INVENTION SUBMISSION AGREEMENT

Name for New Product or Idea: _____

THIS INVENTION SUBMISSION AGREEMENT ("**Agreement**") is entered into on _____, 20___ ("**Effective Date**"), by and between _____ ("**Inventor**") and Innovation First International, Inc., a Texas corporation ("**IFI**"). If Inventor is under eighteen (18) years of age, then Inventor's parent or legal guardian must also execute this Agreement in the space provided on the signature page below ("Inventor" herein shall mean both the minor, if under 18, and his or her parent or legal guardian).

WHEREAS, Inventor desires to submit a toy idea in the HEXBUG Toy Idea Submission Process ("**Program**") offered by IFI, in order to develop a toy that may eventually be manufactured and sold to consumers; and

WHEREAS, in accordance with the Program Rules, which the Inventor has read and acknowledged by signing below, Inventor desires to assign to IFI all of his or her intellectual property rights arising from participation in the Program.

NOW, **THEREFORE**, for good and valuable consideration, including but not limited to participation in the Program, the legal sufficiency of which is hereby acknowledged, Inventor makes the following assignment and agrees as follows:

1. CONFIDENTIALITY; IP RIGHTS

A. Material Disclosed and Submitted. By disclosing or submitting material during the course of the Program, the Inventor represents, warrants and asserts that Inventor owns the material and all designs, ideas, inventions, formulas, names and logos submitted with the material, (collectively, the "Invention"), and the Invention was made, conceived, reduced to practice, or learned by the Inventor.

B. Assignment of Inventions. Inventor hereby irrevocably assigns to IFI all right, title, and interest in and to any and all Inventions, including any portion thereof, and without limitation, assigns all rights of any kind in and to the Inventions accruing under any applicable law of any jurisdiction, by international treaties and conventions or otherwise throughout the world. Inventor agrees that upon submission of Invention, IFI is the sole and exclusive owner of the Invention(s). By virtue of this Agreement, other than such amounts as may become payable pursuant to Section 2 below, Inventor hereby forgoes (i) Inventor's right to collect, either now or in the future, any and all royalties, fees, income, payments and other proceeds due or payable with respect to the Inventions from IFI or any third party; and (ii) any and all claims and causes of action with respect to the Inventions, whether accruing before, on or after the Effective Date of this Agreement. Inventor hereby acknowledges and agrees further that this Agreement includes a present conveyance to IFI of ownership of Inventions that are not yet in existence.

C. Further Assurances. Inventor hereby agrees to assist IFI to secure IFI's rights in the Inventions in any country throughout the world by (i) fully disclosing to IFI all pertinent information and data with respect to the Inventions; and (ii), at IFI's expense, executing all applications, specifications, oaths, assignments and any other instruments that IFI may deem necessary, useful or convenient to (a) apply for, register, obtain, maintain, defend and enforce its

exclusive rights in and to the Inventions, and (b) deliver, assign and convey to IFI (and its successors and assigns) the sole and exclusive rights, title, and interest in and to the Inventions.

D. Attorney-in-Fact. For the purpose of applying for or pursuing any application for any United States or foreign patent, copyright or trademark registrations covering the Inventions assigned to IFI under this Agreement, Inventor hereby irrevocably and unconditionally designates and appoints IFI as his or her agent and attorney-in-fact, to act for and on his or her behalf to execute and file any papers and oaths, and to do all other lawfully permitted or required acts with respect to such Inventions to further the prosecution and issuance of patent, copyright or trademark registrations with the same legal force and effect as if executed by Inventor. For the avoidance of doubt, Inventor acknowledges the foregoing power of attorney is coupled with an interest, in that Inventor has an interest in the Invention, and that as a result, in addition to any other consequences under law, this power is irrevocable and will survive Inventor's death or incompetence.

2. **PAYMENTS**.

A. In the event that IFI selects and commences Product Scoping (as defined herein) for any Invention, IFI will pay the Inventor a one-time fee of $2,500 (the "Scoping Payment"). The Scoping Payment will be paid by IFI no later than the last day of the next succeeding annual VEX Robotics World Championship. The term "Product Scoping" means feasibility studies, developed by IFI, and which may include market analysis and forecasting, production/tooling analysis, engineering assessments and risk analysis.

B. In the event that IFI or any of its affiliates commences the development of tooling to mass produce products based on or derived from any Invention, IFI will pay to Inventor a one-time fee of $7,500 not later than 30 days after commencement of such tooling.

C. IFI shall have complete and unfettered discretion in the evaluation of the Invention and the determination that a given Invention should be selected for Product Scoping or tooling. Neither IFI nor any of its officers will have any liability whatsoever for the manner in which IFI performs such evaluation or makes such determinations.

D. In the event that IFI or any of its affiliates commercialize any Invention, IFI may decide, at its sole discretion, to credit the Inventor by listing the Inventor's first name and age in any set materials that are published with the Licensed Product.

E. (1) If any person other than the Inventor notifies IFI that he/she has rights with respect to an Invention, such person and Inventor are solely responsible for determining the rights of the claimant (and the allocation, if any, of amounts paid hereunder). Any monies owed to the parties will be deposited into a separate account in accordance with subparagraph 2.E(2) below until the parties resolve the rights of the claimant.

(2) If the separate account conditions of any of Subparagraph 2.E(1) are invoked, then the amounts that are due and payable will be deposited into an escrow or suspense account in IFI's sole discretion until all parties resolve any such dispute. Any fees for maintaining or opening the account or any fees incurred by IFI in the resolution of the dispute will be paid for by the monies owed to the Inventor parties. Upon resolution of the dispute any monies remaining in the separate account will be paid to the Inventor parties as agreed upon in writing by such parties.

