

Demibooks Publishing Terms of Service

Last Update: October 31, 2015

PLEASE READ THE FOLLOWING CAREFULLY. THESE TERMS OF SERVICE, AS AMENDED FROM TIME TO TIME (“Terms”), ARE A BINDING AGREEMENT (“Agreement”) BETWEEN YOU (“Publisher”) AND DEMIBOOKS INC. (“Demibooks”). This agreement governs your use of Demibooks’ Printshop publishing service and Demibooks® Composer software through the App Store or Demibooks Composer Studio software through our website at demibooks.com (both referred to as ‘Software’) and includes, in addition to the terms set forth below, the pricing page and all other rules and policies governing our publishing service provided on our site at demibooks.com. Demibooks reserves the right to change, update and revise any portion of the Demibooks Publishing Terms of Service from time to time, at its sole discretion, by posting the most current version of the Demibooks Publishing Terms of Service here. Any reference to Apple or apple products is merely referential. Apple does not endorse, sponsor, and is not associated with any Demibooks products, including without limitation, Demibooks Composer. By purchasing our publishing service, you hereby agree to be bound by these Terms of Service.

1. Publishing Rights. You, the Publisher, hereby grant and assign to Demibooks the nonexclusive worldwide right to digitally publish (“Publish”) the work identified on the front page of your book submission (the “Work”) as an App on Apple’s App Store or in Demibooks® Storytime. Since the terms of Agreement are non-exclusive, you are free to publish, license, market and sell your Work elsewhere so long as you are not violating someone else’s agreement or violating any laws.

2. Account Eligibility and Registration

2.1. Eligibility. In order to use Demibooks’ Printshop publishing service, you must: (a) have an active Demibooks account; and (b) be at least 18 years old or the legal age of majority in your place of residence. If you are under the age of 18 or the applicable legal age in your jurisdiction, you can use the Demibooks Printshop publishing services provided that it is only in conjunction with, and under the supervision of, your parent or guardian who has agreed to this Agreement. In order to publish your book to the App Store using any of the Printshop service levels, you must be a paid member of Apple’s iOS Developer program. In order to receive our software tools, you must be a paid member of the Apple’s iOS Developer Program. You must provide us with your Apple iOS Developer account login information, which we will keep confidential and use only for the purpose of providing you with publishing services under this Agreement.

2.2. Account Information; No Multiple Accounts. You must ensure that all information you provide in connection with establishing your Demibooks account, such as your name, address email, and iTunes account information, is accurate when you provided it, and you must keep it up to date. You may maintain only one account at a time. If we terminate your account, you will not establish a new account. You will not use false identities or impersonate any other person or use a username or password you are not authorized to use. You authorize us, directly or through third parties, to make any inquiries we consider appropriate to verify account information you

provide.

2.3. Account Security. You are solely responsible for safeguarding and maintaining the confidentiality of your Demibooks account username and password and are responsible for all activities that occur under your account, whether or not you have authorized the activities. You may not permit any third party to use Demibooks' publishing services through your account and will not use the account of any third party. You agree to immediately notify Demibooks of any unauthorized use of your username, password or account.

2.4. Consent to Use of Data. You agree that Demibooks may collect and use technical data and related information ("Usage Analytics"), including but not limited to technical information about your Demibooks Composer Software or the Printshop service, that is gathered periodically to facilitate the provision of software updates, product support and other services to you (if any) related to the Printshop service. Demibooks may use your Usage Analytics, and may aggregate your Usage Analytics with other clients' Usage Analytics, as long as it is in a form that does not personally identify you, to improve its products or to provide services or technologies to you.

In the course of collecting Usage Analytics, Demibooks may collect personally identifiable information about you. The term "personally identifiable information" means individually identifiable information about an individual such as a person's name, address, email address, credit card number or phone number. Demibooks will not share, sell, rent or lease your personally identifiable information to others. To prevent unauthorized access and disclosure, to maintain data accuracy, and to ensure the appropriate use of your information, Demibooks utilizes industry standard physical, technical and administrative procedures to safeguard any personal information we collect.

