## Pazzles Copyright (Angel) Policy

Pazzles<sup>™</sup> recognizes that individuals desire to create and sell craftwork incorporating our products, designs and images. In the interest of sharing creativity with others, we have granted permission in the form of a limited license to use any of Pazzles<sup>™</sup> designs, images and other products sold by Pazzles<sup>™</sup> that are protected under U.S. and/or international copyright laws (hereinafter referred to collectively as the "copyrighted material") for the purpose of creating craftworks for sale in limited quantities and in a limited local geographical location. (This policy does not grant permission to reproduce the copyrighted materials in electronic form for redistribution.) The rights granted by Pazzles<sup>™</sup> hereunder provide consideration for the terms and conditions set forth herein. As such, any individual using the copyrighted material pursuant to this license hereby expressly agrees to the terms and conditions set forth herein.

1. All Pazzles<sup>™</sup> products that incorporate, provide or utilize copyrighted material in electronic form (ie. Pazzles<sup>™</sup> image CD's and Tutorials) are copyrighted by Pazzles<sup>™</sup> and are protected under United States and international copyright laws, which means that they cannot be copied without the written permission of Pazzles<sup>™</sup>. including but not exclusive to, any images originating with Pazzles and any instructions and tutorials originating with Pazzles. Modified files of Pazzles<sup>™</sup> copyrighted materials may not be copied or sold in electronic format. Files are considered modified if you change the size; add and/or remove cutting lines, dashed lines, drawing and/or printed lines; and/or change the shape and/or position of any lines including the outline. Modification of our files is not limited by this statement.

2. The individual may sell or distribute personal craftwork at local community fundraisers, seasonal boutiques or bazaars, or other temporary craft events. Personal craftwork incorporating Pazzles<sup>™</sup> copyrighted material may be sold at a fixed retail location by a third party such as a store or mall kiosk, left in a store on consignment, or sold to other parties for subsequent resale, or sold via Internet stores provided the terms of this policy are adhered to.

3. Personal craftwork incorporating Pazzles<sup>™</sup> copyrighted material may be sold at fixed retail locations, by a third party such as a store or mall kiosk, left in a store on consignment, sold to other parties for subsequent resale, sold via Internet stores, local community fundraisers, seasonal boutiques or bazaars, or other temporary craft events provided the terms of this policy are adhered to.

4. The use of the copyrighted material to be sold in individual retail stores (brick and mortar or internet stores) is permitted to promote sales of Pazzles<sup>™</sup> products and produce class kits and shall be limited to the production limits set forth herein.

5. The use of the copyrighted material to be sold on a regional or national level or for any mass production requires a written licensing agreement with Pazzles<sup>™</sup>. (The definition of mass produced is more than 100 copies reproduced within a thirty day period of any one design or more than 300 copies per year of any one design.) The copyrighted material is designed to work with Pazzles<sup>™</sup> personal and Pro cutting systems and may not be mass produced by other manufacturing means.

6. Quantities for sale of personal craftwork shall be limited by the production limits set forth herein.

7. Wherever possible, each item using or incorporating Pazzles<sup>™</sup> copyrighted material must be marked with "Includes Copyrighted Material of Pazzles<sup>™</sup>" in a reasonable size and location that gives reasonable notice.

8. The limited license granted herein is not a license of the Pazzles<sup>™</sup> name or any trademarks, trade names, trade dress or logos of Pazzles<sup>™</sup> and cannot be used without the express written permission of Pazzles<sup>™</sup>. In addition, the Pazzles<sup>™</sup> name or any trademarks, trade names, trade dress or logos of Pazzles<sup>™</sup> may not be used in a manner that states, infers, or implies an affiliation with Pazzles<sup>™</sup>.

9. You may not use Pazzles<sup>™</sup> copyrighted material for the purpose of creating logos, trademarks, trade names, or trade dress. (e.g., company trademarks, product trademarks, product packaging, etc.).

10. Pazzles<sup>™</sup> expressly reserves all moral rights in any copyrighted material.

11. Pazzles<sup>™</sup> reserves the right, without limitation, to terminate the limited license granted hereunder for any reason whatsoever for any individual(s). In the event that Pazzles<sup>™</sup> elects to terminate this license for any individual, Pazzles<sup>™</sup> shall notify such individual in writing of such termination. Upon notice such individual shall immediately terminate the copying, sale and/or distribution of any of Pazzles<sup>™</sup> copyrighted material or products or things that incorporate any of Pazzles<sup>™</sup> copyrighted material.

12. Persons creating personal craftwork items for sale are responsible for complying with any state and local business and tax regulations or any other laws or regulations governing the sale of goods.

13. Persons subject to this license assume all liability for suitability of their work and for any CLAIM OR cause of action arising as a result of the sale, offer for sale and/or distribution of their work and agree to indemnify and hold harmless Pazzles<sup>™</sup> and its artists from disputes arising from the sale, offering for sale and/or distribution of their work.

14. Pazzles<sup>™</sup> is an Idaho company. The laws of the State of Idaho govern this license. The state and federal courts of Idaho will have exclusive jurisdiction over any proceeding arising from this policy. Any person that operates under this limited license expressly agrees to be subject to personal jurisdiction in the courts of the State of Idaho. Any failure by Pazzles<sup>™</sup> to enforce any of its rights will not constitute a waiver of such rights.

For general questions about our using our products designs or images, contact Pazzles™, Customer Service, at 1-866-729-9537. To apply for a written licensing agreement to use Pazzles™ copyrighted designs and materials please contact Sales and Marketing at 1-866-72-9537 or email pazzles@pazzles.com

Effective Date: December 30, 2007 Pazzles<sup>™</sup> reserves the right to amend or change this policy at any time.