

ORB Licence Agreement V.1.0

Preamble: "ORB" Definition

The "ORB" acronym stands for "Ownership Recorded on Blockchain" and refers to a system that includes Assets, tokens, and governance rules related to the management of fungible, semi-fungible, non-fungible, fractionalized, and wrapped tokens. In essence, ORB is similar to the more commonly known NFT, or non-fungible token, but encompasses a broader range of Assets and tokens that are managed on a blockchain.

"Asset" means the specific art, design, sound, character design, backstory, game design elements, game rules, personality traits, or other creative elements that are expressly associated with the particular ORB that the Licensee owns. The Asset includes, but is not limited to, any visual, audio, or textual content, as well as any associated metadata, descriptions, or other digital materials directly related to the ORB. The Asset does not include any unrelated or unassociated elements or creative works that are not explicitly linked to the owned ORB.

"Own" means, with respect to an ORB, an ORB that you have purchased or otherwise rightfully acquired from a legitimate source, where proof of such purchase is recorded on the relevant open ledger such as a blockchain.

ORB License Agreement

The present ORB License Agreement ("Agreement") is entered into by and between EverdreamSoft ("Licensor"), and the ORB owner ("Licensee").

1. Grant of License

Licensor hereby grants to Licensee a non-exclusive, worldwide, royalty-free license to use, copy, modify, and display the underlying Asset (the "Asset") associated with the ORB (also commonly known as "NFT") held by Licensee. The license is subject to the terms and conditions set forth in this Agreement.

2. Ownership

Licensor retains all ownership rights in and to the Asset, including all intellectual property rights. Licensee acknowledges that it has no ownership interest in the Asset other than the rights granted under this Agreement.

3. Restrictions

Licensee may not sublicense, transfer, or assign its rights under this Agreement without the prior written consent of Licensor. Licensee may not use the Asset for any unlawful purpose or in a manner that infringes upon the intellectual property rights of any third party. Licensee may not sell or otherwise dispose of the Asset separately from the ORB to which it is associated.

4. New Tokens

Licensee may create new tokens on a different ledger, as long as the ratio 1:1 is maintained and they can prove that the original token is unspendable or destroyed. The new token metadata must link to this license and provide immutable proof to validate the new claim.

5. Fractionalization

In the case of fractionalized tokens, whether they are natively fractionalized by the issuer or through a third-party fractionalization of the ORB ownership token, ownership of the underlying Asset is defined by the ownership of at least 1 full ORB. If a holder owns less than 1 full ORB, for example, 0.9 ORB, the holder does not have ownership of the Asset and is not entitled to the rights associated with the Asset. Conversely, if a holder owns more than 1 full ORB, for example, 1.1 ORB, the holder has ownership of one instance of the Asset. Similarly, if a holder owns 2.5 ORB, the holder has ownership of two instances of the Asset.

6. Royalties

Secondary sales of the ORB are subject to the royalty revenue of the issuer, which may be defined within the marketplace, smart contract, or other relevant documents. These royalty rules must be preserved on secondary sales unless the issuer has granted otherwise. If the ORB is migrated, wrapped, or fractionalized, the royalties mechanism must be preserved, and the same percentage should be allocated to the issuer. In cases where the issuer has not expressed a specific percentage, a default of 5% royalties will apply. It is the responsibility of the ORB holder to ensure that royalties are paid to the issuer on secondary sales in accordance with these terms.

7. Derivatives

The owner of the ORB is granted the right to create and issue derivative ORBs of the Asset, such as representations of the character, image, or media in a derivative project, such as game characters, merchandising, or representation in a motion picture. This right is granted as long as the commercial value of the derivative project does not exceed 100,000 USD per owned ORB and the brand integrity of the Asset is preserved by not using the Asset intellectual property in situations that depict hatred, intolerance, violence, or cruelty, or infringe upon the rights of others or laws. The creator of a derivative project is granted ownership of the derivative as long as they comply with this contract. The derivative must be clearly identified as such and should not be confused with the original ORB. It should also reference the original ORB and give credit to its creator. If the derivative creator loses control of the token, the ownership of the derivative is shared among the principal ORB owners. Each ORB owner is granted the ability to vote on derivative governance with each ORB counting as one vote.

8. Derivatives - Royalty Exemption

Notwithstanding any other provisions in this Agreement related to royalties, no royalties shall be due or payable to the Licensor for the creation, use, or distribution of derivative works of the Asset, as long as the derivative works are created and used in accordance with the terms and conditions set forth in this Agreement. For the avoidance of doubt, this exemption applies only to derivative works and does not affect the obligation to pay royalties on secondary sales of the original ORB, as set forth in the "Royalties" section of this Agreement.

9. Visibility and Accessibility of License Agreement

In the event of a transfer of the ORB, whether on a blockchain or marketplace, the Licensee shall ensure that the ORB License Agreement is clearly visible and accessible to potential transferees. The Licensee is responsible for including a reference to the License Agreement in the metadata or any other relevant information associated with the ORB, particularly in cases where the ORB is wrapped or its form is otherwise altered. By acquiring the ORB, the Transferee acknowledges and agrees to be bound by the terms and conditions of the ORB License Agreement as if they were the original Licensee.

10. Term

This Agreement shall remain in effect for as long as Licensee holds the ORB. "Holding the ORB" means that the Licensee has control over the Token and has the ability to transfer the ORB to another party. This includes having exclusive control over the private key of the wallet containing the ORB.

11. Termination

This Agreement shall terminate automatically upon the transfer or destruction of the ORB.

