

Design Agreement

This Design Agreement (hereinafter "Agreement") for the design of reproducible figures by and between GAME COMPANY NAME (hereinafter "Games") and Jeffrey R. Valent (hereinafter "Designer"), 165 Charles Street, Vestal NY, 13850.

Term: This Agreement shall be in effect and binding for two full years beginning with the order of the first sculpture designs by Games. All relevant continuing terms shall be binding and in effect beyond the term of the Agreement.

Grant of Rights: Designer shall produce on a works for hire basis during the Term of the Agreement. Games will own the complete White Metal Copyright, including all rights to drawings, photos, electronic reproductions, model figures including releases in different scales and any and all other production, copy, release or other rights. Games shall have the right to make unlimited copies in White Metal and shall incur no additional charge to Designer. Rights other than White Metal must be purchased separately. Games shall have the use of the Designer's name and biography for the purposes of marketing, packaging and advertising and promotion as Games sees fit. Notwithstanding the above Designer shall have the right to use the drawings, photos, electronic reproductions, model figures for the limited purpose of marketing his services for design work to others. This right shall not include any rights for reproduction or sale of Games' materials and designs. Games is required to display Designer's name on packaging of final products incorporating figures by the Designer.

Representations and Warranties: Designer represents and warrants that all figures are new, or that he solely has the authority and ability to transfer the Grant of Rights above. Designer and Games has full authority and right to enter into this Agreement.

Payment: Games will pay XXXXXXXX Dollars (\$XXX.XX) per 25mm-30mm figure and \$XXX per basic 25mm-30mm conversion. Payment will be made half in advance and balance upon acceptance of the figure. Other figure size and conversion prices shall be mutually determined by the parties.

Approval: All figures shall be approved by Games prior to release date. All figures are to be final delivered to Games 30 days prior to the first of the month of their release date provided sufficient lead time is given to Designer. Games shall have the right to one modification of the figure for marketing or production or any other purpose or to reject the figure. If the figure is rejected but represents the Designers "best effort" based on materials provided by Games, half the agreed upon price is due to Designer and Designer retains the rights to the figure. Additional changes beyond the one change shall be priced as a conversion. Games decisions on these matters shall be final and binding.

Technical: All figures shall be made to standards (size, no of pieces) agreed to by the parties in writing prior to beginning the design.

Samples: Upon initial production, Games, agrees to furnish the Designer with ten masters and ten of the final product that the piece is included in for each product produced under this Agreement free of charge and Games shall return the Putty Originals (the "Greens").

Confidentiality: Designer agrees to keep all information pertaining to this Agreement and pertaining to Games business in general confidential.

Reversion of Rights: In the event Games does not initially produce a figure within six months after the later of the scheduled production date or delivery and acceptance of the figure by Games then the copyright and use of the figure shall revert back to Designer. A figure will be in production when the initial molds and castings are first produced. If a figure is out of production for a period of 18 contiguous months then the copyright will revert back to the Designer. A figure is in production if any one of the following conditions are met: the figure is available on detailed price sheets including archive price sheets, the figure is in stock and in inventory, the figure is available for purchase over the internet, the figure has been made available for purchase to distributors. Notwithstanding the above a figure may only revert back to Designer if Designer gives 30 days written notice that the figure is subject to reversion. During such period Games may put the figure back in production and the figure shall not revert. If the copyright reverts back to the Designer then Games may continue to produce the figure but Designer shall have the right to resell the design on a non-exclusive basis.

In no event shall a dispute or default by either party result in a loss of the copyright ownership by Games except for the specific requirements relating to the production period. Games shall have the right to sell the copyright or the company itself (with the copyrights) so long as it has met the conditions necessary to retain ownership of the copyrights in this section.

Changes: Changes to the Agreement must be in writing and signed by the party with whom it is being applied against.

Arbitration: If the parties cannot agree then the dispute shall be taken to the American Arbitration Association for Arbitration. Any dispute arbitration or lawsuit shall be held in New York State.

Other Terms: It is recognized by the parties that this Agreement anticipates cooperation and mutual coordination and flexibility by the parties. In the event a situation arises which is not specifically addressed by this Agreement then the parties agree to attempt to mutually agree to a modification. In the event a term or condition of the Agreement is unenforceable or illegal such term shall be omitted and the remainder of the Agreement shall be construed as originally written. This Agreement shall be constructed and interpreted according to the laws of the State of New York.

Agreed to this _____ day of _____, 1998

GAME COMPANY NAME

DESIGNER

By _____
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