Your email address may be used to contact you regarding specific matters related to your account. Demibooks may contact you with important product information and company news. You will be given the opportunity to "opt out" of any mailings which do not include critical information regarding your active account by following the directions contained in the e-mail to "unsubscribe."

2.5 Proprietary Rights. Demibooks and/or its affiliates own all right, title and interest in and to Demibooks' Printshop publishing service and Demibooks Composer including, without limitation, all intellectual property, and, except for the limited license granted to you herein, nothing in this Terms of Service shall be construed to transfer, convey, impair or otherwise adversely affect Demibooks' or its affiliates' ownership or proprietary rights therein. Demibooks' Printshop publishing service and Demibooks Composer are protected by copyright, patent, trademark and/or other laws and international treaties. Except as expressly authorized by Demibooks in writing or in this Terms of Service, you agree not to sell, license, rent, modify, distribute, copy, transmit or reproduce Demibooks' Printshop publishing service and Demibooks Composer.

Demibooks acknowledges and agrees that you will hold all moral rights, copyrights and trademarks to all content for the electronic interactive books you developed with Demibooks' Printshop publishing service and Demibooks Composer, including story, sound, sound recording,

character, animation and illustrations.

3. Publication. Demibooks will generally submit to Apple's App Store or Demibooks Storytime any such submissions which do not violate, or which do not appear to violate this Agreement or any law, as determined in our sole discretion.

3.1. App Store Publication Subject to Apple Approval. Publisher agrees and understands that submitting a work to the Apple App Store is subject to review and approval by Apple, which is an independent third party outside of Demibooks' control. Apple has specific standards and guidelines which govern its decision to permit or reject publication of books on its App Store. Those standards and guidelines are subject to change from time to time, at Apple's sole discretion. Demibooks cannot guarantee Apple's approval of your book. Publishing to the App Store may incur separate fees from Apple that may be your responsibility. Publisher is solely responsible for ensuring that your Work complies with Apple's guidelines, as Apple may revise from time to time.

If Apple rejects the initial submission of Publisher's Work, Demibooks will, following Publisher's revisions to bring the Work into compliance with applicable Apple guidelines, resubmit Publisher's Work one additional time at no additional charge. If further resubmissions are necessary, they will be subject to additional charges from Demibooks.

3.2. Demibooks Storytime Publication

Demibooks Storytime is a curated marketplace. Acceptance to and publication in Storytime is subject to review and approval by Demibooks. Demibooks has standards which govern its decision to permit or reject publication of books on Demibooks Storytime. Those standards are subject to change from time to time, at Demibooks' sole discretion. Demibooks cannot guarantee approval of your book. Publisher is solely responsible for ensuring that your Work complies with Demibooks standards.

3.3. Publication of Work As Is. Generally, Demibooks will submit Publisher's Work to Apple or Demibooks Storytime for publishing as it is delivered to us, and not edit or modify the Work. Certain modifications may occur caused by file or design conversions. You agree and understand that Demibooks will not obtain an ISBN, ISSN, or similar book registration number, and that this is your responsibility.

3.4. Submission at Option of Demibooks. We are entitled to determine what content we accept and submit to Apple for publication in our sole discretion. If we request that you provide additional information relating to your Work, such as information confirming that you have all rights required to permit us to publish your Work, you will promptly provide the information requested, and you represent and warrant that any information and documentation you provide to us in response to such a request will be current, complete, and accurate. You authorize us, directly or through third parties, to make any inquiries we consider appropriate to verify your rights to permit us to perform the publishing services.

3.5. Formatting Requirements. Publisher agrees, and represents and warrants, that its Work

complies with the format of a DCB file exported from our Demibooks Composer software. We may, in our discretion, reformat your Work, and you acknowledge that unintentional errors may occur in the process of reformatting of your Work. We may also, in our discretion, correct any errors existing in a digital book file as you deliver it to us.

3.6. Demibooks Brand. The "Demibooks" brand and "Developed using Demibooks Composer" must be displayed in your final submitted app.

