

## COSMOS KIDZ NFT LICENSE AGREEMENT

This License Agreement (the “License”) is entered into by and between Cosmos Kidz, LLC (“Cosmos Kidz”) and all Users (as that term is defined in Section 1.8 below).

Cosmos Kidz is a collection of non-fungible digital artwork tokens that are available on the Ethereum network. Users gain access to the Cosmos Kidz cosmos, a digital ecosystem comprised of 3D high-definition metaverse characters and other perks, by owning a Cosmos Kidz NFT. Cosmos Kidz is willing to grant to User a limited license to its NFTs on the following terms.

In consideration of the mutual covenants and representations set forth in this License, Cosmos Kidz and User agree as follows:

### DEFINITIONS

**1.1.** “**Art**” shall mean any art, design, and/or drawings that may be associated with the NFT that a User owns.

**1.2.** “**Extensions**” shall mean third party designs that: (i) are intended for use as extensions or overlays to the Art, (ii) do not modify the underlying Art, and (iii) can be removed at any time without affecting the underlying art.

**1.3.** “**Merchandise**” shall mean commercial products excluding NFT derivatives, NFT 3D clones, action figures, board games, tabletop games, comic books, playing cards, beverages, NFT frames, and Art frames.

**1.4.** “**NFT**” shall mean any Cosmos Kidz blockchain-tracked, non-fungible token, such as those conforming to the ERC-721 standard.

**1.5.** “**Own**” shall mean, with respect to an NFT, an NFT that was purchased or otherwise rightfully acquired from a legitimate source, where proof of such purchase is recorded on the relevant blockchain.

**1.6.** “**Purchased NFT**” means an NFT that a User purchased or otherwise rightfully acquired from a legitimate source, where proof of such purchase is recorded on the relevant blockchain.

**1.7.** “**Third Party IP**” means any third party copyrights, trade secrets, trademarks, patent rights, know-how, or any other intellectual property rights recognized in any country or jurisdiction in the world.

**1.8.** “**User**” shall mean an individual or entity that purchased or otherwise rightfully acquired an NFT from a legitimate source, where proof of such purchase is recorded on the relevant blockchain.

## OWNERSHIP

User acknowledges and agrees that Cosmos Kidz owns all legal right, title and interest in and to the Art, and all intellectual property rights therein. The rights that User has in and to the Art are limited to those described in this License.

## LICENSE GRANT

**3.1. Non-Exclusive Right.** Subject to User's compliance with the terms and conditions of this License, Cosmos Kidz grants User a worldwide, non-exclusive, non-transferable, royalty-free license to use, copy, and display the Art for User's Purchased NFTs, along with any Extensions that User chooses to create or use, solely for the following purposes: (i) for User's own personal, non-commercial use; (ii) as part of a marketplace that permits the purchase and sale of User's NFTs, provided that the marketplace cryptographically verifies each User's rights to display the Art for their Purchased NFTs to ensure that only the User can display the Art; or (iii) as part of a third party website or application that permits the inclusion, involvement, or participation of User's NFTs, provided that the website and/or application cryptographically verifies each User's rights to display the Art for their Purchased NFTs to ensure that only the User can display the Art, and provided that the Art is no longer visible once the User leaves the website and/or application.

**3.2. Commercial Use.** Subject to User's continued compliance with the terms and conditions of this License, Cosmos Kidz grants User a limited, worldwide, non-exclusive, non-transferable license to use, copy, and display the Art for User's Purchased NFTs for the purpose of commercializing User's own Merchandise that includes, contains, or consists of the Art for Purchased NFTs ("**Commercial Use**"), provided that such use does not result in User earning more than One Hundred Thousand Dollars (\$100,000) in gross revenue each year and does not compete with products created by Cosmos Kidz. Nothing in this Section 3.2 shall prevent User from (i) owning or operating a marketplace that permits the use and sale of NFTs generally, provided that the marketplace cryptographically verifies each User's rights to display the Art for their Purchased NFTs to ensure that only the User can display the Art; (ii) owning or operating a third party website or application that permits the inclusion, involvement, or participation of NFTs generally, provided that the third party website or application cryptographically verifies each User's rights to display the Art for their Purchased NFTs to ensure that only the User can display the Art, and provided the Art is no longer visible once the User leaves the website/application; or (iii) earning revenue from any of the foregoing, even when such revenue is in excess of One Hundred Thousand Dollars (\$100,000) per year.

