at law or through an attorney, or under advice therefrom, or through a collection agency, Licensee agrees to pay all costs of collection, including, without limitation, all court costs and reasonable attorney's fees.

(e) **Royalties Beyond Sales/Streams Limit:**

- **Royalties Payable to Licensor:** For any sales or streams of the New Work exceeding the initial 1,000,000 units, Licensee shall pay to Licensor **one hundred percent (100%)** of all **Gross Receipts** derived from such additional sales or streams.
- **Definition of Gross Receipts:** "Gross Receipts" shall mean all monies actually received by or credited to Licensee from the exploitation of the New Work beyond the initial 1,000,000 sales or streams, without any deductions for costs, fees, or expenses.
- **Accounting and Payment:** Licensee shall provide quarterly accounting statements detailing all Gross Receipts from sales or streams exceeding 1,000,000 units and shall pay the corresponding royalties to Licensor within **thirty (30) days** after the end of each calendar quarter.

5. Term

(a) **Duration:** This Agreement shall commence on the Effective Date and continue for a period of **three (3) years** from that date, or until the New Work reaches **one million (1,000,000)** sales or streams in the aggregate, whichever occurs first.

(b) **Sales/Streams Limit:**

- **Initial Royalty Terms:** Licensee is permitted to distribute and monetize the New Work up to a total of **one million (1,000,000)** sales or streams in the aggregate under the royalty-sharing terms specified in this Agreement.

(c) **Renegotiation Upon Reaching Sales/Streams Limit or Expiration:**

- **Obligation to Renegotiate:** Upon reaching the sales or streams limit of 1,000,000 units, or upon the expiration of the three-year term, whichever occurs first, both parties agree to **enter into good faith negotiations** for a new agreement or an extension of the existing agreement.
- **Continued Exploitation Pending Renegotiation:** If negotiations are initiated but not concluded by the expiration of the term or the sales/streams limit, Licensee may **temporarily continue to exploit the New Work** for an additional period of **thirty (30) days** while negotiations are in progress, under the existing terms, provided that 100% of all royalties generated from this period shall be payable to Licensor until a new agreement is reached.
- **Fairness and Good Faith Negotiations:** Both parties agree to negotiate **in good faith** to reach mutually agreeable terms. If an agreement cannot be reached within thirty (30) days after initiating negotiations, either party may elect to cease further exploitation of the Beat and the New Work or agree to continue under temporary terms until a final agreement is reached.

(d) **Failure to Renegotiate:**

- **No Further Exploitation:** If a new agreement is not reached within the **thirty (30) days** after the renegotiation period begins, and neither party agrees to extend the temporary terms, Licensee shall cease any further exploitation of the Beat and the New Work, except for the continued sale or streaming of copies already distributed prior to reaching the sales/streams limit or the expiration of the Agreement.

(e) **No Implied Rights:** Until a new agreement is executed in writing by both parties, Licensee has no rights to further exploit the Beat or the New Work beyond what is expressly permitted under this Agreement.

6. Delivery

Upon receipt of the License Fee, Licensor shall deliver the Beat to Licensee in WAV or MP3 file format via electronic download to the email address provided during the purchase process.

7. Ownership and Rights

(a) **Licensor's Ownership:** The Beat and all associated rights, including copyrights, remain the sole property of Licensor. All rights not expressly granted to Licensee are reserved by Licensor.

(b) **Licensee's Ownership:** The New Recording is considered a derivative work of the Beat. Licensee owns

the New Recording, but such ownership is limited by and subject to the terms of this Agreement.

(c) **Co-Ownership of New Composition:** The New Composition is co-owned equally (50% each) by Licensor and Licensee. Licensee is responsible for any third-party contributors and shall indemnify Licensor against any related claims. Both parties agree to register their respective ownership shares with relevant collection societies and PROs.

(d) **Limitations on Rights:** Licensee's rights are limited to the uses expressly permitted under this Agreement. Any use beyond these terms requires Licensor's prior written consent.

8. Mechanical License

Licensee and Licensor shall each be responsible for registering their respective shares of the New Composition with mechanical rights organizations or collection societies. Mechanical royalties owed to Licensor shall be collected through these organizations. Licensee is not required to make direct payments of mechanical royalties to Licensor.

9. Compliance with Laws

Both parties agree to comply with all applicable local, state, federal, and international laws and regulations, including but not limited to laws relating to intellectual property, taxes, electronic commerce, and the recording, distribution, performance, and promotion of the Beat and the New Work.

10. Representations, Warranties, and Indemnification

(a) Licensee's Representations and Warranties:

(i) **Authority:** Licensee represents and warrants that they have the full right and authority to enter into this Agreement and to perform their obligations hereunder.

(ii) **Originality:** The New Work (excluding the Beat) is original and does not infringe upon or violate any intellectual property or other rights of any third party.

(iii) **Legal Compliance:** Licensee will not exploit the New Work in any manner that violates any applicable laws or regulations.

Licensee shall indemnify, defend, and hold harmless Licensor from any and all claims, liabilities, damages, and expenses (including reasonable attorney's fees) arising from any breach of these representations and warranties.

(b) Licensor's Representations and Warranties:

(i) **Ownership and Authority:** Licensor represents and warrants that they own and/or control all rights in and to the Beat and have the authority to enter into this Agreement and grant the rights herein.

(ii) **No Unauthorized Samples:** The Beat does not contain any unauthorized samples.

(iii) **Non-Infringement:** The Beat does not infringe upon or violate any intellectual property or other rights of any third party.

