GARAHEJAM ARTIST AND LABEL SERVICE AGREEMENT

PAYMENT TERMS, ROYALTY ADDENDUM, AND DISPUTE RESOLUTION

This Payment Terms and Royalty Addendum (the "**Agreement**") is entered into by and between **GaraheJam** ("**Platform**") and the consenting Artist, Rights Holder, or Recording Label ("**User**"). By executing this Agreement electronically, registering an account, uploading content, or submitting payout credentials, the User agrees to be legally bound by all terms and conditions set forth herein.

1. REGISTRATION, SETUP, AND LISTING FEES

- **No Upfront Costs:** Basic platform access, account registration, and digital media listings are provided at $0.00 USD.
- **Platform Service Fee:** GaraheJam retains a **20% platform service fee** derived exclusively from gross digital media sales per download. No recurring platform subscription fees apply.

2. LABELS AND MULTI-ARTIST AGGREGATES

- **PayPal-Based Revenue Tiering:** For recording companies, distributors, or labels managing multiple artist accounts, revenue-sharing calculations and thresholds are tied directly to the designated **PayPal account email address** rather than individual GaraheJam sub-accounts.
- **Aggregated Volume:** Total sales volume across all artist profiles linked to the same PayPal email address will be aggregated to determine applicable tier thresholds.

3. PAYMENT PROCESSING AND TRANSACTION FEES

- **Third-Party Processing:** GaraheJam does not process credit card or direct bank transactions. All payment processing is handled independently through **PayPal**.
- **Standard Transaction Fees:** PayPal applies a standard transaction processing fee of **2.9% + $0.30 USD** per transaction, which is deducted separately by PayPal.
- **Micropricing Inquiries:** Users may inquire about reduced micropricing transaction tiers by contacting PayPal Small Business & Sales Support at **1-888-433-6829**.

4. TAXES

- **User Tax Liability:** The User bears sole legal and financial responsibility for calculating, reporting, and remitting all applicable local, state, federal, or international sales, value-added (VAT), or income taxes to the relevant taxing authorities.
- **No Tax Advice:** GaraheJam does not provide tax, legal, or accounting advice. Users are advised to consult an independent qualified tax professional.

5. DIGITAL SALES PAYOUT MECHANISM

- **Direct Payouts:** Proceeds from direct digital downloads (net of GaraheJam's 20% service fee and PayPal processing fees) are routed directly into the User-designated PayPal account per PayPal settlement schedules. GaraheJam does not act as an escrow agent or hold User download proceeds.

6. STREAMING ROYALTIES AND PAYOUT STRUCTURE

A. Streamshare Model

Streaming royalty pools are funded via aggregate monthly platform subscription and advertisement revenue. Artists and rights holders receive a proportional share based on their verified track streams relative to total qualified platform streams.

B. Gross Milestone Estimates

- **1,000 Streams:** Approximately $3.00 – $5.00 USD
- **100,000 Streams:** Approximately $300.00 – $500.00 USD
- **1,000,000 Streams:** Approximately $3,000.00 – $5,000.00 USD

C. The 1,000-Stream Threshold Rule

- **Minimum Qualification:** Each individual audio recording, identified by its International Standard Recording Code (ISRC), must accumulate at least **1,000 verified streams within a rolling 12-month period** to qualify for royalty distribution.
- **Zero-Royalty Floor:** Tracks failing to achieve the 1,000-stream minimum within a 12-month window accrue **$0.00 USD** in recording royalties.
- **Unique Listener Verification:** Streams must meet a confidential minimum threshold of unique human listeners to prevent artificial inflation, automated bot activity, or repetitive single-user looping abuse.
- **No Retroactive Payouts:** Royalties do not apply retroactively to the initial 1,000 streams. Accrual commences strictly for verified streams occurring in or after the calendar month in which the threshold is met.
- **Track-by-Track Independence:** Evaluation is conducted strictly on an individual track (ISRC) basis. Album, EP, or catalog streams are not pooled cumulatively across multiple tracks.
- **Redistribution of Unclaimed Funds:** Residual funds generated by sub-threshold tracks are not retained by GaraheJam; instead, such funds are pooled and reallocated across all qualified active tracks on the platform.

D. Geographic and Contractual Factors

- **Listener Location:** Per-stream payout rates fluctuate based on the geographic subscription pricing tier and advertising market of the listener.
- **Internal Label Splits:** Where a label or distribution agreement exists, gross royalties are remitted to the contracting entity, subject to internal royalty splits between the label and recording artist.

7. GOVERNING LAW

- **Choice of Law:** This Agreement and any dispute, claim, or controversy arising out of or relating to it shall be governed by and construed in accordance with the laws of the **State of California, United States**, without giving effect to any conflict-of-law principles that would require the application of the laws of another jurisdiction.

8. DISPUTE RESOLUTION

- **Informal Negotiation:** Before initiating formal proceedings, the Parties agree to first attempt in good faith to resolve any dispute through written notice and informal negotiation for a period of at least **thirty (30) calendar days**.
- **Binding Arbitration:** If the dispute cannot be resolved informally within thirty (30) days, the Parties agree that any remaining claim or controversy shall be resolved exclusively through final and binding individual arbitration administered by the **American Arbitration Association (AAA)** under its Commercial Arbitration Rules.

- **Class Action Waiver:** All claims must be brought in the Parties' individual capacity, and not as a plaintiff or class member in any purported class, collective, or representative proceeding.
- **Equitable Relief:** Notwithstanding the foregoing, either Party may seek temporary or preliminary injunctive relief in a court of competent jurisdiction located in California to prevent actual or threatened infringement of intellectual property rights or unauthorized platform manipulation.

9. ELECTRONIC EXECUTION AND DIGITAL SIGNATURE

Electronic Signature Consent (ESIGN / UETA): *By typing your signature below and submitting this Agreement electronically, you consent to conduct this transaction by electronic means and acknowledge that your electronic signature carries the same legal validity, enforceability, and binding effect as a handwritten signature.*

Digital Signature (Artist / Label):	*/s/ [Type Full Legal Name]*
Printed Legal Name:	
Title / Entity or Label Name:	
Designated PayPal Email Address:	
Date & UTC Timestamp:	*YYYY-MM-DD HH:MM:SS UTC*
Verification IP / Audit ID:	*[System Generated Verification Hash]*