# Royal Song Token Purchase and Assignment of Streaming Royalties Agreement

This Royal Song Token Purchase and Assignment of Streaming Royalties Agreement (this "Agreement") is a legally binding agreement by and between Mass Appeal Records ("Artist Entity"), f/s/o Nasir bin Olu Dara Jones p/k/a Nas (together with Artist Entity, "Artist") and the initial and any subsequent purchaser of the Song Token (defined below) ("you" or "Purchaser"). Artist and each Purchaser may be referred to throughout this Agreement collectively as the "Parties" or individually as a "Party". All capitalized terms used but not defined herein shall have the respective meaning given to them in the Royal Website Terms.

- 1. Agreement to Terms. By purchasing a Song Token (hereinafter defined), you acknowledge that you have carefully read and agree to the terms of this Agreement. For purposes of this Agreement, a "Song Token" means a controllable electronic record minted on a blockchain as a non-fungible token (NFT) linked to the Artist's percentage of the Streaming Royalties. "Streaming Royalties" means those royalties earned from the commercial exploitation of the original sound recording embodying the master recording of song entitled 'Rare' (the "Recording") on digital service providers ("DSPs" (as such term is commonly used in the music industry). For avoidance of doubt, (i) the Streaming Royalties are digital in nature and do not include, are not linked to, and are not sold together with, any items or representations that have physical dimensions such as mass or volume. This Agreement governs your participation in the transactions on the Royal Platform, which are facilitated by Royal Markets Inc. ("Royal"), as well as subsequent transactions between Transferors and Transferees (as each is defined below). Royal is not a party to any transaction between Artist and Purchaser.
  - (a) Additional Terms: The access and use of the Royal Platform and www.royal.io (the "Royal Website") are subject to the separate terms of the Royal Website. Purchaser acknowledges that it has carefully read and has accepted to the (i) Terms of Service located on the Royal Website (https://royal.io/tos) (the "Royal Website Terms"), (ii) the Royal Website Privacy Policy (https://royal.io/privacy) (the "Royal Website Privacy Policy"), and the Risk Associated with Limited Digital Assets on the Royal Platform (https://royal.io/legal/risks)) (the "Associated Risks") because the terms and policies govern its use of the Royal Website and the Royal Platform.
  - (b) Changes to the terms of this Agreement. Future situations or changing circumstances that are outside Artist's control may result in (i) one or more provisions of this Agreement becoming impossible for Artist to perform or (ii) one or more unintended and undesirable outcomes for Purchaser under the terms of this Agreement, and in such an event Artist may update this Agreement in its sole discretion, provided, however, that such update must be intended primarily for the benefit of Purchaser and also be reasonably likely to benefit Purchaser. In the event of any such update by Artist, Artist will notify Purchaser by posting the amendment or updated Agreement in place of this Agreement and/or may also send other communications providing such notice. It's important that Purchaser review the terms of this Agreement whenever updated by Artist. Purchaser's continued possession or utilization of Song Token after the posting of such updated Agreement constitutes an acceptance and agreement to such update. If Purchaser does not agree to bound by such changes, Purchaser may transfer their Song Token.

### 2. Ownership of Song Token.

- (a) When Purchaser acquires a Song Token, Purchaser owns all personal property rights to that Song Token (*e.g.*, the right to freely sell, transfer, or otherwise dispose of that Song Token). Such rights, however, do not include the ownership of, or any other rights to use or exploit, the intellectual property rights in, among other things, the Artist's sound recording entitled 'Rare' or Artist's name or likeness.
- (b) Purchaser's rights to the Streaming Royalty Share (as defined below) will not be effective unless and until, in the case of a Purchaser of Song Token in a Primary Transaction (a "**Primary Purchaser**"),

such Primary Purchaser receives the Song Token in a cryptocurrency wallet compatible with the Song Token (the "Wallet"), in compliance with Royal's Website Terms.