## RESTRICTIONS

User agrees that User may not do or attempt to do any of the foregoing, nor may User permit any third party to do or attempt to do any of the foregoing, without Cosmos Kidz's express prior written consent in each case: (i) modify the Art for the Purchased NFT in any

way, including, without limitation, the shapes, designs, drawings, attributes, color schemes (User's use of Extensions will not constitute a prohibited modification hereunder provided that such use is lawful and does not infringe on any third party intellectual property rights); (ii) use of the Art for the Purchased NFTs to advertise, market, or sell any third party product or service; (iii) use of the Art for the Purchased NFTs in connection with images, videos, or other forms of media that depict hatred, intolerance, violence, cruelty, or anything else that could be reasonably found to constitute hate speech or otherwise infringe upon the rights of others; (iv) use of the Art for Purchased NFTs in movies, videos, or any other forms of media, except to the limited extent that such use is expressly permitted in Section 3.2 above or solely for User's own personal, non-commercial use; (v) sell, distribute for commercial gain (including, without limitation, giving away in the hopes of eventual commercial gain), or otherwise commercialize Merchandise that includes, contains, or consists of the Art for the Purchased NFTs, except as expressly permitted in Section 3.2 above; (vi) attempt to trademark, copyright, or otherwise acquire additional intellectual property rights in or to the Art for the Purchased NFTs; (vii) use of the Art in a manner that violates the law of the User's jurisdiction; or (viii) otherwise utilize the Art for the Purchased NFTs for User's or any third party's commercial benefit.

To the extent that Art associated with the Purchased NFTs contains Third Party IP (e.g., licensed intellectual property from a celebrity, athlete, or other public figure), User understands and agrees as follows: (a) that User will not have a right to use such Third Party IP in any way except as incorporated in the Art, and subject to the license and restrictions contained herein; (b) that the Commercial Use license in Section 3.2 above will not apply; (c) that, depending on the nature of the license granted from the owner of the Third Party IP, Cosmos Kidz may need to place additional restrictions on User's ability to use the Art; and (d) to the extent that Cosmos Kidz informs User of such additional restrictions in writing (email is permissible), User will be responsible for complying with all such restrictions from the date User receives such notice, and that failure to do so will be deemed a breach of this License. The restriction in this Section 4 will survive the expiration or termination of this License.

## **TERMS OF LICENSE**

The license granted in Section 3 above applies only to the extent that User continues to Own the applicable Purchased NFT. If at any time User sells, trades, donates, gives away, transfers, or otherwise disposes of their Purchased NFT for any reason, the license granted in Section 3 will immediately expire with respect to those NFTs without the requirement of notice, and User will have no further rights in or to the Art for those NFTs. If User exceeds the \$100,000 limitation on annual gross revenue set forth in Section 3.2 above, User will be in breach of this License, and must send an email to Cosmos Kidz at [cosmoskidznft@gmail.com](mailto:cosmoskidznft@gmail.com) within fourteen (14) days, with the phrase "NFT License – Commercial Use" in the subject line, requesting a discussion with Cosmos Kidz regarding entering into a broader license agreement or obtaining an exemption (which may be

granted or withheld in Cosmos Kidz's sole and absolute discretion). If User exceeds the scope of the license grant in Section 3.2 without entering into a broader license agreement with or obtaining an exemption from Cosmos Kidz, User acknowledges and agrees that: (i) User is in breach of this License; (ii) in addition to any remedies that may be available to Cosmos Kidz at law or in equity, Cosmos Kidz may immediately terminate this License, without the requirement of notice; and (iii) User will be responsible to reimburse Cosmos Kidz for any costs and expenses incurred by Cosmos Kidz during the course of enforcing the terms of this License against User.

