



(1) **FREE DOWNLOADS** (if applicable) – Free downloads of any beat produced by 'PATTBEATS' do not include any artistic or legislative rights to the beat. Those versions are only for non-profitable use, meaning only for demonstrational tracks. You are allowed to upload tracks (recorded over free downloaded beats) on Internet pages like Myspace, Soundclick, Facebook, Soundcloud or Youtube, etc. When being uploaded or presented (for demonstrational use only!), credit always has to be given in a written form to 'PATTBEATS' (e.g. in the song description). You are NOT allowed to put the track on a mixtape or album, even if it is for promotional use only. For this purpose you need to purchase at least a lease. The meaning of free downloads is to do a song for yourself, to do first pre-recordings & to see if the song works out well & is worth, to make investments in one of the license types. It is not allowed to make any kind of profit with free download versions. No video-, no TV-, no radio- airplay allowed! Furthermore it is not allowed to make any changes to the beat or remove any of the used tags. Copying or ripping any audio material (e.g. beat, tag, sounds, instruments, drums, etc.) is prohibited & will not be tolerated at any time! The person disobeying this rule will likely face a law suit.

(2) **LEASING RIGHTS** (if applicable) – Also known as non-exclusive rights, purchasing a lease grants the customer limited artistic & legislative rights to the corresponding beat(s) for one single profitable/commercial use on any medium (e.g. album, EP or mixtape) with a circulation of up to 2.500 sales units. If this point of sale is reached & further sales are desired, also further rights with a new sales cap need to be obtained (if the beat has not yet been sold with exclusive rights & is still available). If the beat is no more available for leasing, no more sales can be made after the sales cap is reached. A lease comes as a mixed tag-free WAV-file & a contract/invoice, stating the rights of use. A beat can be leased to more than one person at the same time until exclusive rights are sold to the beat. Once a beat has been sold with exclusive rights, it will no longer be available for any kind of leasing. Previous leasing rights that have been sold before are not affected & stay valid until the sales cap has been reached. Leasing a beat does not make the customer the sole owner of the beat. The licensee is not allowed to get profitable radio-, video- or television-airplay or to perform the song on commercial/profitable shows with a leasing license. For this purpose licensee must own exclusive rights to the beat. The licensor expressly forbids re-sale or any other distribution of the producer's compositions, either as they exist or any modification thereof. You (the customer) cannot sell, loan, rent, lease, assign, remix, re-arrange, remove any melodies, instruments, drum programming or transfer all or any of the products sold or the corresponding rights to another person (example – Record Label, another production company, another producer, another artist), or for use in any competitive product. The licensee understands that the licensor maintains 100% copyright & ownership of the original instrumental composition. Licensee cannot use any beat compositions as background element in TV, Film & DVD / computer game projects without obtaining written consent & a separate license agreement. Licensee must include on all productions & products the producer's name. Licensee agrees to display the producer's name in all physical media or within web presentation of a portion (e.g. pre-listening) or sum of the original instrumental composition that is being licensed in this agreement. Including but not limited to CD's, CD covers, Cassette tapes, LP's, Cards, etc. (Example credits: 'Beat prod. by PATTBEATS' or 'Music produced by PATTBEATS' ... Music © 2014 All rights reserved. Used under license. Any displayed or downloadable MP3/WAV files must include 'produced by PATTBEATS' within the file name. Furthermore, LEASING RIGHTS are subject to registrations in points (6) – (10).

(3) **PREMIUM LEASING RIGHTS** (if applicable) – Same restrictions as in point (2) including the following differences: A premium lease comes as a mixed tag-free WAV-file, the corresponding separate track-lines & a contract/invoice, stating the rights of use. Instead of an allowed circulation of up to 2.500 sales units, the premium lease allows up to 5.000 sales units. In addition, the customer is allowed to use the beat for 2 profitable public performance with up to \$1.000 USD earnings in total of the performance. All other terms concerning premium leasing rights are listed in point (2). These terms stay the same for all types of premium leasing rights. Furthermore, PREMIUM LEASING RIGHTS are subject to registrations in points (6) – (10).