- (c) Each Song Token may, but is not guaranteed to, include or entitle its current owner to benefits other than receipt of the Streaming Royalty Share, such as off-chain assets or "air-drop" benefits, as determined from time to time by Artist and/or Royal, in their sole and absolute discretion.
- (d) The Streaming Royalty Share will be paid or claimable in the form of USDC on Polygon. The timing and frequency of distribution of the Streaming Royalty Share is subject to Royal's receipt of Streaming Royalties from the distributors as selected by Artist in its sole discretion, and Artist's obligations with respect to the Streaming Royalty Share will be deemed to be satisfied if a transfer of the Streaming Royalty Share funds has been initiated by Artist or its representatives to the Wallet or such funds have otherwise been made available to claim. Purchaser hereby waives any audit rights against Artist with respect to the accounting of the Streaming Royalties and/or Streaming Royalty Shares.
- (e) Artist represents and warrants that (i) it has all requisite power and authority to grant the rights described in this Agreement; (ii) the Recording does not contain any materials that would violate your rights as described herein or the rights of any party; (iii) no third-party consents are required to grant any rights as described in this Agreement; (iv) Artist shall not sell, assign or otherwise transfer its percentage of the Streaming Royalties such that your Streaming Royalty Share (defined below) would be affected, and any such transfer absent your prior written approval shall be void; and (v) if for any reason by operation of law Artist is ordered or required to sell or divest itself of all ownership the Recording, Artist shall pay to Purchases to pay the then fair market value of your Streaming Royalty Share.
- (f) Purchaser represents and warrants that it will not transfer or knowingly permit the transfer a Song Token in any subsequent transaction (whether a Primary Transaction or a Secondary Transaction (as such terms are defined herein below)) to a Transferee that is (i) located in a country that is subject to a U.S. Government embargo, or that has been designated by the U.S. Government as a terrorist-supporting country; or is (ii) listed on any U.S. Government list of prohibited or restricted parties ("**Prohibited Transferees**"). A "**Secondary Transaction**" means any transaction in which a Song Token is sold by one owner to another owner or is otherwise transferred in any manner that is not a Primary Transaction; and "**Primary Transaction**" means a transaction facilitated through the Royal Website in which a Song Token is first sold.
- 3. Rights to Streaming Royalties. Subject to the terms of this Agreement, starting on the later of (i) February 1, 2022 or (ii) the date and time that the Song Token is held in your Wallet (as recorded on the relevant blockchain), Artist hereby grants to you a non-exclusive right, for so long as the Song Token remains in your Wallet, to receive the royalties described in the chart below (as set forth in the on-chain Metadata (defined below) associated with each such Song Token) (the "Streaming Royalty Share"). For the avoidance of doubt, any of the Streaming Royalties payable to you as a result of your purchase of the Song Token shall not accrue and/or account to you until after such purchase and transfer of ownership (as recorded on the relevant blockchain) has taken place. For purposes of this agreement, "Metadata" shall mean the data contained in the specific blockchain transaction unique to the Song Token, namely, such data in the smart contract that facilitates the Streaming Royalty Share distribution utility as described in this Agreement. You will retain such rights to the Streaming Royalty Share only for so long as (i) the Song Token remains in your Wallet; and (ii) you have otherwise complied with this Agreement. The rights in the prior sentence are non-transferrable, except that it will automatically transfer in connection with the transfer of the Song Token.

Tier	Royalty Amount
Gold	0.0113%

Platinum	0.0658%
Diamond	1.5789%

Any Royalty Payment left unclaimed after eighteen (18) months will revert to the Artist or Royal, in Royal's sole discretion. As a condition precedent to receiving the Streaming Royalties, you may need to follow any Streaming Royalty claiming procedures we provide on the Royal Website from time to time.