Licensor shall indemnify, defend, and hold harmless Licensee from any and all claims, liabilities, damages, and expenses (including reasonable attorney's fees) arising from any breach of these representations and warranties.

(c) **Limitation of Liability:** Except in cases of gross negligence, willful misconduct, or fraud, neither party shall be liable to the other for any indirect, incidental, consequential, special, or punitive damages, including loss of profits.

(d) **Disclaimer:** Except as expressly provided herein, the Beat is provided "as is" without warranties of any kind, either express or implied, including but not limited to warranties of merchantability or fitness for a particular purpose.

11. Credit

Licensee shall credit Licensor as "**Produced by Foreign Lo**" on all distributions of the New Work, including but not limited to liner notes, metadata, and any accompanying materials.

Consequences of Failure to Credit:

- **First Occurrence:** Failure to provide such credit on the first occurrence shall not be considered a material breach but must be corrected promptly upon notice from Licensor. Licensee shall have ten (10) days from receipt of written notice to rectify the omission.
- **Repeated Failures:** If Licensee fails to provide the required credit on more than three (3) separate occasions, Licensor shall have the right to terminate this Agreement immediately upon written notice to Licensee. Upon such termination, all rights granted to Licensee under this Agreement shall cease, and Licensee shall comply with the provisions of Section 12(b) regarding the cessation of exploitation.

2. Termination

(a) **Breach:** Either party may terminate this Agreement if the other party breaches any material term and fails to cure such breach within ten (10) days of receiving written notice specifying the breach.

(b) **Effect of Termination:**

- **Obligations Upon Termination:** Upon termination of this Agreement, Licensee shall:
 - (i) Continue to honor the royalty payment obligations for any exploitation of the New Work, including the obligation to pay 100% of Gross Receipts to Licensor for sales or streams exceeding 1,000,000 units.
 - (ii) Cease any unauthorized exploitation of the Beat and the New Work that is not in compliance with the terms of this Agreement.

(c) **Survival of Terms:** The provisions of this Agreement that by their nature should survive termination (including but not limited to payment obligations, indemnification, and governing law) shall continue in full force and effect after termination.

(d) **Equitable Relief:** Licensor may seek injunctive or other equitable relief to enforce their rights under this Agreement, including but not limited to preventing unauthorized use of the Beat or the New Work.

13. Force Majeure

Neither party shall be liable for any failure or delay in performance due to causes beyond their reasonable control, including but not limited to acts of God, natural disasters, war, terrorism, government action, or pandemics. The affected party must notify the other party in writing within ten (10) days of the occurrence of such an event and make reasonable efforts to mitigate its effects.

14. Assignment

Neither party may assign or transfer this Agreement or any of its rights or obligations hereunder without the prior written consent of the other party, which shall not be unreasonably withheld. Any attempted assignment without such consent shall be null and void.

15. Notices

All notices required or permitted under this Agreement shall be in writing and shall be deemed delivered when sent by email to the following addresses:

- **To Licensor:** mgmt@foreignrecords.net
- **To Licensee:** The email address provided by Licensee during the purchase process.

It is the responsibility of each party to notify the other of any changes to their contact information. Notices shall be deemed received upon successful transmission.

16. Relationship of the Parties

The parties are independent contractors. Nothing in this Agreement shall be construed to create a partnership, joint venture, agency, or employment relationship between the parties.

17. Governing Law and Jurisdiction

This Agreement shall be governed by and construed in accordance with the laws of the State of Florida, without regard to its conflict of law principles. The parties agree that any disputes arising under or related to this Agreement shall be subject to the exclusive jurisdiction of the state and federal courts located in **Miami-Dade County**, Florida, and each party hereby consents to the personal jurisdiction of such courts.

18. Dispute Resolution

In the event of any dispute arising out of or relating to this Agreement, the parties agree to first attempt to resolve the dispute through good faith negotiation. If the dispute cannot be resolved through negotiation within thirty (30) days, the parties agree to submit the dispute to mediation before a mutually agreed-upon mediator in Miami-Dade County, Florida. If mediation fails, either party may pursue litigation in accordance with Section 17.

19. Entire Agreement and Amendments

This Agreement constitutes the entire understanding between the parties and supersedes all prior or contemporaneous agreements, representations, and understandings, whether oral or written. Licensor reserves the right to amend the terms of this Agreement at any time by posting the revised Agreement on the website. Licensee agrees that continued use of the Beat or the New Work after such amendments constitutes acceptance of the new terms. It is Licensee's responsibility to review the Agreement periodically for changes.

20. Severability

If any provision of this Agreement is held invalid or unenforceable by a court of competent jurisdiction, such provision shall be deemed modified to the minimum extent necessary to make it enforceable, and the remaining provisions shall remain in full force and effect.

21. No Waiver

The failure of either party to enforce any provision of this Agreement shall not be construed as a waiver of that provision or any other provision, and such failure shall not affect the right to enforce any provision thereafter.

22. Headings

Headings are included for convenience only and shall not affect the interpretation of any provision of this Agreement.

23. Execution and Acceptance

This Agreement is presented to Licensee prior to purchase and must be affirmatively accepted during the purchase process. By checking the appropriate box or clicking the button indicating acceptance, and by completing the purchase, Licensee acknowledges that they have read, understood, and agree to be bound by all terms and conditions of this Agreement. No physical or digital signature is required. A copy of this Agreement will be sent to the Licensee's email address provided during the purchase process.

IN WITNESS WHEREOF, the parties agree to the terms of this Agreement as of the Effective Date.