(4) **EXCLUSIVE RIGHTS** (if applicable) – The purchase of exclusive rights grants the customer full artistic and commercial rights to the purchased beat. There is no sales cap related to exclusive rights. An exclusive rights purchase comes as a mixed tag-free WAV-file and the corresponding separate in WAV-format (also known as tracked outs) along with a license agreement/receipt, stating the rights of use and details of purchase. Once a beat has been sold with exclusive rights, it will no longer be available for any kind of future sale/licensing. Previous leasing rights being sold before the beat has been sold exclusively are not affected hereby and stay valid until the sales cap has been reached. License owners of non-exclusive rights may upgrade their current non-exclusive license to a higher non-exclusive license (if available). It is therefore possible that a beat has been leased several times before exclusive rights are sold. Once exclusive rights are sold, the beat(s) will be marked as 'sold' and any possible download and licensing option will be removed. Upon request, a sold beat may be removed from any website and marketing space where it has been offered for sale by the licensor, if licensor agrees to. This excludes demonstrational videos (e.g. youtube, etc.) or demonstrational audio material used in intros, animations or as background music. Licensee is not allowed, nor has the authority, to dis-allow/forbid other non-exclusive license-owners any use of the beat-composition(s) for commercial/profitable purpose or take legal actions against non-exclusive license owners. The licensor expressly forbids re-sale or other distribution of the producer's beat-composition, either as they exist or any modifications thereof for use in any competitive product, nor can licensee transfer his rights to the beat-composition to a third party if it's not a full song with artist's/licensee's own vocals or at least lyrics. Licensee is allowed to sell his song over the beat-composition without any sales limitation or sales cap, worldwide and throughout the universe, without terminability, in any commercial/profitable form, and/or transfer the rights to his song over the beat, to another party such as Record Labels, another production company and another artist, but never the rights to the beat-composition itself for a standalone beat-composition product. The licensee understands that the licensor maintains 100% copyright and ownership of the original instrumental composition and that licensee buys exclusive sales rights and rights of use to the beat-composition(s) but not the intellectual property itself. This is necessary and entitles licensor to maintain the administrative and legislative rights to the beat-composition, in order to be able to ensure non-exclusive license owners administrative guidance and license-warranties. Licensee can use song(s) over beat compositions as background element in TV, Film and DVD / computer game projects without obtaining written consent and/or another license agreement. Licensee must include on all productions, products and any medium the producer's name (PATTBEATS). Licensee agrees to display the producer's name in all physical media or within web presentation of a portion (e.g. pre-listening) or sum of the original instrumental composition that is being licensed in this

agreement. Including but not limited to CD's, CD covers, Booklets, Cassette tapes, LP's, Cards, Cases, Boxes, etc. (Example credits: 'Beat prod. by PATTBEATS' or 'Music or Beat produced by PATTBEATS (pattbeats.com)' ... Music © 2014 All rights reserved. Used under license. Any displayed or downloadable files such as MP3-files must include 'Beat by PATTBEATS' within the file name. Furthermore, EXCLUSIVE RIGHTS are subject to registrations in point (5) – point (10).