4. Reservation of Rights. All rights in and to the Recording and Streaming Royalties not expressly provided for in this Agreement are hereby reserved by Artist. Each Purchaser acknowledges and agrees that a) this Agreement does not convey any rights in the underlying musical composition embodied in the Recording, (the so called "Publishing Rights") or any other rights, interests, revenues or royalties earned form the commercial exploitation of the Recording (specifically including, but not limited to, mechanical royalties or monies earned from synchronizations, as such terms are commonly used in the music industry) other than the Streaming Royalty Share of the Streaming Royalties, (b) this Agreement consists of assignment of a revenue stream only and does not convey any ownership interest or other rights in or to the copyright in the Recording or Artist's name or likeness, which is fully reserved and retained by Artist, (c) such Purchaser has not received and will not request an advance, loan or other payment from any third party that may be recoupable from amounts payable under this Agreement; and (d) this Agreement does not convey to any Purchaser any right to use the name, image or likeness of the Artist; provided that Purchaser may use Artist's name as necessary to accurately describe the Token in the case of any potential Secondary Transaction.

## 5. Payment and Fees.

- (a) <u>Purchase and Sale</u>. Purchaser hereby agrees to purchase the Song Token at the price set forth on the Royal Website (the "**Purchase Price**"). Without limiting any of the foregoing, the valid execution of this Agreement, including the delivery of the Song Token, is conditioned upon the following terms being met: (i) Purchaser's payment and Artist's receipt of the Purchase Price, (ii) Purchaser's provision to Artist, through the Royal Website, a compatible network Wallet address to which the Purchaser's Song Token will be delivered; and (iii) Purchaser's successful completion of any applicable anti-money laundering, sanctions and other processes as requested by Artist. If the Purchaser fails to meet any of the conditions above, Artist may suspend the delivery of the purchased Song Token or, if such conditions have not been met within the ten (10) calendar days following purchase of the Song Token, terminate the transaction.
- i. A Primary Purchaser will not receive its Song Token unless and until such Primary Purchaser successfully completes (as determined by Royal in its sole discretion) any applicable diligence, including without limitation any Know Your Customer, anti-money laundering, sanctions, and other processes as requested by Royal. If a Purchaser fails to meet any of the applicable conditions above, Artist and/or Royal may suspend the delivery of, in the case of a Primary Purchaser, the Song Token, and in every case, any Streaming Royalty Share, to such Primary Purchaser.
- ii. In the case of a Primary Purchaser, if any of the conditions herein have not been met within the ten (10) calendar days following the date or purchase, Artist may terminate this Agreement with respect to such Primary Purchaser. Artist and/or Royal may deduct from payments "gas" fees, taxes, network fees, or other costs and expenses from Purchaser's Streaming Royalty Share and/or Purchase Price.
- **(b)** <u>Purchaser Qualification</u>. Purchaser represents and warrants that it (i) is not located in a country that is subject to a U.S. Government embargo, or that has been designated by the U.S. Government

as a terrorist-supporting country; and (ii) is not listed on any U.S. Government list of prohibited or restricted parties.