3.7. Operating Systems and Hardware. Publisher agrees and understands that the final published app will only run on Apple iPad hardware with an operating system version in existence as of the date Publisher's Work is published to the Apple App Store.

3.8. Subscription.

If you subscribe to a service or purchase a product on this site that requires payment of a fee, you agree to pay all fees associated with such service or product.

To subscribe to a service on this site, you must be:

At least 18 years of age;

Legally capable of entering into a binding contract; and

A resident of a country where Demibooks is authorized to operate.

For all charges for services on this site, we will bill your credit card. Recurring charges are billed in advance of service. You agree to provide us with accurate and complete billing information, including valid credit card information, your name, address and telephone number, and to provide us with any changes in such information within seven (7) days of the change.

If, for any reason, your credit card company refuses to pay the amount billed for the service, you agree that we may, at our option, suspend or terminate your subscription to the service and require you to pay the overdue amount by other means acceptable to us. We may charge a fee for reinstatement of suspended or terminated accounts.

You agree that until your subscription to the service is terminated, you will continue to accrue charges for which you remain responsible, even if you do not use the service.

In the event legal action is necessary to collect on balances due, you agree to reimburse us for all expenses incurred to recover sums due, including attorney fees and other legal expenses.

3.8.1. Demibooks Composer Studio Subscription. A Demibooks Composer Studio Subscription is available to you on monthly or annual basis. By subscribing to Demibooks Composer Studio you agree to pay the then-current monthly or annual subscription fee, plus any applicable tax.

3.8.2. Demibooks Composer Studio Subscription Benefits. As a subscriber, you will receive a Demibooks Composer Studio software license, as described below; Premium Support, as described below; and updates to the Demibooks Composer Studio software with new features (relative to App Store updates to Demibooks Composer and Demibooks Composer Pro).

3.8.3. Demibooks Composer Studio Subscription, Upgrades, and Cancellation. Demibooks Composer Studio monthly subscribers can upgrade to an annual subscription at any time, and will receive a prorated credit for the unused portion of the current month applied to the annual fee. Demibooks Composer Studio Annual subscribers may cancel at any time, however, Demibooks will not issue a refund. You may cancel your Demibooks Composer Studio subscription at any time through your Account Dashboard on the Printshop website. The annual subscription no longer includes one (1) Demibooks publishing credit. Publishing credits can be purchased separately. The publishing credit that was provided with the annual subscription in the past will expire immediately if it remains unused at the time of cancellation or at the time of your next annual subscription renewal, whichever occurs first.. Purchased credits will expire without refund if customer cancels the Demibooks Printshop account for any reason.

3.8.4. Demibooks' Printshop Publishing, App Store Update and Training/Support Credits. All Demibooks Printshop Publishing, App Store Update and Training/Support Credits purchased between January 1, 2015 and Oct 31, 2015 will be valid for a period of twelve months from the time of purchase. All Demibooks Printshop Publishing, App Store Update and Training/Support Credits purchased prior to January 1, 2015 will expire on June 30, 2015.

Demibooks reserves the right to exchange any unused, unexpired Demibooks Printshop Publishing, App Store Update and Training/Support Credits for credits of other Demibooks products or services at any time for any reason.

3.8.5. Refund Policy.

Demibooks Composer Studio Subscriptions. Annual subscribers may cancel at any time, however, Demibooks will not issue a refund.

Demibooks Printshop Publishing, App Store Update and Training/Support Credits. Demibooks will not issue a refund for unused or expired Demibooks' Printshop Publishing, App Store Update and Training/Support Credits.

In the event Demibooks discontinues its Demibooks Printshop Publishing, App Store Update and Training/Support products or services, and remains in business, Demibooks will exchange any unused, unexpired Demibooks Printshop Publishing, App Store Update and Training/Support Credits for other Demibooks products or services.