## **NO WARRANTIES**

The Cosmos Kidz website and its connected services are provided "as is" and "as available" without warranty of any kind. By using the Cosmos Kidz website, User agrees to accept sole responsibility for any and all transactions involving Cosmos Kidz digital artwork.

## **NO LIABILITY**

**7.1.** User is wholly responsible for the security and management of their private Ethereum wallets and for validating all transactions and contracts generated by the Cosmos Kidz website.

**7.2.** UNLESS PROHIBITED BY LAW, IN NO EVENT WILL COSMOS KIDZ BE LIABLE TO USER FOR SPECIAL, CONSEQUENTIAL, EXEMPLARY, INCIDENTAL, OR INDIRECT DAMAGES OR COSTS (INCLUDING LEGAL FEES AND EXPENSES) OR LOSS OF GOODWILL OR PROFIT IN CONNECTION WITH THE PURCHASED NFTS OR IN CONNECTION WITH ANY CLAIM ARISING FROM THIS LICENSE.

**7.3.** IN NO EVENT WILL COSMOS KIDZ BE LIABLE TO USER UNDER THIS LICENSE, REGARDLESS OF THE FORM OF CLAIM OR ACTION.

## **GENERAL TERMS**

**8.1. Compliance with Laws.** User will comply will all applicable federal and state laws and regulations relating in any way to its performance under this License. User will defend, indemnify, and hold Cosmos Kidz, its subsidiaries and affiliated companies, and their respective officers, directors and agents, harmless from and against any and all damages and expenses, including legal fees, claimed by third parties directly or indirectly as a consequence of User's failure to comply with any applicable laws or regulations. This obligation shall survive termination of this License.

## **8.2. Governing Law and Dispute Resolution.**

**8.2.1.** This License, and all matters arising out of or relating to this License, shall be governed by the laws of the State of Texas, without giving effect to principles regarding conflicts of laws. Any controversy or claim arising out of or relating to this License, or breach thereof, shall be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

**8.2.2. Class Action Waiver.** USER HEREBY WAIVES, WITH RESPECT TO ANY DISPUTE: (A) THE RIGHT TO PARTICIPATE IN A CLASS ACTION, PRIVATE ATTORNEY GENERAL ACTION, OR OTHER REPRESENTATIVE ACTION IN COURT OR IN ARBITRATION, EITHER AS A CLASS REPRESENTATIVE OR CLASS MEMBER; AND (B) THE RIGHT TO JOIN OR CONSOLIDATE CLAIMS WITH CLAIMS OF ANOTHER PERSON. The foregoing waiver is referred to herein as the “**Class Action Waiver**”. User agrees that no arbitrator shall have authority to conduct any arbitration in violation of the Class Action Waiver or to issue any relief that applies to any person or entity other than Cosmos Kidz and/or User. User acknowledges that this Class Action Waiver is material and essential to the arbitration of any claims and is non-severable from Section 8.2, including its subsections. If the Class Action Waiver is voided, found unenforceable, or limited with respect to any claim for which User seeks class-wide relief, then Section 8.2, including its subsections (except for this sentence), shall be null and void with respect to such claim, subject to the right to appeal the limitation or invalidation of the Class Action Waiver. However, Section 8.2 and its subsections shall remain valid with respect to all other claims and disputes. User acknowledges and agrees that under no circumstances will a class action be arbitrated.

**8.3. Severability; Waiver.** In the event any provision of this License is held to be invalid or unenforceable, the remaining provisions of this License will remain in full force. The waiver by either party of any default or breach of this License shall not constitute a waiver of any other or subsequent default or breach.

**8.4. Relationship of Parties.** Nothing in this License shall constitute or be deemed to constitute a partnership between the parties hereto or to constitute or be deemed to constitute User as agent of Cosmos Kidz, or its affiliates, for any purpose whatever. User shall not have the authority or power to bind Cosmos Kidz, or its affiliates, or to contract in the name of or create a liability against Cosmos Kidz or its affiliates, in any way or for any purpose.

**8.5. Assignment.** Cosmos Kidz shall have the right to freely assign all of its rights and interests under this License to a third party.