- (c) Form of Payment. Artist agrees to accept payment for the Purchase Price via the currency (fiat or cryptocurrency) denoted on the Royal Website; provided that Artist may elect to accept other methods or forms of payment on an as-converted to U.S. dollars basis in its sole discretion. The U.S. dollar exchange rate for any other forms of payment shall be determined solely by the Artist or its assignee or agent in accordance with reasonable and accepted market practices and additional transaction fees may apply.
- (d) <u>Gas Fees</u>. By buying or selling a Song Token on the Royal Website or any other platform, you agree to pay all applicable fees and, if applicable, you authorize Artist to automatically deduct fees (including any transaction fees, or Gas Fees, as applicable) directly from Purchaser's payments for the transaction or subsequent transactions. "Gas Fees" fund the network of computers that run a decentralized blockchain network, meaning that Purchaser will need to pay a Gas Fee for each transaction that occurs via a decentralized blockchain network. Artist has no insight into or control over these payments or transactions, nor does Artist have the ability to reverse any transactions. Accordingly, Artist will have no liability to you or to any third party for any claims or damages that may arise as a result of any transactions of the Song Tokens that you engage in.
- Transfers: All subsequent transactions of the Song Tokens are subject to the following terms: (i) the Song Token transferee (the "Transferee") shall, by purchasing, accepting, accessing or otherwise using the Song Token or Streaming Royalties, be deemed to accept all of the terms of this Agreement as a "Purchaser" hereof (other than with respect to Sections 5(a) and 5(c)), provided, to the extent technically feasible and permissible under applicable law, that the Transferor shall remain secondarily liable hereunder; (ii) the Song Token transferor (the "Transferor") shall provide notice to the Transferee of this Agreement, including a link or other method by which the terms of this Agreement can be accessible by the Transferee; and (iii) (x) Artist shall be entitled to receive seven and one half percent (7.5%) of the gross amounts paid by the Transferee as set forth in the on-chain metadata associated with each Song Token, or as otherwise provided with the purchase of the Song Token (the "Artist Royalty"); and (iv) Royal shall be entitled to receive zero percent (0%) of the gross amounts paid by the Transferee as set forth in the on-chain metadata associated with each Song Token, or as otherwise provided with the purchase of the Song Token (the "Royal Royalty") (the Artist Royalty and the Royal Royalty, collectively, the "Royalty Payment"). Artist and Royal shall be paid on the same terms and at the same time as Transferor is paid by the Transferee. You acknowledge and agree that the amounts payable to Artist and Royal under this Section herein does not include, and is not intended to cover any additional fees, including Gas Fees imposed or required by the transferring platform through which you transfer the Song Token.
- **i.** Purchaser further acknowledges and agrees that all subsequent transactions of the Song Token will be effected on the blockchain network governing Song Token, and Purchaser will be required to make or receive payments exclusively through its Wallet.
- **ii.** Without limitation of any other termination rights, Artist may suspend or terminate the license to the Streaming Royalty Share if it has a reasonable basis for believing that You have engaged in an off-chain sale of the Song Token, or otherwise engaged in any off-chain transactions for the purchase or sale of the Song Token without making the applicable Royalty Payment. You, and all subsequent Transferees, shall be responsible for paying the Royalty Payment associated with the Secondary Transaction purchase price, regardless of whether such purchase price is fulfilled on-chain, off-chain, or in a combination of the foregoing.
- 6. Royal's Rights and Obligations to the Streaming Royalties and Song Tokens. The Parties acknowledge and agree that Royal is not responsible for repairing, supporting, replacing, or maintaining the

website hosting the listing and/or display of Song Tokens, nor does Royal have the obligation to maintain any connection or link between a Song Token and the corresponding Streaming Royalty Share.

7. Warranty Disclaimers and Assumption of Risk. Purchaser represents and warrants that it (a) is the age of majority in Purchaser's place of residence (which is typically 18 years of age in most U.S. states) and has the legal capacity to enter into this Agreement, (b) that Purchaser will use and interact with the Song Tokens and Streaming Royalties only for lawful purposes and in accordance with this Agreement, and (c) that Purchaser will not use the Song Tokens or Streaming Royalties to violate any law, regulation or ordinance or any right of Artist, its licensors or any third party, including without limitation, any right of privacy, publicity, copyright, trademark, or patent. Purchaser further agrees that it will comply with all applicable law.

Each Purchaser warrants and represents that neither Royal nor Artist (a) has made any promise or representation relating to the subject matter of this Agreement other than as expressly stated in this Agreement including, by way of example only with without limitation, any promises or representations about the potential commercial success of the Recording or the amount of Streaming Royalties, (b) guarantees that any particular amount of Streaming Royalties will be distributed via the Streaming Royalty Share, (c) guarantees that Streaming Royalties will be distributed or made available via the Streaming Royalty Share with any particular frequency; or (d) guarantees that a market does or will exist for any Secondary Transactions. Each Purchaser expressly acknowledges that the Streaming Royalty Share may consist of little or no Streaming Royalties, that there may not be a market for any Secondary Transactions, and to the extent there is a market for any Secondary Transaction, the Song Token may or may not have any material value in that market.

