DEADROP EVENT LICENSE TERMS

1. Background and Acceptance

- a. These DEADROP Event License Terms (these "Terms") contain the legal conditions under which Midnight Society ("12AM") will grant you a limited license to operate and use DEADROP (the "Game") in connection with those events and tournaments that meet the qualification criteria specified in Section 2 below (the "Qualification Criteria"; and each such event or tournament, an "Event"). For the avoidance of doubt, any event or tournament that does not meet all of the Qualification Criteria is, in the absence of a separate written agreement signed by you and 12AM, unlicensed and unauthorized.
- b. To produce, host, or operate an Event, you must agree (or, if under 18 years of age or the age of majority as defined in your country of residence (a "Minor"), your parent or legal guardian must agree on your behalf) to abide by these Terms at all times. By operating, playing, or using the Game in any Event, or by continuing to operate, play, or use the Game at an Event after a change to these Terms, you (or, if a Minor, your parent or legal guardian) are confirming that you have accepted these Terms. You agree (or, if a Minor, your parent or legal guardian) are confirming that you have accepted these Terms have been accepted by you (or, if a Minor, your parent or legal guardian), they are legally enforceable just like any written agreement that is signed by you (or, if a Minor, your parent or legal guardian).
- c. If you are a Minor, the use of "you" and "your" in these Terms refers to you as the Event organizer and the parent or legal guardian providing permission, as applicable.

2. Qualification Criteria for Events

- a. Except as otherwise agreed by 12AM in writing (including by <u>email</u>), an Event is licensed under these Terms only if it meets each of the following criteria:
 - i. The Event is online only (i.e., no physical venue or location for play of the Game);
 - ii. The Event is not broadcast on television;
 - iii. You do not restrict or gate participation in, or viewing of, the Event behind paid ticketing or entry fees, paid subscriptions/follows, or any other player purchase requirements;
 - iv. You do not organize or host more than one (1) Event per week;
 - v. The Event does not last for more than three (3) days;
 - vi. If the Event is marketed or promoted using the name or trademark of a corporate sponsor (a "**Title Sponsor**") and/or any 12AM Assets (as defined below), (i) the Event does not have more than one (1) Title Sponsor, and (ii) the Title Sponsor's name or trademark or 12AM Asset (as applicable) is only incorporated into the Event-specific logo. For the avoidance of doubt, this prohibits any "Presented by" or "Powered by" branding when 12AM Assets are featured in connection with the Event;
 - vii. You pay all costs and expenses associated with the operation, management, or hosting of your Event, as provided in Section 3 below;
 - viii. The marketing and promotion for the Event complies with the Restricted Sponsor List in Section 6;
 - ix. The Event does not incorporate or otherwise include any pornographic content or adult-only materials (as determined by 12AM);
 - x. The Event does not involve alcohol consumption as part of its competition structure (such as a drinking game);
 - xi. You do not conduct or promote betting, wagering, or gambling on any Event match, or benefit, either directly or indirectly, from betting, wagering, or gambling on any Event match;

- xii. The Event prizing (if any) must be set in advance, must be clearly stated in the Event Rules (as defined below), and cannot be a function of, or otherwise be dependent on, the number of participants for the Event;
- xiii. The Event Prizing, if monetary, must be distributed exclusively in government-backed currency (e.g., US Dollars) or, if using cryptocurrency, the prizing must be in a stablecoin and the prize recipient should have the option to request the prizing in government-backed currency at the current rate.
- xiv. The total compensation paid to all of the players and/or teams does not exceed \$3,000 USD for a single Event organized or hosted by you (as further described in Section 2(b) below);
- xv. The total contributions provided by sponsors to you or to the players and/or teams do not exceed \$3,000 USD for a single Event organized or hosted by you (as further described in Section 2(b) below);
- xvi. You must additionally include the following notice in a clear and conspicuous manner on your competition website and any competition materials: "This event is not sponsored, endorsed, or administered by Midnight Society.";
- xvii. You do not provide any player data, statistics, or match results for your Event to any business engaged in fantasy esports or betting, wagering, or gambling on esports, or otherwise use any player data, statistics, or match results for or in connection with fantasy esports or betting, wagering, or gambling on esports; and the Event exemplies with all emplicable laws.
- xviii. The Event complies with all applicable laws.

In addition to the above, if an Event requires private match access or , you must separately request the ability to create private matches at the following email address: tournaments@midnightsociety.com. Approval or denial of your request is at the sole discretion of 12AM, based upon the supporting information that you submit. Your request should include Event date(s), location, any relevant branding/creative, prize pool (if any), rules/structure, and URLs if a web presence already exists.

