

# SAGACIOUS SOUNDS LLC

## Music Licensing Service Agreement

Indianapolis, IN • (317) 760-3545 • bruce@sagacious-sounds.com

This Music Licensing Service Agreement ("Agreement") is entered into as of the date last signed below by and between:

PROVIDER	CLIENT
Sagacious Sounds LLC Indianapolis, Indiana bruce@sagacious-sounds.com (317) 760-3545	Business Name: _____ Contact Person: _____ Address: _____ Phone: _____ Email: _____

Collectively referred to as the "Parties."

### 1. Recitals

WHEREAS, Sagacious Sounds LLC ("Provider") curates and delivers AI-generated music compositions specifically designed for hospitality venues, organized by daypart (Brunch, Lunch, Happy Hour, Event, Late Night) and tailored to each venue's unique brand identity;

WHEREAS, all music compositions delivered by Provider are generated through Suno, Inc.'s AI platform ("Suno"), to which Provider maintains an active paid subscription. Provider operates as a licensed commercial user of Suno's platform in accordance with Suno's Terms of Service (available at suno.com/terms, as amended);

WHEREAS, due to the nature of AI-generated music and applicable copyright law, Provider makes no representation or warranty that copyright vests in any delivered composition. The master recordings and underlying intellectual property belong to Suno, Inc. and/or its licensors. Provider does not own, and therefore cannot sell or permanently transfer ownership of, any composition;

WHEREAS, Provider offers access to its curated AI-generated music environment under a rental/subscription license model only. No one-time purchase, permanent ownership transfer, or resale of compositions is available under this Agreement;

WHEREAS, all music compositions delivered under this Agreement are original AI-generated works that do not require any third-party performance rights organization (PRO) licenses, including but not limited to ASCAP, BMI, or SESAC;

WHEREAS, Client desires to license access to Provider's curated AI-generated music service for use in its venue(s) as described herein;

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, the Parties agree as follows:

## 2. Definitions

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- "Composition(s)" means any AI-generated music track, playlist, or sonic environment curated and delivered by Provider through its Suno platform subscription.
- "Daypart" means a designated time-of-day music category: Brunch, Lunch, Happy Hour, Event, or Late Night.
- "Sonic Architecture" means Provider's proprietary framework for designing music environments based on behavioral goals, tempo mapping, and venue-specific sonic profiles.
- "Venue" means the Client's physical business location(s) where Compositions will be played.
- "Subscription Period" means the duration of the rental/subscription arrangement as selected in Section 3.
- "Suno" means Suno, Inc., the AI music generation platform through which Provider creates and accesses Compositions. Suno's Terms of Service govern the underlying intellectual property rights to all Compositions.

## 3. Services and Subscription Plans

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Provider shall deliver curated AI-generated music compositions to Client under a subscription/rental model only. No permanent ownership transfer or one-time purchase option is available. All Compositions are licensed, not sold.

### 3.1 Subscription Plan Selection

Tier	Monthly	Annual	Includes
Ambient	\$45/mo	\$540/yr	3 rotating daypart playlists
Curated	\$75/mo	\$900/yr	Custom sonic branding, BPM/key matched
Signature	\$150/mo	\$1,800/yr + setup	Bespoke compositions for your brand

Subscription Term:  Month-to-Month  6-Month  12-Month

Selected Tier: \_\_\_\_\_

Number of Locations: \_\_\_\_\_

**IMPORTANT NOTICE: Sagacious Sounds offers a rental/licensing model only. Compositions are not sold, and no ownership rights are transferred to Client at any time. If Client wishes to acquire ownership rights or a direct license to Compositions, Client must contact Suno, Inc. directly at suno.com.**

## 4. Onboarding and Setup

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Provider will conduct an initial consultation to assess Client's venue environment, brand identity, clientele demographics, and sonic preferences. A setup fee may apply based on scope:

Venue Size	Setup Fee
Single location	\$500
Small chain (5–10 locations)	\$1,500–\$3,000
Mid-size (10–50 locations)	\$3,000–\$5,000

Enterprise (50+ locations)

Custom / Negotiable

Agreed Setup Fee: \_\_\_\_\_

## 5. Intellectual Property and Licensing Rights

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### 5.1 Ownership Disclosure

Client acknowledges and agrees that:

- All Compositions are generated by Suno, Inc.'s AI platform. Suno, Inc. retains all rights, title, and interest in and to the Compositions and the underlying AI models.
- Provider does not own the master recordings or copyright to any Composition and therefore cannot sell, transfer, or permanently assign any ownership rights in Compositions to Client.
- Due to the nature of AI-generated music and current copyright law, copyright may not vest in any Composition. Suno, Inc. expressly disclaims any warranty that copyright will vest in AI-generated Output.
- Client's rights to use Compositions are strictly limited to the license granted under this Agreement during the active Subscription Period.