3.7.5. Demibooks Composer Studio Subscription Premium Support. Demibooks Composer Studio subscribers will receive faster response time (within 24 hours) and access to private email for Demibooks Composer Studio tech support. Demibooks Composer Studio Subscription Premium Support does not include:

- Development to improve customer projects, which can be done with the purchase of training credits on Demibooks Printshop
- Phone support

4. DEMIBOOKS COMPOSER is software that is available on the App Store.

4.1 DEMIBOOKS COMPOSER STUDIO is software that was available prior to Oct 31, 2015 on a subscription basis through our website at demibooks.com. Demibooks Composer Studio was distributed directly to our customers using their Apple Developer account (not via the App Store). In order to subscribe to Demibooks Composer Studio, you must be a paid member of the Apple's iOS Developer Program and have a developer account with Apple. You are solely responsible for creating and maintaining your membership in Apple's iOS Developer Program. Apple does not endorse, sponsor, and is not associated with any Demibooks products, including without limitation, Demibooks Composer Studio.

4.1 GRANT OF LICENSE AND RESTRICTIONS ON USE.

Subject to your agreement and compliance with this Demibooks Publishing Terms of Service, Demibooks grants to you a limited, internal, nonexclusive, nontransferable license to install, use, access, display and run one copy of the Demibooks® Composer Studio software on up to three (3) iPads or Demibooks Composer software on up to one iPad. The use of the Software without payment of any applicable fees is outside the scope of the foregoing license and constitutes a violation of this Demibooks Publishing Terms of Service.

Except as specifically provided in this Demibooks Publishing Terms of Service or for backup or archival purposes, you may not use or make any other copies of the Software. In addition, you are not permitted to, and hereby agree that you will not, distribute, transmit, sublicense, tamper with or attempt to bypass, modify, defeat or otherwise circumvent the operation of the Software, or alter, adapt, translate, reverse engineer, decompile, disassemble or otherwise attempt to discover or disclose the Software source code or underlying programming architecture.

5. Copyright. The copyright in the Work shall belong to the Publisher or the party that Publisher cites as the copyright holder. Publisher shall be solely responsible for filing its copyrights and any other intellectual property with the appropriate governmental body. It is the Publisher's responsibility to place a copyright notice on the copyright page or some other prominent place in the Work.

6. Publisher's Representations and Warranties; Indemnification. You represent and warrant that: (a) you have the full right, power and authority to enter into and fully perform this Agreement and will comply with the terms of this Agreement; (b) prior to you or your designee's delivery of any content, you will have obtained all rights that are necessary for the exercise the rights granted under this Agreement; (c) neither the exercise of the rights authorized under this Agreement nor any materials embodied in the content nor its sale or distribution as authorized in this Agreement will violate or infringe upon the intellectual property, proprietary or other rights of any person or entity, including, without limitation, contractual rights, copyrights, trademarks, common law rights, rights of publicity, or privacy, or moral rights, or contain defamatory material or violate any laws or regulations of any jurisdiction; (d) you will ensure that all Work and digital book files delivered to Demibooks comply with the technical delivery specifications

provided by us; and (e) you will be solely responsible for accounting and paying any co-owners or co-administrators of any Work or portion thereof any royalties with respect to the uses of the content and their respective shares, if any. To the fullest extent permitted by applicable law, you will indemnify, defend and hold Demibooks, its officers, directors, employees, affiliates, subcontractors and assigns harmless from and against any loss, claim, liability, damage, action or cause of action (including reasonable attorneys' fees) that arises from any breach of your representations, warranties or obligations set forth in this Agreement. We will be entitled, at our expense, to participate in the defense and settlement of the claim or action with counsel of our own choosing.

7. Ownership.

7.1. Demibooks acknowledges and agrees that Publisher will hold all moral rights, copyrights and trademarks to all content for the electronic interactive books contemplated hereby, including story, sound, sound recording, character, animation and illustrations. Publisher retains all rights for the Work's use in print, electronic and digital formats and other movie, merchandise and other ancillary applications including, but not limited to, movies, DVDs, plays, soundtracks, storylines or screenplays, adaptations, articles, internet use or revenue, cell phone or mobile technologies or applications, books, games, logos, images or taglines for use in merchandising or any form of merchandise.

