

**COPYRIGHT
LICENSE AGREEMENT**

THIS LICENSE AGREEMENT (this "Agreement") is made and entered into effective as of the _____ day of _____, 2002 (the "Effective Date"), by and between HIRST ARTS FANTASY ARCHITECTURE and BRUCE HIRST (the "Licensors"), and _____, (the "Licensee").

RECITALS:

(A) Licensors own all proprietary rights in and to numerous copyrightable works, generally described as fantasy architecture designs and products, all of which are displayed and viewable at www.hirstarts.com and www.castlemolds.com, or upon request from Licensors, (hereinafter the "Work"), and has the exclusive right to license others to produce, copy, make, or sell the Work.

(B) Licensors own all rights in and to the Work and retains all rights to the Work which are not transferred herein, and retains all common law copyrights and all federal copyrights which have been, or which may be granted by the Library of Congress.

(C) Licensee desires to obtain, and Licensors has agreed to grant, a license authorizing the use of the Work by Licensee in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and agreements hereinafter set forth and other good and valuable consideration, as set forth herein, Licensors and Licensee agree as follows:

1. **Grant of License.**

(A) Licensors hereby grants to Licensee, in accordance with the terms and conditions of this Agreement, a (non)-exclusive, non-transferrable license to use the Work in the course of its business and to otherwise copy, make, use and sell the Work, and for no other purpose. Licensee may copy and sell the Work in accordance with the terms set forth below, for general advertising materials and point of sale displays, advertising, and other promotional materials for the Work. Further, Licensee may use the Work in conjunction with an Internet site for the advertisement and sale of the Work as described herein, but shall not otherwise advertise or sell internationally without the written permission of Licensors. Any other use shall be made by Licensee only upon the receipt of prior written approval from Licensors.

(B) Licensee retains all rights to packaging designs and trade dress, for the promotion, marketing and sale of the Work which Licensee develops, creates, purchases or otherwise owns.

(C) Licensee shall not grant sub-licenses without the prior written approval of Licensor.

(D) Licensee hereby accepts such license and agrees that Licensee shall not use the Work except in accordance with the terms and conditions of this Agreement. Licensee acknowledges and agrees that the license granted herein is non-exclusive and that Licensor may license others to use the Work subject to any limitations set forth herein.

2. Ownership of Works.

(A) Licensee acknowledges that Licensor is the sole and exclusive owner of the Work and of all associated federal registrations and pending registrations, and Licensee shall do nothing inconsistent with such ownership. Licensee further agrees that it will not claim ownership rights to the Work, or any derivative, compilation, sequel or series, or related Work owned by or used by Licensor. Licensee agrees that nothing in this Agreement shall give Licensee any right, title, or interest in the Work other than the right to use the same in accordance with this Agreement.

3. Term and Termination.

(A) This Agreement shall commence as of the Effective Date and shall continue in full force and effect for a period of one year, and shall automatically renew for additional one year periods, unless either party provides written notice of non-renewal to the other party, not less than sixty (60) days prior to the expiration of any one (1) year term.

(B) In the event that Licensee fails to maintain its good corporate standing in the State of _____ if applicable, Licensor, at its sole discretion may immediately terminate this Agreement.

(C) In the event that Licensee seeks bankruptcy, either voluntarily or involuntarily, Licensor may, at its sole discretion, terminate this Agreement. Upon filing for, or being subjected to bankruptcy, Licensee shall name Licensor as a creditor for all royalties which are due, or may become due, under the terms of this Agreement.

(D) In the event that Licensee sells all of its assets to a third party, or otherwise cease to exist in its current form, Licensor, at its discretion, may immediately terminate this Agreement.

(E) Upon termination or expiration of the license granted under this Agreement by operation of law or otherwise, all rights (including the right to use the Work) privileges and obligations arising from this Agreement shall cease to exist, except for Licensee's obligation to pay royalties to Licensor pursuant to the terms herein.

(F) Upon termination of this Agreement, Licensor agrees to allow Licensee six (6) months to cease all use of the Work, including a reasonable time to change labels, packaging and advertising, and twelve (12) months to deplete existing inventories of goods bearing the Work. Licensee agrees to discontinue use of the Work, upon termination of this Agreement, as quickly as practicable, and in no event longer than the time specified herein.

