

## **Believer terms and conditions**

SellaBand operates the website [www.sellaband.com](http://www.sellaband.com) that allows artists to publish their music on the portal and offers users of the website the possibility to get to know this music and the artists. The objective is to give the user the chance to support the artists and their music.

When a user finds an Artist he/she believes in he/she can get a Part in this Artist. From this moment on the user is called the Believer. The value of a Part is \$10 USD.

When an artist has issued 5000 Parts, meaning that the resulting sum is 50,000 USD (we will refer to this sum as the Goal), SellaBand will use the full budget to finance the production costs of the CD, manufacturing the CD and sending them to the Believers' homes.

After recording the CD the Believer receives a limited edition of this CD. From this moment The Artist, the Believer and SellaBand will be in business together. This means that the net revenues generated on [www.sellaband.com](http://www.sellaband.com) will be shared equally between the Artists, all the believers involved and SellaBand. The Believer is also entitled a percentage of 50% pro rata of the Net purchase price received by SellaBand in relation to sales of the regular version of the CD to third parties.

### **1. Definitions:**

The terms listed below will have the following meaning:

SellaBand:	The company under German law SellaBand AG.
Agreement and registration:	The moment in which the user confirms his/her acceptance of the terms and conditions and registers formally for the SellaBand program by filling in the registration form.
Terms and conditions:	The present terms and conditions, and the applicable laws.
Artist:	Artist, composer, text writer irrespective of whether it concerns a group of artists, composers, text writers of whose performances of musical works recordings are made.
Part:	A declaration of faith in an artist's success. Each part has a value and price of \$10 USD.
Download portal:	The SellaBand website listing artists who have recorded the CD and whose music titles can be downloaded on this website
Free download:	A minimum of three titles in the CD can be downloaded free of cost from the SellaBand website by visitors.
Goal:	The moment in which the Believers have purchased 5,000 Parts of an artist and the budget of \$ 50,000 has been reached.
CD:	The recording to be made with the artist that contains at least 3 (three) titles.
Net Revenues:	The actual revenues received by SellaBand as a result of Exploitation and third party deals, reduced by all thereto related costs and taxes.
Title:	A musical work recorded or to be recorded by the Artist for the purposes of making one or more Recordings according to the Agreements
User:	Any user of the SellaBand website with the Internet address <a href="http://www.sellaband.com">www.sellaband.com</a> and associated websites, including the artist's Profile pages and the download portal.
Member:	A registered user
Believer Overview:	Believer's personal page. Gives an overview of the Believer's personal details and acquired parts. This page is only accessible by the Believer with a password and login.
Believer Profile:	Believer's page accessible by other users. Gives an overview of the Believer's acquired parts and can be used to make comments and send personal messages.
Believer:	A member who believes in an artist and his/her success and buys a minimum of 1 part of the artist's music.

Believer Balance: Amount of dollars available to the Believer to either buy items on [www.sellaband.com](http://www.sellaband.com) (e.g. Parts, CDs etc) or to withdraw from [www.sellaband.com](http://www.sellaband.com) and transfer back to his/her own bank account or credit card.

Intellectual property: Patents, copyrights, trademarks, industrial designs and trade secrets.

## 2. Subject matter of the agreement

The subject matter of this agreement is the use of the Believer Overview and Profile Page of the website [www.sellaband.com](http://www.sellaband.com) by the Believer.

The parties' rights and obligations from this agreement are linked to the [general terms and conditions of use](#) and the [privacy policy](#).