### 5.2 PRO-Free Guarantee

Provider represents and warrants that all Compositions delivered under this Agreement are AI-generated works that do not require any performance rights organization (PRO) licenses, including but not limited to ASCAP, BMI, or SESAC. Client shall not be liable for any PRO licensing fees associated with the use of Provider's Compositions.

### 5.3 Subscription License Grant

Subject to the terms of this Agreement and Client's continued payment of subscription fees, Provider grants Client a limited, non-exclusive, non-transferable, revocable license to publicly perform the Compositions at Client's designated Venue(s) solely during the active Subscription Period. This license:

- Terminates immediately upon expiration, cancellation, or non-renewal of the subscription;
- Does not survive termination under any circumstances;
- Does not convey any ownership interest, copyright, or right to sublicense;
- Is limited to the specific Venue(s) identified in this Agreement.

### 5.4 Restrictions

Client shall not:

- Claim authorship, copyright ownership, or any proprietary interest in any Composition;
- Modify, remix, sample, or create derivative works from any Composition without prior written consent from both Provider and Suno, Inc.;
- Download, store, archive, or retain copies of any Composition beyond the active Subscription Period;
- Sublicense, resell, redistribute, or otherwise transfer access to any Composition to any third party;
- Use any Composition outside the designated Venue(s) without prior written consent;
- Use any Composition in any manner that violates Suno, Inc.'s Terms of Service.

### 5.5 Direct Licensing from Suno

If Client desires to obtain ownership rights, a direct commercial license, or any rights beyond those granted in this Agreement, Client must contact Suno, Inc. directly. Provider makes no representations regarding the availability or terms of any direct license from Suno, Inc.

## 6. Payment Terms

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### 6.1 Subscription Payments

Subscription fees are due on the first (1st) day of each billing period. For annual plans, full payment is due at the start of the term. Late payments are subject to a 5% late fee after a 10-day grace period.

### 6.2 Setup Fees

Setup fees are due prior to the commencement of onboarding services and are non-refundable.

### 6.3 Accepted Payment Methods

Bank transfer (ACH), credit card, check, or other method agreed upon in writing.

## 7. Term and Termination

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### 7.1 Term

This Agreement shall commence on the Effective Date and continue for the Subscription Period selected in Section 3.

### 7.2 Renewal

Subscription agreements will automatically renew for successive periods of equal length unless either Party provides written notice of non-renewal at least thirty (30) days prior to the end of the current term.

### 7.3 Termination for Convenience

Either Party may terminate this Agreement with thirty (30) days' written notice. For annual subscriptions terminated early, Client shall pay a prorated early termination fee equal to 50% of the remaining balance.

### 7.4 Termination for Cause

Either Party may terminate immediately upon written notice if the other Party: (a) materially breaches this Agreement and fails to cure within fifteen (15) days of written notice; or (b) becomes insolvent or files for bankruptcy.

### 7.5 Effect of Termination

Upon termination or expiration of this Agreement for any reason:

- Client's license to use the Compositions immediately and automatically terminates;
- Client shall immediately cease all use of the Compositions;
- Client shall delete any stored copies of Compositions within seven (7) days;
- No refunds shall be issued for any prepaid subscription fees, except as required by applicable law.

Unlike a purchase agreement, there are no surviving rights to use Compositions after termination. All access ends.

## 8. Representations and Warranties

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Provider represents and warrants that:

- Provider maintains an active paid subscription to Suno, Inc.'s platform and operates in compliance with Suno's Terms of Service;
- No PRO licenses (ASCAP, BMI, SESAC, or equivalent) are required for the public performance of any Composition delivered under this Agreement;
- Provider has full authority to enter into this Agreement and grant the limited subscription license described herein;
- All Compositions will be delivered in industry-standard audio formats suitable for commercial playback.