7.2. You, the Publisher, acknowledge and agree that the Demibooks website, Printshop publishing service and Demibooks Composer software are the property of Demibooks.

8. Disclaimer of Demibooks' Warranties. NO WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, INCLUDING BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR USE, ARE MADE BY OR ON BEHALF OF DEMIBOOKS WITH RESPECT TO THE PUBLISHING SERVICES PROVIDED HEREUNDER, REGARDLESS OF WHETHER DEMIBOOKS KNOWS OR HAS REASON TO KNOW OF PUBLISHER'S PARTICULAR NEEDS.

TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT SHALL DEMIBOOKS BE LIABLE FOR ANY SPECIAL, INCIDENTAL, PUNITIVE, EXEMPLARY, OR CONSEQUENTIAL DAMAGES WHATSOEVER (INCLUDING, BUT NOT LIMITED TO, DAMAGES FOR LOSS OF BUSINESS PROFITS, BUSINESS INTERRUPTION, LOSS OF BUSINESS INFORMATION, OR ANY OTHER PECUNIARY LOSS) ARISING OUT OF DEMIBOOKS' PRINTSHOP PUBLISHING SERVICE, REGARDLESS OF WHETHER DEMIBOOKS KNOWS OR HAS REASON TO KNOW OF THE POSSIBILITY OF SUCH DAMAGES.

PUBLISHER'S DAMAGES FOR ANY BREACH OF THE FOREGOING WARRANTIES SHALL BE LIMITED TO RECOVERY OF AMOUNTS EQUAL TO THE PRINTSHOP PUBLISHING SERVICE FEES ACTUALLY PAID BY PUBLISHER TO DEMIBOOKS IN CONNECTION WITH THIS AGREEMENT.

PUBLISHER'S SOLE AND EXCLUSIVE REMEDIES ARE SET FORTH IN THIS

AGREEMENT. DEMIBOOKS AND PUBLISHER AGREE THAT ALL LIMITATIONS ON REMEDIES AND LIABILITY CONTAINED IN THIS AGREEMENT REPRESENT A REASONABLE ALLOCATION OF RISKS WHICH IS PART OF THE FUNDAMENTAL BARGAINING BETWEEN THE PARTIES. PUBLISHER FURTHER AGREES THAT THE FAILURE OF ANY LIMITED OR EXCLUSIVE REMEDY IN THIS AGREEMENT TO FULFILL ITS ESSENTIAL PURPOSE SHALL NOT BE GROUNDS TO SET ASIDE THE FOREGOING LIMITATIONS OF DEMIBOOK'S LIABILITY.

9. MISCELLANEOUS.

9.1. Entire Agreement. This Agreement is the entire agreement between the parties concerning the subject matter hereof.

9.2. Governing Law; Venue; Severability. This Agreement shall be governed by and construed in accordance with the substantive laws of the State of Oklahoma, United States of America. Venue for all purposes hereunder shall be in Tulsa, Oklahoma, and the parties hereto hereby consent to such jurisdiction and venue. If any portion of this Agreement is held invalid, the parties agree that such invalidity shall not affect the validity of the remaining portions of this Agreement.

9.3. No Agency. No agency, partnership, joint venture or other joint relationship is created hereby.

9.4. Attorneys' Fees. If any action or other legal proceeding relating to this Agreement or the enforcement of any provision of this Agreement is brought against any party hereto, the prevailing party shall be entitled to recover reasonable attorneys' fees, costs and disbursements (in addition to any other relief to which the prevailing party may be entitled).

9.5. Force Majeure. Any delays or failure by either party in the performance of any obligations under this Agreement shall be excused if and to the extent caused by any law or act of any government, acts of God, strikes or other labor disturbances, war (whether declared or not), sabotage, and any other cause or causes, whether similar or dissimilar to those herein specified, beyond the reasonable control of such party, which directly impacts either party's performance under this Agreement.

9.6. Acknowledgement. By using Demibooks' Printshop publishing service, you acknowledge that you have read this Agreement, understand it and will be bound by its terms and conditions.

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