**(5) CUSTOM BEATS / REMIX PRODUCTION** – As PATTBEATS (Thomas Patt) also offers Custom Beat Production or Remix Production, these kind of production works are treated similar to exclusive rights and come with the same rights and restrictions, as defined and listed in point (5) for exclusive rights licenses, with the following exceptions/additions/changes: Beat-Compositions that are sold as 'Custom Beats' or 'Custom Production' have never been displayed, played or distributed publicly and are solely created for the customer/licensee and sold to the customer/licensee, never have been sold as non-exclusive rights before to a third party and will not be sold or offered for sale anytime, except if licensee/customer doesn't keep up with his payment- and transaction-obligations. Licensee/Customer acknowledges that PATTBEATS (Thomas Patt) is not responsible, nor liable/amenable, for any legal issues, caused by using any material (e.g. sound recordings, samples, loops, etc.), customer/licensee wants PATTBEATS (Thomas Patt) to use and incorporate in the concerned 'custom beat'/'custom production' or 'remix production'. For a custom beat production, PATTBEATS (Thomas Patt) requires ½ (one half) of the total agreed amount/price to be paid upfront. After discussing ideas and customer's/licensee's wishes for the 'custom beat' or 'remix production', customer/licensee will receive first sample to the 'custom beat' sound recording within 72 business hours as a tagged demo file in low quality MP3-format, sent via e-mail. After discussing further ideas and customer's/licensee's wishes for any changes/additions to the 'custom beat', PATTBEATS (Thomas Patt) will continue working on the beat until customer/licensee is fully satisfied with the results. Once finished, after customer's/licensee's verbal or written approval (via e-mail, phone, skype, etc.), licensee/customer will receive full untagged beat, including tracked out files, mixed WAV-file and MP3-file + license-agreement/receipt, within 24 business hours after final payment, 2/2 (2<sup>nd</sup> half), has been paid off. If customer/licensee does not keep up with his payment rates, dates, or any other duties related to the transaction, etc., PATTBEATS (Thomas Patt) has the right to use the custom beat as product/beat-composition for public licensing, in any form, or for own projects, at his sole discretion. Customer/licensee will then keep a professional lease to the concerned beat(s) or lower/higher non-exclusive license, in case the payment(s) he made already, cover at least the amount necessary for this type of license! Furthermore, PATTBEATS (Thomas Patt), will always have the exclusive and unlimited right to cancel the 'custom beat production' or 'remix production' at any time, by sending customer/licensee a refund of the amount customer/licensee has paid for the beat. Customer/licensee will then keep a professional lease or lower/higher non-exclusive license to the concerned beat(s), in case the payment(s) he made already, cover at least the amount necessary for this type of license! Furthermore, 'Custom Beats' and 'remix productions' are subject to registrations in point (6) – point (10).

**(6) CREDIT AGREEMENT** – Credit must always be given to 'PATTBEATS' in written form, for example 'Beat by PATTBEATS (pattbeats.com)'. By making a purchase of any kind or downloading demo beats, tagged beats, etc. or any similar content, the customer declares that he will give credit to the producer where possible in a written form (cd cover/booklet, song or video descriptions, youtube videos, file-names, mixtapes, albums, singles, remixes, social network pages such as facebook, music sites such as soundcloud, reverbnation, etc.). Proper credit is given as follows: (Example credits: 'Beat prod. by PATTBEATS' or 'Beat by PATTBEATS (pattbeats.com)' ... Music © 2014 All rights reserved. Used under license. Any displayed or downloadable files such as mp3s, wav files, etc. must include 'Beat by PATTBEATS' within the file name. If beat-composition(s) and/or licensed material contain(s) any pre-recorded and mixed/embedded hook(s) (also known as chorus) by an artist (singer/rapper), the name of the artist is listed and can be found in the filename(s) or purchased items and on our website. If there is doubt about an artist's name, you, the licensee or person entering into this agreement bound to the terms and conditions, has the responsibility to contact us for this information. In case a beat-composition contains such (a) hook(s), all credit as needed for 'PATTBEATS' is also needed to be given in written form as follows ('Hook by *Artistname*' or 'featuring *Artistname*'). All hooks come royalty free as PATTBEATS owns full commercial/profitable rights to them. Beats with hooks being displayed as 'instrumentals wth hooks' are treated just like all other beat-compositions in regards of licensing and registrations in the terms & conditions. All artists that may be appearing on beats and performing hooks have been paid upfront for their work as 'work for hire' and are legally qualified to enter into this agreement without further agreement(s). No further license documentation by PATTBEATS is required for proof of legal correctness.