THE SONG TOKENS ARE PROVIDED "AS IS," WITHOUT WARRANTY OF ANY KIND. WITHOUT LIMITING THE FOREGOING, ARTIST EXPLICITLY DISCLAIMS ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE (OTHER THAN THE SPECIFIC UTILITY AS DESCRIBED HEREIN, NAMELY, THE ATTRIBUTION OF THE STREAMING ROYALTY REVENUE SHARE), QUIET ENJOYMENT AND NON-INFRINGEMENT, AND ANY WARRANTIES ARISING OUT OF COURSE OF DEALING OR USAGE OF TRADE. ARTIST MAKES NO WARRANTY THAT THE SONG TOKENS WILL MEET PURCHASER'S REQUIREMENTS OR BE AVAILABLE ON AN UNINTERRUPTED, SECURE, OR ERROR-FREE BASIS. ARTIST MAKES NO WARRANTY REGARDING THE QUALITY, ACCURACY, TIMELINESS, TRUTHFULNESS, COMPLETENESS OR RELIABILITY OF ANY INFORMATION OR CONTENT ON THE SONG TOKENS.

ROYAL AND ARTIST WILL NOT BE RESPONSIBLE OR LIABLE TO PURCHASER FOR ANY LOSS AND TAKES NO RESPONSIBILITY FOR, AND WILL NOT BE LIABLE TO YOU FOR, ANY USE OF THE SONG TOKEN, INCLUDING BUT NOT LIMITED TO ANY LOSSES, DAMAGES OR CLAIMS ARISING FROM: (I) USER ERROR SUCH AS FORGOTTEN PASSWORDS, INCORRECTLY CONSTRUCTED TRANSACTIONS, OR MISTYPED WALLET ADDRESSES; (II) SERVER FAILURE OR DATA LOSS; (III) CORRUPTED CRYPTOCURRENCY WALLET FILES; (IV) UNAUTHORIZED ACCESS TO SONG TOKEN; OR (V) ANY UNAUTHORIZED THIRD PARTY ACTIVITIES, INCLUDING WITHOUT LIMITATION THE USE OF VIRUSES, PHISHING, BRUTEFORCING OR OTHER MEANS OF ATTACK AGAINST BLOCKCHAIN NETWORK UNDERLYING THE SONG TOKENS.

THE SONG TOKENS ARE INTANGIBLE DIGITAL ASSETS. THEY EXIST ONLY BY VIRTUE OF THE OWNERSHIP RECORD MAINTAINED IN THE APPLICABLE BLOCKCHAIN NETWORK. ANY TRANSFER OF TITLE THAT MIGHT OCCUR IN ANY UNIQUE DIGITAL ASSET OCCURS ON THE DECENTRALIZED LEDGER WITHIN SUCH BLOCKCHAIN NETWORK, WHICH ROYAL AND ARTIST DO NOT CONTROL. ROYAL AND ARTIST DO NOT GUARANTEE THAT ARTIST OR ANY ARTIST PARTY CAN EFFECT THE TRANSFER OF TITLE OR RIGHT IN ANY SONG TOKEN. PURCHASER BEARS FULL RESPONSIBILITY FOR VERIFYING THE IDENTITY, LEGITIMACY, AND AUTHENTICITY OF ASSETS PURCHASER PURCHASES THROUGH THE ROYAL WEBSITE. NOTWITHSTANDING INDICATORS AND MESSAGES THAT SUGGEST VERIFICATION, ARTIST

MAKES NO CLAIMS ABOUT THE IDENTITY, LEGITIMACY, OR AUTHENTICITY OF ASSETS ON THE ROYAL WEBSITE OR ANY PURPORTED SUBSEQUENT TRANSACTIONS.