4. **Fees.**

(A) Throughout the term of this Agreement, and for any renewals or extensions of this Agreement, Licensee agrees to pay Licensor a one time royalty of \$ _____.

(B) Licensee shall pay to Licensor a royalty of five percent (5%) of gross receipts from sale of the Work (gross receipts is the sale price less any rebate, discount or return actually realized). All remaining royalties are to be paid within ten (10) days of each quarter ending in the months of March, June, September and December.

(C) Failure of Licensee to make any payment required under this Agreement when such payment is due, shall, at Licensor's option, terminate this Agreement. Licensor will provide written notice to Licensee of termination of this Agreement for failure to make a required payment, within thirty (30) days from the due date of the payment.

5. **Use of Work.**

(A) Licensor shall have control over the quality of use of the Work and the quality of goods sold under the Work. At the option of Licensor, for all advertisements and packaging of the Work, Licensee shall (i) display with the Work an approved symbol notifying the consumer of the copyright and/or trademark rights owned by and licensed within this Agreement. Licensor will provide to Licensee an approved copyright notice to be prominently displayed on each copy of the Work published. Licensee agrees to (ii) mark all Work with any reasonable copyright and/or trademark notices provided by Licensor and (iii) comply with any reasonable standards promulgated by Licensor that relate to the use of the Work by Licensee.

(B) Upon execution of the Agreement Licensee shall advise Licensor prior to making any change or modification to the Work, Licensee shall provide Licensor, upon Licensor's request, with representative samples of how Licensee is using the Work, including copies or examples of how the Work is used on Licensee's Internet site. If, at any time, any use of the Work fails to conform to standards set by Licensor, Licensor may provide to Licensee notice of said failure. Licensee shall cure said failure within thirty (30) days from the date of such notice, or such longer period as may be reasonably necessary to cure said failure, so long as Licensee is diligently pursuing the cure. In the event that said failure is not cured within the period described in the preceding sentence, Licensor may then terminate this Agreement immediately. If Licensor fails to approve any modifications or changes to the Work within ten (10) days of Licensee advising Licensor of the proposed changes, Licensor's approval shall be deemed to have been granted.

(C) Upon termination of this Agreement for any reason, Licensee shall be entitled to sell, distribute, or otherwise dispose of any existing inventory of the Work, but shall otherwise discontinue immediately all use of the Work or any publication confusingly similar thereto, cooperate with Licensor in applying to the appropriate authorities to cancel recordation, if any, of this Agreement from all government records, and destroy all printed materials related to the Work; and all rights in the Work and the goodwill appurtenant thereto shall revert to and remain the property of Licensor.

6. **Indemnification.**

(A) Licensee shall fully indemnify, defend, and hold harmless Licensor from and against any and all claims, losses, damages, expenses, and liability -- other than those for infringement, including without limitation, suits arising from offering, promoting, advertising, sale, or use by Licensee, or any of its authorized sublicenses, of the Work, whether or not such use conforms to standards set by Licensor, provided that such claim, loss, damage, expense, or liability does not arise from the negligence of Licensor.

(B) Licensor shall fully indemnify, defend, and hold harmless Licensee from and against any and all claims, losses, damages, expenses and liability, including claims of copyright infringement, arising from Licensee's authorized use of the Work. Licensor does not agree to indemnify Licensee for claims of copyright infringement or trade dress infringement directed to the appearance or design of the packaging and advertising for the Work which has been created, or is owned, by Licensee.

(C) Licensor has the right, but shall not be obligated, to maintain federal registration of the Work. In the event that Licensee becomes aware of any claimed or alleged infringement of the Work by a third party, Licensee shall promptly advise Licensor in writing of the nature and extent of such infringement or dilution. Licensor has no obligation to take any action whatsoever in the event that any infringement or dilution occurs with respect to the Work, but Licensor shall have the sole right to determine whether any action shall be taken. In the event Licensor sues or takes other action, legal, equitable, administrative, or otherwise, to stop an infringement or dilution of the Work, Licensee shall cooperate fully with Licensor, but Licensee shall not be obligated to pay any costs or expenses. Licensee has no right to enforce the Work through litigation without prior written authorization of Licensor. In any legal action arising from use, or ownership rights of the Work, where both Licensor and Licensee are co-parties, Licensor retains the right to control the litigation, including any and all settlement negotiations.