**(7) PAYMENTS** – PATTBEATS accepts PayPal, Major Credit Card Payments, Western Union and Bank transfers. All payments are to be paid or are paid upfront before delivery of the product. E.g. this means at the same time that services or products by PATTBEATS will only be delivered after receiving the payment(s), never upfront. Payments that are still pending and not being credited yet need to be credited first before delivery! Payment plans for services and products, can be set up individually. A verbal or written separate individual agreement therefore is necessary. Payment plans can vary from 2-12 payment steps, at least ¼ of the total price of the service(s)/product(s) needs to be paid upfront as a down-payment. If the customer does not fulfil his payment-plan obligations and does not complete the payment plan or keep up with the agreed payment rates and dates, there will be no refund of any payments made, due to the administrative work and possible financial losses. The beat will become available again for sale and the customer will keep an premium lease to the concerned beat(s), in case the payment(s) he made, cover at least the amount necessary for this type of license! Beats that are being paid with payment plans will be put and marked 'on hold' on our website(s) and marketplaces, and may no longer be sold with exclusive rights, but may still be leased to multiple customers at the same time until the last payment step of the payment plan has been completed and the total amount of all items/services/products has been paid off. In case of a money-refund by any of the parties, the issued contract becomes invalid. Payments that are in any form held, refunded, cancelled or incorrect, by any of the parties, result that the issued contract(s)/license agreement(s) and all of the granted rights therein become invalid and reversed.

**(8) PUBLIC PERFORMANCES (Shows/Videos/Streams/Radio-and TV-airplay)** – Public performances are 'live shows', 'live video streams', 'videos', 'audio streams', 'radio airplay', tv airplay' and 'film music' either as just music (standalone) or music in a movie, tv- or video-commercial, spot, etc. Non-profitable live performances or public performances (non profitable live shows, non profitable video streams, non-profitable audio streams) are allowed for any license type, without limitation in amount of performances. Profitable performances are only allowed with premium leasing rights and/or exclusive rights. See appropriate/specific license description and terms. The only license allowing unlimited public performances of any kind, is exclusive rights. TV- and radio-airplay or streams are only allowed for exclusive rights. Profitable live shows or monetized videos are allowed for any license higher than standard leasing rights (see restrictions in points 2-5). All profitable public performances as well as allowed sales units, if applicable for license type, are royalty-free, this means licensee keeps 100% earnings/profits made.

(9) **DELIVERY** – Products are delivered via an automatic system – a delivery time frame of 24 business hours is possible. All products are delivered via e-mail or via a download link by a file-sending service such as sendspace.com. No tangible copies will be delivered.

(10) **GENERAL TERMS & CONDITIONS** – By making a payment the customer declares that he is fully aware of the terms & conditions & accepts & agrees to them. In case of a change in any of the listed points or should one point become invalid, all other points stay unaffected & are still valid. This company's legal domicile is Zurich / Switzerland. For this written agreement & the general legal relationship, Swiss Law is applicable. If a beat contains sampled material, the sample-clearing of itself needs to be done by the customer(s), not by PATTBEATS. The licensee understands that they are responsible for clearing all samples that they choose to use & that the licensor cannot & will not be held liable for the misuse of any sampled material that the licensee uses in conjunction with the original instrumental composition that is being licensed in this agreement. The licensee understands & accepts that he only paid for the production work of the producer. The licensor does not claim to have any rights on any sampled material. Under no circumstances is a customer allowed to re-sell the beat in any form. Rights that are given to a customer are not transferable. No matter if exclusive rights are sold to a beat, PATTBEATS will always be allowed to use that beat for own promotional uses. Therefore all beats sold exclusively stay on the webpage. Download & license options to that beat will be removed & the beat will be marked as 'sold'. Customers may edit/alter the length of a beat as they see fit, as long as they own a license to the beat & do not change the sound-structure of the beat itself. No changes to a beat are allowed, except of length changes. Therefore it is also not allowed to use any parts, melodies, instruments, sounds, drum arrangements, etc. of the original instrumental composition for other compositions. After the delivery of the beat, PATTBEATS will be unbound of any further responsibilities to the customer & legally freed of any further duties. Any Beat by PATTBEATS may NOT be uploaded on any website without his permission. PATTBEATS is not responsible for other sites claiming to sell his beats. Anybody abusing or disrespecting the listed terms & conditions will likely face a law suit.