Please note that the ability to create private matches does not come with access to spectator tools or scoring systems. These tools are not available for third party tournaments (i.e., tournaments not held by 12AM) at this time.

- b. In calculating the compensation paid or the contributions provided in connection with any Event, all items of value (cash and non-cash) will be counted, including compensation paid or contributions provided in the form of prize money, purses, salaries, non-cash prizes (such as gaming hardware or equipment), travel and lodging expenses, sponsor-furnished clothing or merchandise, and appearance fees.
- c. In the event of a dispute between you and 12AM relating to the application of the Qualification Criteria to your Events, including whether or not one or more of your Events satisfies the Qualification Criteria, the decision of 12AM, made in its sole discretion, shall be final and binding.
- d. In the event of a dispute between you and 12AM relating to the application of the Qualification Criteria to your Events, including whether or not one or more of your Events satisfies the Qualification Criteria, the decision of 12AM, made in its sole discretion, shall be final and binding.

3. Production of Events

- a. You are solely responsible for all Events that you organize, produce, or host and all costs, expenses, and liabilities incurred by you or on your behalf in connection with such Events (including, without limitation, production costs, sales and marketing expenses, and all sales, use, value-added, and similar taxes).
- b. You are solely responsible for (i) complying with all applicable laws relating to your Events and the participation of players in those Events, (ii) obtaining all governmental approvals, licenses, and permits required to organize or conduct any Event, and (iii) ensuring compliance with any applicable player age and work eligibility requirements in the jurisdiction where the Event is taking place. If your Event requires a clearance, consent, waiver, license, or permission from any third party, you are solely responsible

for, and shall obtain at your cost, any such clearance, consent, waiver, license, or permission.

- c. Without limitation of the foregoing in Section 3(b), you are solely responsible for determining if applicable law in your jurisdiction permits the organizer of an Event to pay or award cash and/or non cash prizes to players or teams.
- d. You expressly acknowledge and agree that neither you, nor any person working for or with you, has a right to reimbursement from 12AM for any portion of the costs and expenses incurred in connection with the operation, production, management, or hosting of any Event.
- e. You agree that you will establish a set of written rules governing play of the Game at your Event (the "**Event Rules**") and that you will provide a copy of the Event Rules to each player prior to the start of your Event.
- f. You agree that you will not, and will use reasonable efforts to ensure that each of the participants at your Events do not, behave in a manner which violates these Terms, or which is otherwise detrimental to the enjoyment of the Game by other users as intended by 12AM (as determined by 12AM). In particular and without limitation of the foregoing, you will not, and will use reasonable efforts to ensure that each of the participants at your Events do not, engage in harassing or disrespectful conduct, use of abusive or offensive language, game abandonment, game sabotage, collusion, match fixing, spamming, social engineering, scamming, or any unlawful activity ("Toxic Behavior").
- g. You agree that 12AM reserves the right to bar any person from playing or otherwise participating in an Event if 12AM determines, in its sole discretion, that such person has engaged in any activity or practice that constitutes Toxic Behavior or any other violation of these Terms. You agree not to allow any person to participate in your Event if 12AM has barred that person from future events for Toxic Behavior or any other violation of these Terms.
- h. You agree that you will not enter into any contract or agreement with any person participating in an Event, now or in the future, that prohibits or restricts the ability of that person from playing or participating in 12AM's own events and tournaments. You agree that if 12AM has barred a player from competing in any event or tournament featuring the Game due to conduct or other violations, you will not permit that player to compete in Events.

4. License Grant

- a. Subject to your compliance with these Terms, 12AM grants to you, and you accept, a non-exclusive, non transferable, limited license (with no right to sublicense) to (i) use and publicly display the Game at one or more Events; (ii) promote the Game in connection with an Event, subject to the advertising and sponsorship restrictions set forth below; (iii) stream live coverage of an Event through an online streaming platform (e.g., Twitch, YouTube, etc.) (a "**Streaming Platform**"); and (iv) record your Events, and distribute the recordings for on-demand viewing through a Streaming Platform.
- b. The license in this Section 4 becomes effective on the date you accept (or if a Minor, the date your parent or legal guardian accepts) these Terms. The Game is licensed, not sold, to you. These Terms do not grant you any title or ownership interest in the Game.
- c. If you include, embed, or otherwise make use of any 12AM Assets in any streams or recordings of your Events, or if you include, embed, or otherwise make use of any audio or video of Game play in any streams or recordings of your Events, then in each case you hereby grant to 12AM an irrevocable, perpetual, non-exclusive, royalty-free license to copy, display, publish, edit, host, store, and otherwise exploit any such streams or recordings ("Event Media") or derivative works based on the Event Media (including, without limitation, highlights, video clips, still photos, graphics, animations, or other content and/or news from the Event Media) throughout the universe in any media now known or hereafter devised.
- d. Your use of the Game is subject to the <u>End User License Agreement</u> for the Game and these Terms. In the event of a conflict between the provisions of the Game's End User