Provider expressly does NOT warrant that:

- Copyright vests in any Composition (this is governed by Suno's Terms of Service and applicable copyright law);
- Any Composition is unique or exclusive to Client (other users of Suno's platform may receive the same or similar output);
- Provider has the right to sell, permanently transfer, or assign ownership of any Composition.

## 9. Indemnification

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Provider shall indemnify, defend, and hold harmless Client from and against any claims, damages, losses, or expenses (including reasonable attorneys' fees) arising from: (a) any claim that the Compositions infringe upon third-party intellectual property rights to the extent such claim arises from Provider's use of Suno's platform in violation of Suno's Terms of Service; or (b) any claim related to PRO licensing fees associated with the Compositions.

Provider's indemnification obligations do not extend to claims arising from: (a) Suno, Inc.'s own terms, policies, or changes to its platform; (b) Client's unauthorized use of Compositions beyond the scope of this Agreement; or (c) any claim related to copyright ownership of AI-generated Compositions, which is governed solely by Suno's Terms of Service and applicable law.

Client shall indemnify Provider from claims arising from Client's unauthorized use of Compositions beyond the scope of this Agreement.

## 10. Limitation of Liability

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EXCEPT FOR INDEMNIFICATION OBLIGATIONS UNDER SECTION 9, NEITHER PARTY SHALL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES. PROVIDER'S TOTAL LIABILITY SHALL NOT EXCEED THE TOTAL FEES PAID BY CLIENT UNDER THIS AGREEMENT DURING THE TWELVE (12) MONTHS PRECEDING THE CLAIM.

PROVIDER MAKES NO WARRANTY REGARDING COPYRIGHT OWNERSHIP OF AI-GENERATED COMPOSITIONS. ANY CLAIMS RELATING TO INTELLECTUAL PROPERTY OWNERSHIP OF COMPOSITIONS SHALL BE DIRECTED TO SUNO, INC.

## 11. Confidentiality

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Each Party agrees to maintain the confidentiality of any proprietary or business information disclosed by the other Party during the term of this Agreement, including pricing, business strategies, and technical processes.

## 12. General Provisions

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### 12.1 Governing Law

This Agreement shall be governed by the laws of the State of Indiana.

### 12.2 Dispute Resolution

Any dispute arising under this Agreement shall first be subject to good-faith negotiation. If unresolved within thirty (30) days, the dispute shall be submitted to mediation in Indianapolis, Indiana.

### 12.3 Third-Party Platform Dependency

Client acknowledges that Provider's ability to deliver Compositions is dependent on Provider's continued access to Suno, Inc.'s platform. In the event that Suno, Inc. modifies, suspends, or terminates its service or terms in a manner that materially affects Provider's ability to perform, Provider shall provide Client with written notice and a pro-rata refund of any prepaid fees for the affected period. Provider shall not be liable for any other damages arising from Suno, Inc.'s platform changes.

### 12.4 Entire Agreement

This Agreement constitutes the entire understanding between the Parties and supersedes all prior negotiations, representations, or agreements relating to the subject matter herein.

### 12.5 Amendments

This Agreement may be amended only by written instrument signed by both Parties.

### 12.6 Severability

If any provision of this Agreement is held invalid or unenforceable, the remaining provisions shall continue in full force and effect.

### 12.7 Notices

All notices shall be in writing and delivered to the addresses listed on the first page of this Agreement.

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## Signatures

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date last written below.

PROVIDER: SAGACIOUS SOUNDS LLC	CLIENT
Signature: _____ Printed Name: Bruce E. Smith Title: Creative Director Date: _____	Signature: _____ Printed Name: _____ Title: _____ Date: _____

Signature may be provided electronically or by returning a signed copy via mail or email to [bruce@sagacious-sounds.com](mailto:bruce@sagacious-sounds.com).

**EXHIBIT A**  
**Custom Package Details / Additional Terms**

(Use this page to detail any custom subscription arrangements, additional deliverables, specific daypart configurations, delivery schedules, or other terms not covered in the main Agreement. All arrangements described herein are rental/subscription licenses only. No ownership transfer of Compositions is permitted.)

Custom Arrangement Description:

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Monthly/Annual Rate: \_\_\_\_\_

Term: \_\_\_\_\_

Number of Locations: \_\_\_\_\_

Provider Initials	Client Initials	Date
_____	_____	_____