7. **Assignment.** This Agreement (including, without limitation, the license granted hereunder) is personal to Licensee and shall not be assigned or transferred by Licensee, including, without limitation, by operation of law, except that, with prompt written notice to Licensor, the Agreement maybe transferred to a purchaser of all or substantially all of the assets of Licensee. Any attempt on the part of Licensee to assign, sub-license, or transfer Licensee's rights under this Agreement except as provided herein shall be invalid and void. Licensor shall have the right to assign its rights and obliga-

tions under this Agreement and all its right, title and interest in the Work without the consent of Licensee.

8. **Validity of Works.** Licensee admits the validity of all copyrights for the Work and all associated registrations and acknowledges that any and all rights that might be acquired by Licensee because of its use of the Work shall inure to the sole benefit of Licensor, provided that this Paragraph 8 shall not entitle Licensor to all or any portion of the profits or revenues from Licensee's permitted uses hereunder, except for the fees described in Paragraph 4.

9. **Notices.** Any notice, demand or request required or permitted to be given under the provisions of this Agreement shall be in writing and delivered personally or by registered or certified mail, return receipt requested, with postage prepaid and addressed to the following persons and addresses, or to such other addresses or persons as any party may request by notice in writing to the other such party:

Licensee:

Licensor- Hirst Arts Fantasy Architecture
710 W. 7 th Street
Sedalia MO 65301

with a copy to: Joseph L. Johnson, Esq.
Lathrop & Gage L.C.
1845 S. National Ave.
Springfield, MO 65808
Facsimile: 417-886-9126

Any such notice shall be effective when received.

10. **Insurance.** Upon the reasonable request of Licensor, Licensee agrees to provide to Licensor proof of general liability insurance, in any minimum amount which is required by the State in which Licensee is incorporated. Said insurance policy shall provide coverage to any third party for injuries claimed to arise from the products advertised and sold by Licensee which relate to the Work and shall also contain a general advertising liability clause, insofar as such clause is allowed by Federal or State law. The insurance policy shall provide coverage to Licensee for indemnification of Licensor under the terms of Paragraph 6 herein.

11. **Arbitration.** All disputes arising from the terms of this Agreement may be subjected to binding arbitration upon consent of both parties, with one arbitrator selected by each party, and a third arbitrator selected by the two chosen arbitrators. This Agreement shall be governed by and construed in accordance with, the laws of the State of Missouri without regard to the conflicts of laws rules thereof and any arbitration shall be brought in Missouri using Missouri laws.

12. **Independent Business Relationship.** Licensor and Licensee are independent contractors and are not and shall not be construed as joint venturers, partners, employer/employee, or agents of the other, and neither shall have the power to bind or obligate the other, except as set forth in this Agreement.

13. **Miscellaneous.**

(A) This Agreement constitutes the entire agreement and understanding of the parties with respect to the subject matter hereof, superseding any and all prior agreements, understandings, negotiations, and discussions. No amendment, alteration, modification, or waiver of this Agreement shall be binding unless evidenced by an instrument in writing signed by the party against whom enforcement thereof is sought.

(B) In the event it becomes necessary for either party to file a suit to enforce this Agreement or any provisions contained herein, and either party prevails in such action, then such prevailing party shall be entitled to recover, in addition to all other remedies or damages, reasonable attorney's fees and court costs incurred in such suit.

(C) If any provision of this Agreement, or the application of such provision to any person or circumstance shall be held invalid, the remainder of this Agreement, or the application of such provisions to any other persons or circumstances, shall not be affected thereby.

(D) This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first above written.

LICENSEE:

By: _____

LICENSOR:

By: _____
Bruce Hirst
Hirst Arts Fantasy Architecture