## 3. Believer's rights

The Believer will have the following rights after confirmation of this agreement, the terms and conditions of use and the privacy policy:

- 3.1. The Believer is entitled to use the Believer Overview and Profile Page on the website [www.sellaband.com](http://www.sellaband.com) and all the contents of the website in compliance of the terms and conditions of use. SellaBand will not charge the Believer for such use.
- 3.2. The Believer decides whether he/she will purchase a Part of one or several artists whose music titles are published on the website. The value of a Part is \$10 USD. The believer is entitled to purchase any number of Parts, up to 5000, of an Artist.
- 3.3. The Goal has been reached when 5000 Parts of an Artist have been purchased by one or more Believers, meaning that the budget of 50,000 USD has been reached. Up to this point the Believer can either withdraw his/her Part(s) or transfer it to another Artist.
- 3.4. When the Goal is reached SellaBand will produce a CD with the Artist. The Believer will receive a limited edition of the CD for each Part he/she purchased of this Artist.
- 3.5. Besides the limited edition of the CD as mentioned under Section 2.4, SellaBand will produce a regular edition of the CD. The Believers involved are together entitled to 1/3 (one third) of all net revenues made by music sales. This includes both sales of downloads and physical products and fees received by SellaBand for licensing the master for the use of Artist's music in for example, but not limited to, movies and commercials. The rule applies to sales through the website [www.sellaband.com](http://www.sellaband.com) and third parties. The share of these revenues for the Believers will be split pro rata according to the number of parts of the Artist the Believer has purchased.
- 3.6. SellaBand will make available a minimum of three titles of the Artist's music production as free downloads on the website [www.sellaband.com](http://www.sellaband.com).
- 3.7 The advertisement proceeds generated on the website will be credited to the Artists corresponding with the number of free downloads related to their music titles in relation to the total number of downloads. The resulting amount will be distributed between the Artist, the Believers of this Artist and SellaBand, in equal parts. The share of these revenues for the Believers will be split pro rata according to the number of parts of this Artist the Believer has purchased.
- 3.8 The Believer has the right on aforementioned revenues as long as SellaBand has the exploitation rights of Artist's CD, with a minimum of twenty four (24) months (of which 12 exclusive and 12 non exclusive) after the release of the CD.
- 3.9. Remunerations due to the Believer on the basis of this section are credited to Believers Balance on SellaBand at the end of each calendar quarter. An overview of all revenues is available on the Believer Overview page.
- 3.10 At all times, under the condition that the Believer Balance has a value of more than \$1,-, a Believer can withdraw money from his/her Believer Balance and transfer it back to his/her own bank account or credit card. A Believer can withdraw money by clicking on the 'Pay Out' button on his believer Overview page. The costs for a withdrawal are \$1, - for each withdrawal. The money will be transferred within four weeks after the request.
- 3.11 Taxes, Interest and/or IRS Penalties. It is hereby acknowledged by the Believer that the Believer shall be fully responsible for any and all taxes, interest and penalties arising from receipt by Believer of any remuneration from SellaBand. In addition to the general indemnification granted elsewhere by Believer to SellaBand, Believer hereby agrees to indemnify and hold SellaBand, its officers, directors, shareholders, predecessors, successors- in-interest, employees, agents, subsidiaries and affiliates, harmless from any demands, any withholding tax on capital, loss, liability claims or expenses (including

attorneys' fees), made against SellaBand by any third party due to, or arising out of or in connection with, Believer's uses of the Site.

#### **4. Believer's obligations**

- 4.1. The Believer agrees to fill in the registration form completely and truthfully.
- 4.2. The Believer is only entitled to register when he/she has accepted the terms of use and the privacy policy. The Believer warrants that he/she is authorised to conclude this agreement and indemnifies SellaBand against all claims of third parties resulting from the lack of such authorisation
- 4.3. The Believer agrees to answer and to document any questions SellaBand may have in relation to registration issues.
- 4.4. The Believer agrees to immediately pay the amount of 10 USD to SellaBand when purchasing a Part. Payment can be made by credit card, paypal and, where available, electronic banking.
- 4.5. The Believer herewith agrees to handle the payment transfer via an Internet payment system.