License Agreement and the provisions in these Terms, the provisions that are most protective of 12AM (as determined by 12AM) will govern and control.

5. Marketing and Promotion of Events

- a. Subject to your compliance with these Terms, you may use the Game name and logo, and other creative elements as depicted in 12AM's <u>DEADROP</u> & <u>Midnight Society</u> Brand Guidelines (as updated, revised, changed, or modified from time to time by 12AM, the "Style Guides") and other Game content provided by 12AM to Event organizers from time to time ("**12AM Assets**"), to market and promote your Events. You may not, without the prior written consent of 12AM in each instance, change, alter, or modify any of the 12AM Assets or create any derivative or variation of any of the 12AM Assets.
- b. You may not use any 12AM Assets (i) in a manner that could cause people to believe that your Event is an official 12AM production or that it has been endorsed or approved by 12AM; (ii) in a manner that may damage the value, reputation, or goodwill of 12AM , or its products, services or brands (as determined by 12AM); (iii) in a manner that is in any way inconsistent with the Style Guides; or (iv) to create, market or sell merchandise of any kind, including intangible or digital merchandise.
- c. All marketing and promotion materials for your Events that include any part of the 12AM Assets ("**Event Materials**") must be appropriate for the audience of the Game and be consistent with the spirit and tone of the 12AM Assets (as determined by 12AM). Your Event Materials may not include links to any website that promotes or exploits (i) cheats or hacks to the Game or any other game, (ii) in-game currency farming or selling, or (iii) the sale, rental, licensing, distribution, or transfer of a game account.
- d. You may not, directly or indirectly: (i) create, use, register, or otherwise exploit any trademark or service mark that is confusingly similar to any of the trademarks or service marks included in the 12AM Assets; (ii) create, use, register or otherwise exploit any domain name that includes all or any part of the 12AM Assets; (iii) join any name, trademark, logo, social media identifier, or domain name with any of the trademarks or service marks included in the 12AM Assets so as to form a composite or combined trade name, mark, logo, or domain name; or (iv) engage in any acts that might jeopardize, challenge, or contest or attempt to acquire, any rights of 12AM or its licensors in the 12AM Assets or any part thereof. All use of the 12AM Assets, and all goodwill generated thereby, shall insure to and for the benefit of 12AM.
- e. Your Event Materials must comply with applicable law, the Style Guides, and these Terms, may not violate the rights of others, and must not be obscene, sexually explicit, defamatory, offensive, objectionable, or harmful to others.
- f. 12AM may, in its sole discretion, instruct you to take down or otherwise remove any 12AM Assets that have previously been displayed or distributed or prohibit future display or distribution of 12AM Assets for any reason, including as a result of your non-compliance with these Terms. You will have three (3) business days following receipt of written instructions from 12AM to take down or otherwise remove the 12AM Assets specified in 12AM's instructions.

6. Sponsorship of Events

- a. Subject to your compliance with these Terms, including the sponsor restrictions set forth in Section 2(a) and Section 6(b), you may sell sponsorships for Events.
- b. In order to preserve the integrity of competition and the business reputation of 12AM and its products, you may not include any marketing, promotion, endorsement, or sponsorship of any of the entities, products or services on the following list ("Restricted Sponsor List") in any Event or any stream or recording of an Event: (i) drugs or drug paraphernalia; (ii) tobacco or tobacco related products, including vaping products; (iii) alcohol; (iv) firearms; (v) pornography or any other adult-only materials; (vi) any business (A) whose content is discriminatory, harassing, or otherwise hateful in nature, or (B) whose practices are detrimental to the image of, or results in public

criticism of or reflects badly on, 12AM (as determined by 12AM); (vii) any business that encourages illegal activities or violates applicable law; (viii) gambling products (including fantasy sports betting), lotteries or illegal wagering; (ix) any business that promotes (A) the use of in-game hacks, cheating, exploits, or in-game currency farming or selling, or (B) the sale, rental, licensing, distribution, or transfer of a game account; (x) political candidates; and (xi) high toll phone services.

