

LICENSE AGREEMENT FOR COPYRIGHTED MUSICAL WORK

THIS AGREEMENT is made this 1st day of August, 2020, (the “Effective Date”) by and between Persephone (the “Licensor”) and Lotus Music Company (the “Licensee”) (collectively, the “Parties”).

WHEREAS, Licensor is the copyright holder and owner of all proprietary interest in Persephone Music Library (the “Material”).

AND WHEREAS, Licensor wishes to permit Licensee to use the Material in the preparation of Persephone Music Greatest Hits (the “Work”), under the terms set forth in this Agreement;

NOW THEREFORE, in consideration of the mutual promises, covenants, warranties, and other good and valuable consideration set forth herein, the Parties agree as follows:

1. Grant of License. Licensor hereby grants to Licensee a nontransferable license to use the Material in the preparation of the Work to record and sell the Material (the “License”).

The License shall be nonexclusive.

Licensor shall remain the sole owner of the copyright and all other intellectual property in the Material. Licensee shall enjoy only the rights set forth above, and nothing in this Agreement shall entitle Licensee to make any claim to ownership of the copyright in the Material. Licensee may not make any other use of the Material other than those authorized above without prior written approval from Licensor.

2. Term.

- a. The term of this Agreement shall begin on the Effective Date and shall continue in full force and effect for a period of 3 years (the “Term”), unless terminated earlier pursuant to this the terms of this Section 2.
- b. In the event of the following, Licensor shall have the right to terminate this Agreement:
 - i. Licensee does not sell any units of the Work within 12 months of the date of this Agreement.
 - ii. Licensee ceases to sell the Work for any period of 12 consecutive months.
 - iii. Licensee materially breaches a material provision, term, or condition under this Agreement, including.
- c. Licensor may terminate this Agreement pursuant to Subsection (b) above by providing written notice to Licensee or to Licensee’s successor in interest, in accordance with Section 10, of Licensor’s intent to terminate the Agreement not less than 30 days before the date of termination stated in the notice.

- d. In the event that this Agreement is terminated pursuant to this Section 2, Licensee shall cease using the Material as soon as is commercially feasible. Licensee may sell any units of the Work that are on hand after termination of this Agreement, but shall not produce any further units.
- e. At the end of the Term, or upon any termination of this Agreement, all rights and interest in the copyright in the Material shall revert to Licensor, and shall be the sole property of Licensor.

3. Payments.

- a. Licensee shall pay to Licensor a royalty of:
 - \$1.05 per unit of the Work sold.

☐ *Other:* _____
- b. Upon execution of this Agreement, Licensee shall pay to Licensor an advance against the royalties discussed in Subsection (a) above, in the amount of \$250,000.
- c. *(if applicable)* Licensee shall submit to Licensor, at licensor's notice address as provided in Section 10, written quarterly reports (the "Quarterly Reports") at the end of each quarter of the calendar year (March 31; June 30; September 30; December 31) stating the number of units of the Work sold for the then-ending quarter, and the corresponding amount owed to Licensor as royalty payments for that quarter (the "Quarterly Royalty Payment") under the terms of this Agreement. Quarterly Reports must be received by Licensor no more than 7 days after the end of each quarter. Payment of each Quarterly Royalty Payment must be paid to Licensor in full within 30 days of the end of each quarter. Failure to submit Quarterly Reports or to make Quarterly Royalty Payments within the time allotted above shall be considered to be a material breach of this Agreement.
- d. Licensor shall be given access by Licensee to Licensee's records, upon reasonable notice, wherever commercially reasonable, in order to audit Licensee's stated sales records, and to confirm that all royalty payments are properly stated and accounted for. If it is determined that any Quarterly Royalty Payment has been deficient, Licensee shall have 7 days to pay Licensor the deficient amount. Failure to pay deficient royalty amounts within the time allotted above shall be considered to be a material breach of this Agreement.
- e. Licensee's obligation to pay royalties due to Licensor shall survive this agreement. In the event that this Agreement expires or is terminated pursuant to the terms and conditions under Section 3 above, Licensee shall remain obligated to pay to Licensor any royalties due to Licensor for each unit of the Work sold, or any payments, whether those units were sold before or after the termination of this Agreement.

4. Licensor's Representations and Warranties.

- a. Licensor represents and warrants that it is the sole and exclusive owner of the copyright in the Material, and owns all right, title and interest in the Material.
 - b. Licensor represents and warrants that it has the legal authority to grant Licensee the License, and that no other person or entity is required to give its consent for the License to be valid.
 - c. *(For exclusive licenses only)* Licensor represents and warrants that Licensor has not licensed the Material for use during the Term to any person or entity other than Licensee Under the terms of this Agreement, Licensor agrees not to license use of the Material to any person or entity other than Licensee for the duration of this Agreement. Licensee acknowledges that a transfer of rights in the Material to Licensor's successor in interest shall not constitute breach of this Subsection (c).
5. Indemnification. Licensor agrees to indemnify and hold harmless Licensee for any claims, suits, damages, actions, or other costs arising out any breach of Licensor's warranties set forth in Section 4 above.
 6. Assignment. Licensee may not assign its rights, duties or obligations under this Agreement without the prior written approval of Licensor. Licensee may, however, assign this Agreement without Licensor's prior written approval if such transfer is to a purchaser of all or substantially all of Licensee's assets, or to a purchaser or other transferee of a controlling equity interest in Licensee. Licensor shall have the right to transfer its interest in this Agreement and in the Material without the consent of Licensee. Licensor must notify Licensee in writing in the event of that Licensor assigns all or a material part of this Agreement (the "Licensor's Notice of Assignment"). The Licensor's Notice of Assignment must be sent to Licensee within 30 days of such assignment.
 7. Governing Law. This Agreement shall be construed in accordance with, and governed in all respects by, the laws of the State of Tennessee, without regard to conflicts of law principles.
 8. Counterparts. This Agreement may be executed in several counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one agreement.
 9. Severability. If any part or parts of this Agreement shall be held unenforceable for any reason, the remainder of this Agreement shall continue in full force and effect. If any provision of this Agreement is deemed invalid or unenforceable by any court of competent jurisdiction, and if limiting such provision would make the provision valid, then such provision shall be deemed to be construed as so limited.
 10. Notice. Any notice required or otherwise given pursuant to this Agreement shall be in writing and mailed certified return receipt requested, postage prepaid, or delivered by overnight delivery service, addressed as follows:

If to Licensor:

PERSEPHONE_____
555 S. State Street_____

Ann Arbor, MI _____

If to Licensee:

LOTUS MUSIC _____
123 Main Street _____
Nashville, TN _____

11. Headings. The headings for section herein are for convenience only and shall not affect the meaning of the provisions of this Agreement.
12. Entire Agreement. This Agreement constitutes the entire agreement between Licensor and Licensee, and supersedes any prior understanding or representation of any kind preceding the date of this Agreement. There are no other promises, conditions, understandings or other agreements, whether oral or written, relating to the subject matter of this Agreement.
13. This Agreement shall be binding on Licensor and Licensee and on those who succeed to the interest of Licensor and Licensee by law, by approved assignment or by transfer.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed the day and year first above written.

LICENSOR

LICENSEE

Signature

Signature

Print Name

Print Name