ROYAL AND ARTIST ARE NOT RESPONSIBLE ANY KIND OF FAILURE, ABNORMAL BEHAVIOR OF SOFTWARE (E.G., WALLET, SMART CONTRACT), BLOCKCHAINS OR ANY OTHER FEATURES OF THE SONG TOKENS. ROYAL AND ARTIST IS NOT RESPONSIBLE FOR CASUALTIES DUE TO LATE REPORT BY DEVELOPERS OR REPRESENTATIVES (OR NO REPORT AT ALL) OF ANY ISSUES WITH THE BLOCKCHAIN SUPPORTING THE SONG TOKENS, INCLUDING FORKS, TECHNICAL NODE ISSUES OR ANY OTHER ISSUES HAVING FUND LOSSES AS A RESULT.

SOME JURISDICTIONS DO NOT ALLOW THE EXCLUSION OF IMPLIED WARRANTIES IN CONTRACTS WITH CONSUMERS, SO THE ABOVE EXCLUSION MAY NOT APPLY TO YOU.

- 8. Links to Third Party Websites or Resources. Use and interaction of the Song Tokens and Streaming Royalties may allow Purchaser to access third-party websites (including websites that host the Streaming Royalties) or other resources. Artist provides access only as a convenience and is not responsible for the content, products or services on or available from those resources or links displayed on such websites. Purchaser acknowledges sole responsibility for and assumes all risk arising from Purchaser's use of any third-party resources. Under no circumstances shall Purchaser's inability to view its Streaming Royalties on a third-party website serve as grounds for a claim against Royal or Artist.
- 9. Termination of License to Streaming Royalties. Purchaser's license to the Streaming Royalties shall automatically terminate and all rights shall revert to Artist and Royal, if and as applicable, including all the fees up until the point of breach that were not paid to the Purchaser, if at any time: (i) Purchaser breaches any portion of this Agreement or (ii) Purchaser engages in any unlawful activity related to the Song Token (including transferring the Song Token to a Prohibited Transferee). Upon any termination, discontinuation or cancellation of Purchaser's license to Streaming Royalties, Artist may disable Purchaser's access to the Streaming Royalties. Upon any termination, discontinuation or cancellation of the license in this Agreement, the following Sections will survive: 2, 4 through 14.
- 10. Indemnity. Purchaser shall defend, indemnify, and hold the Artist and Royal harmless from and against any and all claims, damages, losses, costs, investigations, liabilities, judgments, fines, penalties, settlements, interest, and expenses (including attorneys' fees) that directly or indirectly arise from or are related to any claim, suit, action, demand, or proceeding made or brought by a third party (including any person who accesses or transacts using the Song Tokens whether or not such person personally purchased the Song Tokens) against any Artist Party, or on account of the investigation, defense, or settlement thereof, arising out of or in connection with (a) your access to or use of the Royal Website or (b) your breach of this Agreement.

### 11. Limitation of Liability.

(a) TO THE MAXIMUM EXTENT PERMITTED BY LAW, NEITHER ARTIST NOR ITS SERVICE PROVIDERS, INVOLVED IN CREATING, PRODUCING, OR DELIVERING THE SONG TOKENS, INCLUDING ROYAL, WILL BE LIABLE FOR ANY INCIDENTAL, SPECIAL, EXEMPLARY OR CONSEQUENTIAL DAMAGES, OR DAMAGES FOR LOST PROFITS, LOST REVENUES, LOST SAVINGS, LOST BUSINESS OPPORTUNITY, LOSS OF DATA OR GOODWILL, SERVICE INTERRUPTION, COMPUTER DAMAGE OR SYSTEM FAILURE OR THE COST OF SUBSTITUTE SONG TOKENS OF ANY KIND ARISING OUT OF OR IN CONNECTION WITH THESE TERMS OR FROM THE USE OF OR INABILITY TO USE OR INTERACT WITH THE SONG TOKENS OR ACCESS THE STREAMING ROYALTIES, WHETHER BASED ON WARRANTY, CONTRACT, TORT (INCLUDING NEGLIGENCE), PRODUCT LIABILITY OR ANY OTHER LEGAL THEORY, AND WHETHER OR NOT ARTIST OR ITS SERVICE PROVIDERS HAS BEEN INFORMED OF THE POSSIBILITY OF SUCH DAMAGE, EVEN IF A LIMITED REMEDY SET FORTH HEREIN IS FOUND TO HAVE FAILED OF ITS ESSENTIAL PURPOSE.