7. Privacy Policy

a. You agree that by using the Game pursuant to these Terms and hosting an Event that features the Game, you consent to the data collection and usage terms in 12AM's Privacy Policy, as it may be updated from time to time. The Privacy Policy is available at https://midnightsociety.com/privacy

8. Disclaimers and Limitation of Liability

- a. THE GAME AND ALL 12AM ASSETS ARE PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS, "WITH ALL FAULTS" AND WITHOUT WARRANTY OF ANY KIND. 12AM, ITS LICENSORS, AND ITS AND THEIR AFFILIATES, DISCLAIM ALL WARRANTIES, CONDITIONS, COMMON LAW DUTIES, AND REPRESENTATIONS (EXPRESS, IMPLIED, ORAL, AND WRITTEN) WITH RESPECT TO THE GAME AND THE 12AM ASSETS, INCLUDING ALL EXPRESS, IMPLIED, AND STATUTORY WARRANTIES AND CONDITIONS OF ANY KIND, SUCH AS TITLE, NON-INTERFERENCE WITH YOUR ENJOYMENT, AUTHORITY, NON-INFRINGEMENT, MERCHANTABILITY, FITNESS, OR SUITABILITY FOR ANY PURPOSE (WHETHER OR NOT 12AM KNOWS OR HAS REASON TO KNOW OF ANY SUCH PURPOSE), SYSTEM INTEGRATION, ACCURACY OR COMPLETENESS, RESULTS, REASONABLE CARE, WORKMANLIKE EFFORT, LACK OF NEGLIGENCE, AND LACK OF VIRUSES, WHETHER ALLEGED TO ARISE UNDER LAW, BY REASON OF CUSTOM OR USAGE IN THE TRADE, OR BY COURSE OF DEALING. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, 12AM, ITS LICENSORS, AND ITS AND THEIR AFFILIATES, MAKE NO WARRANTY (I) THAT THE GAME OR THE 12AM ASSETS WILL OPERATE PROPERLY, (II) THAT THE GAME AND THE 12AM ASSETS WILL MEET YOUR REQUIREMENTS,(III) THAT THE OPERATION OF THE GAME WILL BE UNINTERRUPTED, BUG FREE, OR ERROR FREE AT ANY EVENT OR IN ANY OTHER CIRCUMSTANCES, OR (IV) THAT ANY DEFECTS IN THE GAME OR THE 12AM ASSETS CAN OR WILL BE CORRECTED. ANY WARRANTY AGAINST INFRINGEMENT THAT MAY BE PROVIDED IN SECTION 2-312 OF THE UNIFORM COMMERCIAL CODE OR IN ANY OTHER COMPARABLE STATUTE IS EXPRESSLY DISCLAIMED. 12AM, ITS LICENSORS, AND ITS AND THEIR AFFILIATES, DO NOT GUARANTEE CONTINUOUS, ERROR-FREE, VIRUS-FREE, OR SECURE OPERATION OF OR ACCESS TO THE GAME OR ANY 12AM ASSET.
- b. To the maximum extent permitted by applicable law, neither 12AM, nor its licensors, nor its or their affiliates, nor any of 12AM's service providers (collectively, the "12AM Parties"), shall be liable in any way for any loss of profits or any indirect, incidental, consequential, special, punitive, or exemplary damages, arising out of or in connection with these Terms, the Game, or the 12AM Assets, or the delay or inability to use or

lack of functionality of the Game, even in the event of an 12AM Party's fault, tort (including negligence), strict liability, indemnity, product liability, breach of contract, breach of warranty, or otherwise and even if an 12AM Party has been advised of the possibility of such damages. Further, to the maximum extent permitted by applicable law, the aggregate liability of the 12AM Parties arising out of or in connection with these Terms, the Game or the use of any 12AM Asset will be limited to your direct damages in an amount not to exceed **\$250 USD**. Multiple claims will not expand this limitation. These limitations and exclusions regarding damages apply even if any remedy fails to provide adequate compensation.

c. Notwithstanding the foregoing, some countries, states, provinces, or other jurisdictions do not allow the exclusion of certain warranties or the limitation of liability as stated above, so the above terms may not apply to you. Instead, in such jurisdictions, the foregoing exclusions and limitations shall apply only to the extent permitted by the laws of such jurisdictions. Also, you may have additional legal rights in your jurisdiction with respect to the Game, and nothing in these Terms will prejudice the statutory rights that you may have as a consumer of the Game.