#### **5. Rights and obligations of SellaBand**

- 5.1. SellaBand agrees to administer separately from SellaBand's assets any payments received from the Believer until the Goal has been reached. SellaBand has appointed a trustee for administrating the money until reaching the Goal.
- 5.2. After the Goal has been reached for a specific Artist, SellaBand alone is authorised to dispose of the budget. SellaBand will use the budget of 50,000 USD for the production of the CD with the artist and will use third party services to that end.
- 5.3. SellaBand agrees to produce 5000 units of the CD as a limited edition.
- 5.4. Apart from the limited edition of the CD, SellaBand will produce a regular edition of the CD at cost price.
- 5.5. All rights in the titles on the CD, including intellectual and commercial property rights as well as master and copying rights and comparable rights are SellaBand's rights exclusively.
- 5.6. SellaBand shall keep strictly confidential any data concerning the Believer that is marked as confidential. Besides, the supplementary provisions of the privacy policy shall apply.

#### **6. Protection of intellectual property**

- 6.1 The believer agrees not to infringe the intellectual property in relation to brands, trade names, trade marks, copyrights of SellaBand, and notably the program and the website, and not to distribute, modify, reproduce or use in another way the brands, designs and copyrights.
- 6.2 All the brands and trademarks that are possibly protected by third parties and are mentioned on the Internet offer are unrestrictedly subject to the provisions of the labelling and property laws in force.

#### **7. Termination of the agreement**

- 7.1. The Believer may terminate this agreement at any time without indication of reasons.
- 7.2. SellaBand may terminate this agreement without notice or warning
  - In case the Believer has not truthfully filled in the registration form,
  - In case the Believer is in default despite of a warning and does not remedy the fault within an appropriate period of time,
  - And for important reasons, especially in case of an infringement of the agreement or the conditions of use.
- 7.3. Should the agreement be terminated before reaching of the goal, the Believer is entitled to repayment of the amount that the Believer has paid for one or several artists, less the costs incurred for each individual Part.
- 7.4 Believers have to keep their account active to receive their income. Payments to the Believer are made according to Para 2.9.

## **8. Liability / exemption from liability**

8.1. Either party warrants to indemnify the other party against third party claims that are brought forward as a result of grossly negligent or intentional misrepresentations by the warranting party in relation to any service promises under this agreement or the conditions of use.

8.2. SellaBand is not liable for the non-accessibility of the SellaBand website ([www.sellaband.com](http://www.sellaband.com)) or associated websites such as the artist's website, irrespective of the reasons of such non-accessibility.

8.3. Furthermore the parties agree that, in connection with the production of the CD, SellaBand is not liable for delays or non-compliance with the obligation of Para. 4 in case of an Act of God or as a result of an infringement of the law by the Artist or by third parties unless the production was delayed or not realised on the grounds of a grossly negligent or intentional act by SellaBand.

## **9. Written form, applicable law and jurisdiction**

9.1. All the declarations transmitted in connection with the use of the website must be made in writing. This may be done by sending an e-mail.

9.2 When the Believer is an entrepreneur, the provisions of this agreement are subject to material German law excluding UN purchasing law. When the believer is a consumer, agreements including this agreement are subject to German law as far as this does not conflict with binding legal provisions, and notably provisions of the law on consumers' protection.

9.3 When the Believer is a merchant in the sense of the Commercial Code, a legal person of public right, or a Federal Special Fund, SellaBand's head office shall be the exclusive place of jurisdiction for all claims arising from this agreement. The same applies to persons who do not have a general place of jurisdiction in Germany or persons who, after conclusion of the agreement, have moved their habitual residence or abode to outside of Germany or whose habitual residence or abode is not known when legal proceedings are instituted.

## **10. Validity of the agreement**

10.1 Should individual provisions of this agreement be or become void or ineffective and/or conflict with legal provisions, then this will not affect the validity of any other conditions of use. The ineffective provisions shall be replaced by the parties to this agreement by provisions that best meet the economic purpose of the ineffective provisions in a legally effective way. This shall correspondingly apply to any missing provisions.