3. **REPRESENTATIONS AND ASSURANCES**.

A. Inventor understands that IFI's evaluation of the Invention is not deemed an admission by IFI of the novelty, originality, or patentability of the Invention or of the Inventor's priority of rights in the Invention.

B. Inventor understands that if Inventor submits a patentable idea without filing a patent application prior to the submission, Inventor may risk impairing or losing the ability to protect my intellectual property rights under applicable laws if Inventor has not adequately protected them at or before the time of this Invention submission. Accordingly, other than the obligation of IFI to make payments under paragraph 2 hereof, Inventor hereby RELEASES IFI from any liability in connection with the consideration, evaluation, adoption, modification, sale or use of the Invention and all Subsequent Inventions or activities or products involving the Invention and all Subsequent Inventions, under express contract, implied in fact contract, quasi contract law, duties of confidentiality, property law, or any other legal theory, except my intellectual property rights if any, in such jurisdictions as they may exist.

C. Inventor is the owner and legally entitled to make this submission. Inventor owns all rights to information in this Submission and any Subsequent Submission and is legally entitled to make this Submission. Inventor represents that he or she is at least 18 years of age and of legal capacity to make this Submission or have the consent and signature of a parent or legal guardian to make this Submission. If this Invention is being shared with IFI on behalf of a minor, the minor's parent or legal guardian represents, warrants, promises and asserts that he or she is the minor's parent or legal guardian, and further that you understand and acknowledge on behalf of such minor that you as parent or legal guardian and the minor are voluntarily: (1) sharing the Invention with IFI; and (2) you collectively agree to be bound by this Agreement.

D. Inventor promises to defend, indemnify, and hold IFI completely harmless for all out-of-pocket damages, costs, and expenses (including, without limitation, attorney fees and court costs) that IFI incurs as a result of any claim or cause of action arising from the breach of any provision of this Agreement herein.

4. **MISCELLANEOUS**.

A. Both Inventor and IFI hereby acknowledge and agree that the term of this Agreement is perpetual.

B. Under no circumstances may Inventor assign all or part of this Agreement to any third party.

C. This Agreement and all other transactions or dealings between the Inventor and IFI will be governed solely by the laws of the State of Texas without regard to its conflicts of law rules.

D. IFI's liability arising out of this Agreement shall be limited to $10,000, which is the maximum amount payable to Inventor hereunder. Notwithstanding anything in this Agreement to the contrary, IFI shall not be liable under this Agreement to the Inventor for any lost profits or lost savings or any special, indirect, punitive, exemplary, remote, speculative or similar damages, regardless of any notice of such damages.

E. ALL PARTIES TO THIS AGREEMENT HEREBY WAIVE A JURY TRIAL AND AGREE THAT A TRIAL, IF ANY, OF ANY DISPUTE BETWEEN THE PARTIES CONCERNING THIS AGREEMENT, THE INVENTION SUBMISSION, OR ANY CLAIM FOR ROYALTY SHALL EXCLUSIVELY BE IN THE STATE COURTS OF HUNT COUNTY, TEXAS OR IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF TEXAS.

F. This Agreement sets forth the entire agreement between IFI and Inventor with respect to the subject matter herein and supersedes all prior or contemporaneous written and oral agreements, discussions, or representations between Inventor and IFI. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, will be effective unless in a writing signed by both Inventor and IFI.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

IFI

INNOVATION FIRST INTERNATIONAL, INC.

_____
Print Name: _____
Date: _____

INVENTOR

_____
Print Name: _____
Date: _____
DOB: _____
Email address: _____
Mailing Address: _____
_____
_____

I am a parent (or guardian) of the Inventor, who is a minor under eighteen (18) years of age, who has signed this Agreement above and I hereby agree that I and the said minor Inventor will be bound by all of the provisions contained herein.

PARENT OR LEGAL GUARDIAN

_____
Print Name: _____
Date: _____
Email address: _____

COPPA NOTICE AND CONSENT
(if the Inventor is under 13 years old)

I am a parent (or legal guardian) of the Inventor, who is a minor under the age of thirteen (13) and who has signed an Invention Submission Agreement. In connection with the submission of the Invention Submission Agreement to Innovation First International, Inc. ("IFI"), the Inventor and the undersigned have provided the Inventor's online contact information to IFI.

I understand that IFI may contact the Inventor multiple times during the course of the Invention Submission process, all for the purpose of completing the process.

As a parent or legal guardian to the Inventor, I hereby consent to IFI's collection and use of the Inventor's name, email address and other personal information and to IFI's contact with the Inventor, subject to the following conditions and understandings:

(a) All personal information will be maintained in accordance with the Privacy Policy found at www.hexbug.com/privacy_policy (the "Privacy Policy");
(b) All personal information will be used solely in connection with the Invention submission and evaluation process;
(c) No personal information will be sold or shared with third parties;
(d) Any contact with the Inventor initiated by IFI shall be solely for the purpose of completing the Invention submission and evaluation process.
(e) I may opt out of having any personal information stored or used in accordance with the Privacy Policy and upon so opting, my personal information will be removed from IFI's database and IFI will not contact me or the Inventor further, which may or may not affect the Inventor's participation in the Program.

PARENT OR LEGAL GUARDIAN

_____
Print Name: _____
Date: _____
Inventor Name: _____