9. Indemnification

a. You agree to indemnify, pay the defense costs of, and hold 12AM, its licensors, its and their affiliates, and its and their employees, officers, directors, agents, contractors, and other representatives harmless from all claims, demands, actions, losses, liabilities, and expenses (including attorneys' fees, costs, and expert witnesses' fees) that arise from or in connection with (a) any breach, or alleged breach, by you of these Terms; (b) your negligent acts or omissions; (c) your use of the Game in connection with an Event (except for claims resulting solely from the use of the 12AM Assets in the form provided by 12AM); (d) the organization, operation, production, marketing, or promotion of an Event; and/or (e) the distribution of streams or recordings of your Events (except for claims resulting solely from the use of the 12AM Assets in the form provided by 12AM). You agree to reimburse 12AM on demand for any defense costs incurred by 12AM or any other indemnified party and any payments made or loss suffered by 12AM or an indemnified party, whether in a court judgment or settlement, based on any matter covered by this Section 9.

10. Termination

a. 12AM may, in its sole discretion, terminate these Terms and your rights and licenses hereunder at any time without cause by written notice to the email address listed in your online account registration. In addition, 12AM may at any time without cause discontinue the entire DEADROP Event License program by posting a notice on <u>https://midnightsociety.com/</u>

11. Changes to These Terms

a. 12AM may update, revise, change, or modify these Terms from time to time. You are responsible for checking this page regularly for any updates, revisions, changes, or modifications. Your continued use of the Game at an Event after the posting of revised Terms on this page means that you accept and agree (or, if a Minor, your parent or legal guardian accepts and agrees) to the changes.

12. Remedies

a. You acknowledge and agree that, among its remedies, 12AM may bar you from serving as an organizer for future Events featuring the Game if you violate any of these Terms. In particular and without limitation of the foregoing, you acknowledge and agree that 12AM may bar you from serving as an organizer for future Events if you fail to monitor Toxic Behavior or any other violation of these Terms by players and participants at your Events and take appropriate and lawful measures to stop such Toxic Behavior or other violation.

- b. You acknowledge and agree that a violation by you of these Terms may cause 12AM irreparable harm, for which an award of damages would not be adequate compensation and, in the event of such a violation or threatened violation, 12AM shall be entitled to equitable relief, including in the form of a restraining order, orders for preliminary or permanent injunction, specific performance, and any other relief that may be available from any court, and you hereby waive any requirement for the securing or posting of any bond or the showing of actual monetary damages in connection with such relief.
- c. The remedies in these Terms shall not be deemed to be exclusive but shall be in addition to all other remedies available at law, in equity or otherwise.

13. General Terms

- a. You agree that any dispute or claim by you arising out of or related to these Terms ("Claim") shall be governed by California law without giving effect to any choice or conflict of law provision or rule. Any legal suit, action, or proceeding arising out of, or related to, a Claim shall be instituted exclusively in the federal courts of the United States or the courts of California, in each case located in San Mateo County. You agree to waive any and all objections to the exercise of jurisdiction over you by such courts and to venue in such courts.
- b. You agree to comply with all applicable laws and the policies of the Streaming Platform you are using to stream any Event.
- c. These Terms are for the sole benefit of you and 12AM and nothing herein, express or implied, is intended to, or shall confer upon any other person or entity, any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of these Terms.
- d. If any currency conversion is required in connection with the calculation of the total compensation and/or sponsor contribution amounts set forth in Section 2(a), such conversion will be made at the spot rate of exchange published by The Board of Governors of the Federal Reserve System in Statistical Release H.10 for the date that is five (5) business days before the day on which such amounts were paid and/or provided.
- e. These Terms, together with 12AM's Terms of Service, the Game's End User License Agreement, and 12AM's Privacy Policy, constitutes the entire agreement between you and 12AM with respect to your operation and use of the Game during an Event and supersedes any prior agreement, whether written or oral, relating to the subject matter of these Terms. No waiver of these Terms by 12AM shall be deemed a further or continuing waiver of such term or condition or any other term or condition, and any failure of 12AM to assert a right or provision under these Terms shall not constitute a waiver of such right or provision. If any provision of these Terms is held by a court of competent jurisdiction to be invalid, illegal, or unenforceable for any reason, such provision shall be eliminated or limited to the minimum extent such that the remaining provisions of these Terms will continue in full force and effect.