- (b) TO THE MAXIMUM EXTENT PERMITTED BY THE LAW OF THE APPLICABLE JURISDICTION, IN NO EVENT WILL ARTIST'S OR ROYAL'S TOTAL LIABILITY ARISING OUT OF OR IN CONNECTION WITH THESE TERMS OR THE USE OF OR INABILITY TO USE OR INTERACT WITH THE SONG TOKENS OR ACCESS THE STREAMING ROYALTIES OR ASSIGNED SHARE EXCEED THE PURCHASE PRICE.
- (c) THE EXCLUSIONS AND LIMITATIONS OF DAMAGES SET FORTH ABOVE ARE FUNDAMENTAL ELEMENTS OF THE BASIS OF THE BARGAIN BETWEEN ARTIST AND PURCHASER.
- 12. Governing Law and Forum Choice. This Agreement and any action related thereto will be governed by the Federal Arbitration Act, federal arbitration law, and the laws of the State of Delaware, without regard to its conflict of laws provisions. Except as otherwise expressly set forth in Section 13 "Dispute Resolution," the exclusive jurisdiction for all Disputes (defined below) that Purchaser and Artist are not required to arbitrate will be the state and federal courts located in Delaware, and Purchaser and Artist each waive any objection to jurisdiction and venue in such courts.

### 13. Dispute Resolution.

- (a) <u>Mandatory Arbitration of Disputes</u>. The Parties each agree that any dispute, claim or controversy arising out of or relating to these Terms or the breach, termination, enforcement, interpretation or validity thereof of the Song Tokens transaction (collectively, "**Disputes**") will be resolved **solely by binding, individual arbitration and not in a class, representative or consolidated action or proceeding**. You and Artist agree that the U.S. Federal Arbitration Act governs the interpretation and enforcement of these Terms, and that you and Artist are each waiving the right to a trial by jury or to participate in a class action. This arbitration provision shall survive termination of these Terms.
- (b) <u>Exceptions</u>. As limited exceptions to Section 13(a) above: (i) both Parties may seek to resolve a Dispute in small claims court if it qualifies; and (ii) Artist retains the right to seek injunctive or other equitable relief from a court to prevent (or enjoin) the infringement or misappropriation of Artist's intellectual property rights.
- (c) <u>Conducting Arbitration and Arbitration Rules</u>. The arbitration will be conducted by the American Arbitration Association ("AAA") under its Consumer Arbitration Rules (the "AAA Rules") then in effect, except as modified by these Terms. The AAA Rules are available at <a href="www.adr.org">www.adr.org</a> or by calling 1-800-778-7879. A party who wishes to start arbitration must submit a written Demand for Arbitration to AAA and give notice to the other party as specified in the AAA Rules. The AAA provides a form Demand for Arbitration at <a href="www.adr.org">www.adr.org</a>.

Any arbitration hearings will take place in the county (or parish) where you live, unless we both agree to a different location. The Parties agree that the arbitrator shall have exclusive authority to decide all issues relating to the interpretation, applicability, enforceability and scope of this arbitration agreement.