12. Termination for Breach

a. Licensor's Right to Terminate: In the event of a material breach of this Agreement by the Licensee, the Licensor shall have the right to terminate this Agreement upon providing written notice to the Licensee. The notice shall specify the nature of the breach and provide the Licensee with a reasonable opportunity to cure the breach within thirty (30) days from the date of the notice. If the Licensee fails to cure the breach within the specified time period, the Agreement shall automatically terminate.

b. Material Breaches: For purposes of this termination clause, material breaches of this Agreement by the Licensee include, but are not limited to:

- i. Unauthorized sublicensing, transfer, or assignment of rights under this Agreement;
- ii. Infringement of the Licensor's or any third party's intellectual property rights;
- iii. Breach of any restrictions or obligations set forth in the Agreement;
- iv. Non-compliance with the royalty provisions;
- v. Misuse of the Asset in derivative works;
- vi. Failure to maintain the visibility and accessibility of the License Agreement during the transfer of the ORB.

d. Licensor's Remedies: Upon termination of this Agreement due to a material breach by the Licensee, the Licensor shall have the right to:

- i. Revoke the License granted to the Licensee under this Agreement, and the Licensee

shall immediately cease all use of the Asset;

ii. Seek any applicable legal or equitable remedies, including but not limited to damages, injunctive relief, and specific performance;

iii. Retain any amounts paid by the Licensee under this Agreement, without prejudice to any other rights or remedies the Licensor may have.

e. **Licensee's Right to Terminate:** The Licensee may terminate this Agreement upon written notice to the Licensor in the event of a material breach by the Licensor, provided that the Licensee specifies the nature of the breach and provides the Licensor with a reasonable opportunity to cure the breach within thirty (30) days from the date of the notice. If the Licensor fails to cure the breach within the specified time period, the Agreement shall automatically terminate.

13. Indemnification

Licensee shall indemnify, defend, and hold harmless Licensor, its affiliates, and their respective officers, directors, employees, agents, and representatives from and against any and all claims, damages, liabilities, costs, and expenses (including reasonable attorneys' fees) arising out of or in connection with Licensee's use of the Asset.

14. Disclaimer of Warranties

THE ASSET IS PROVIDED "AS IS" WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

LICENSOR DOES NOT WARRANT THAT THE USE OF THE ASSET WILL NOT INFRINGE UPON THE INTELLECTUAL PROPERTY RIGHTS OF ANY THIRD PARTY. LICENSEE ACKNOWLEDGES AND AGREES THAT IT SHALL BE SOLELY RESPONSIBLE FOR ENSURING THAT ITS USE OF THE ASSET DOES NOT VIOLATE THE INTELLECTUAL PROPERTY RIGHTS OF ANY THIRD PARTY AND THAT LICENSOR SHALL HAVE NO LIABILITY FOR ANY CLAIMS, DAMAGES, OR COSTS ARISING OUT OF OR IN CONNECTION WITH SUCH INFRINGEMENTS.

15. Limitation of Liability

IN NO EVENT SHALL LICENSOR BE LIABLE FOR ANY DIRECT, INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE USE OF THE ASSET, WHETHER IN CONTRACT, TORT, OR OTHERWISE, EVEN IF LICENSOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

16. Dispute Resolution

In the event of any dispute, claim, or controversy arising out of or in connection with this Agreement, or the breach, termination, enforcement, interpretation, or validity thereof (a "Dispute"), the parties shall first attempt to resolve the Dispute amicably through good faith negotiations. If the parties are unable to resolve the Dispute through negotiations within thirty

(30) days, either party may submit the Dispute to binding arbitration.

a. Agreement to Arbitrate: In the event of any dispute, controversy, or claim arising out of or relating to this Agreement, or the breach, termination, or invalidity thereof (a "Dispute"), the parties shall first attempt to resolve the Dispute amicably through negotiation. If the parties are unable to resolve the Dispute within thirty (30) days of initiating negotiations, either party may submit the Dispute to binding arbitration in accordance with the provisions of this clause.

b. Decentralized Arbitration System: The parties agree that, to the extent a mature and reliable decentralized arbitration system exists at the time of the Dispute, the arbitration shall be conducted using such a decentralized arbitration system. The term "mature and reliable" shall be determined by the mutual agreement of the parties, considering factors such as the system's operational history, the availability of qualified arbitrators, and the general acceptance and use of the system within the relevant industry. If the parties cannot agree on the maturity and reliability of a decentralized arbitration system, they shall proceed with arbitration under a traditional arbitration system as described in subsection (c) below.

c. Traditional Arbitration: In the event the parties are unable to agree on a suitable decentralized arbitration system, the arbitration shall be administered by a recognized international arbitration institution, such as the International Chamber of Commerce (ICC) or the London Court of International Arbitration (LCIA), in accordance with their respective rules and procedures. The arbitration shall be conducted in English, and the place of arbitration shall be a neutral location mutually agreed upon by the parties.

d. Arbitrator(s): The arbitration shall be conducted by a single arbitrator mutually agreed upon by the parties. If the parties cannot agree on the selection of the arbitrator within fifteen (15) days, the arbitrator shall be appointed in accordance with the rules of the selected arbitration system, whether decentralized or traditional.

e. Arbitration Award: The decision of the arbitrator shall be final and binding on the parties, and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The arbitrator shall have the authority to award any remedy or relief that a court of competent jurisdiction could order or grant, including, without limitation, specific performance, injunctions, or the award of damages.

17. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of Switzerland, without giving effect to its conflict of laws provisions.

18. Entire Agreement

This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements or understandings, whether written or oral, relating to the subject matter hereof.