- (d) <u>Arbitration Costs.</u> Payment of all filing, administration and arbitrator fees will be governed by the AAA Rules, and Artist won't seek to recover the administration and arbitrator fees Artist is responsible for paying, unless the arbitrator finds your Dispute frivolous. If Artist prevails in arbitration Artist will pay for all of its attorneys' fees and costs and won't seek to recover them from you. If you prevail in arbitration you will be entitled to an award of attorneys' fees and expenses to the extent provided under applicable law.
- (e) <u>Injunctive and Declaratory Relief</u>. Except as provided in Section 13(b) above, the arbitrator shall determine all issues of liability on the merits of any claim asserted by either party and may award declaratory or injunctive relief only in favor of the individual party seeking relief and only to the extent

necessary to provide relief warranted by that party's individual claim. To the extent that you or Artist prevail on a claim and seek public injunctive relief (that is, injunctive relief that has the primary purpose and effect of prohibiting unlawful acts that threaten future injury to the public), the entitlement to and extent of such relief must be litigated in a civil court of competent jurisdiction and not in arbitration. The parties agree that litigation of any issues of public injunctive relief shall be stayed pending the outcome of the merits of any individual claims in arbitration.

- (f) Class Action Waiver. YOU AND ARTIST AGREE THAT EACH MAY BRING CLAIMS AGAINST THE OTHER ONLY IN YOUR OR ITS INDIVIDUAL CAPACITY, AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE PROCEEDING. Further, if the parties' Dispute is resolved through arbitration, the arbitrator may not consolidate another person's claims with your claims, and may not otherwise preside over any form of a representative or class proceeding. If this specific provision is found to be unenforceable, then the entirety of this Dispute Resolution section shall be null and void.
- 14. Severability. This With the exception of any of the provisions in Section 13(f) of this Agreement ("Class Action Waiver"), if an arbitrator or court of competent jurisdiction decides that any part of this Agreement is invalid or unenforceable, the other parts of the terms of this Agreement will still apply.
- 15. General Terms. This Agreement will transfer and be binding upon and will inure to the benefit of the parties and their permitted successors and assigns, in particular any Transferee. This Agreement constitutes the entire agreement, and supersedes any and all prior or contemporaneous representations, understandings and agreements, between the Parties with respect to the subject matter of this Agreement, all of which are hereby merged into this Agreement. Without limitation, the terms of any other document, course of dealing, or course of trade will not modify this Agreement, except as expressly provided in this Agreement or as the Parties may agree in writing. No amendment to this Agreement or waiver of any provision hereof will be valid or binding unless reduced to writing and duly executed by the Party or Parties to be bound thereby. Failure to promptly enforce a provision of this Agreement will not be construed as a waiver of such provision. Nothing contained in this Agreement will be deemed to create, or be construed as creating, a joint venture or partnership between the parties. Neither Party is, by virtue of this Agreement or otherwise, authorized as an agent or legal representative of the other Party. Neither Party to this Agreement is granted any right or authority to assume or to create any obligation or responsibility, express or implied, on behalf or in the name of the other party, or to bind such other Party in any manner. Except as set forth in Section 5(e) of this Agreement with regards to Royal, nothing contained in this Agreement will be deemed to create any third-party beneficiary right upon any third party whatsoever. Each of the Parties acknowledges that it has had the opportunity to have this Agreement reviewed or not by independent legal counsel of its choice. If any one or more of the provisions of this Agreement should be ruled wholly or partly invalid or unenforceable, then the provisions held invalid or unenforceable will be deemed amended, and the court or other government body is authorized to reform the provision(s) to the minimum extent necessary to render them valid and enforceable in conformity with the parties' intent as manifested herein. The headings to Sections of this Agreement are for convenience or reference only and do not form a part of this Agreement and will not in any way affect its interpretation. Neither Party will be afforded or denied preference in the construction of this Agreement, whether by virtue of being the drafter or otherwise. For purposes of this Agreement, the words and phrases "include," "includes", "including" and "such as" are deemed to be followed by the words "without limitation". Any notices or other communications provided by Artist under this Agreement be given by contacting the Purchase at the contact information provided on the Royal Website. Purchaser may give notice to Artist by contacting the Artist at the contact information provided on the Royal Website. Notice is effective upon receipt. The Parties have agreed to contract electronically, and accordingly, electronic signatures will be given the same effect and weight as originals.