RIPPLES OF SUNSHINE LLC

DESIGN COMPETITION WINNER AGREEMENT & COPYRIGHT ASSIGNMENT

This Design Competition Winner Agreement and Copyright Assignment ("Agreement") is entered into between **[LEGAL NAME OF RIPPLES OF SUNSHINE ENTITY]**, doing business as **Ripples of Sunshine** ("Ripples"), and the undersigned designer ("Designer").

Designer Name: _____

Address: _____

Email: _____

Phone: _____

Social Media Handle(s): _____

Design Title/Description: _____

Effective Date: _____

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1. PURPOSE OF AGREEMENT

Designer submitted an original artwork or design (the "Design") for consideration in a Ripples of Sunshine design competition.

Ripples has selected, or intends to select, the Design for use on apparel, merchandise, marketing materials, promotional materials, digital media, or other products associated with Ripples of Sunshine.

In exchange for the compensation, recognition, and promotional opportunities described in this Agreement, Designer agrees to transfer ownership of the Design to Ripples according to the terms below.

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2. DESIGNER REPRESENTATIONS

Designer represents and warrants that:

a. Designer created the Design and has the legal authority to enter into this Agreement.

b. The Design is original to Designer except for any materials specifically disclosed in writing to Ripples before signing this Agreement.

c. The Design does not infringe, misappropriate, or violate the copyright, trademark, right of publicity, privacy right, or other intellectual-property rights of another individual, company, or organization.

d. Designer has not previously sold, assigned, licensed (whether exclusively or non-exclusively), published, offered for sale, or otherwise transferred or granted any rights in the Design to another party and has not submitted the Design to any other contest, competition, or company.

e. The Design does not incorporate any third-party fonts, stock images, clip art, brushes, templates, or other materials unless Designer holds a valid license permitting their use on commercial merchandise and the assignment of rights under this Agreement, and Designer will provide copies of any such licenses upon request.

f. The Design does not contain any third-party logo, trademark, brand name, character, or likeness of any identifiable person.

g. Designer is at least eighteen (18) years old.

If Designer is under eighteen (18), this Agreement must also be signed by Designer's parent or legal guardian, who agrees to be bound by its terms on Designer's behalf.

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3. DISCLOSURE OF GENERATIVE AI

Designer must disclose whether generative artificial intelligence was used in creating the Design.

Was generative AI used in the creation of the Design?

☐ No

☐ Yes

If yes, please describe how it was used:

Designer remains responsible for ensuring that Designer possesses sufficient rights in all elements submitted to Ripples.

Ripples reserves the right to determine whether a Design created in whole or in part using generative AI is eligible for the competition or for commercial use.

4. COPYRIGHT ASSIGNMENT AND OWNERSHIP

Upon execution of this Agreement, Designer hereby irrevocably assigns, transfers, and conveys to Ripples all right, title, and interest in and to the Design, including all copyrights and copyright interests that Designer owns or may own in the Design.

This assignment includes, without limitation, the exclusive and perpetual worldwide right to:

- reproduce the Design;
- manufacture products incorporating the Design;
- print the Design on apparel and merchandise;
- distribute and sell products containing the Design;
- advertise and promote the Design;
- display the Design publicly;
- publish the Design online or in print;
- modify, resize, recolor, crop, adapt, revise, or create derivative works from the Design;
- combine the Design with Ripples trademarks, logos, messaging, graphics, or other creative material;
- use the Design on products other than the product on which it was originally launched;
- license or authorize third parties to manufacture, distribute, promote, or sell products containing the Design; and
- otherwise commercially exploit the Design in any media now known or later developed.

The transfer of ownership is **permanent** and does not end when the Designer Sales Participation Period described below ends.

To the extent the Design legally qualifies as a “work made for hire,” the parties agree that the Design will be considered a work made for hire for Ripples. To the extent that any portion of the Design does not qualify as a work made for hire, Designer’s assignment of rights under this Section will apply.

Designer agrees to reasonably cooperate with Ripples in documenting or confirming Ripples’ ownership of the Design if additional documentation is reasonably required.

5. DESIGNER SALES PARTICIPATION PAYMENT

As consideration for the rights granted under this Agreement, Ripples will pay Designer an amount equal to **ten percent (10%) of Qualifying Sales** of products incorporating the Design during the twelve-month Designer Sales Participation Period described below.

Qualifying Sales

For purposes of this Agreement, "Qualifying Sales" means the actual product sales price collected by Ripples from customers for products incorporating the Design, after subtracting:

- refunds;
- returns;
- chargebacks;
- canceled transactions;
- sales taxes or similar government-imposed taxes;
- separately stated shipping or delivery charges; and
- amounts refunded to customers.

Ripples' payment of shipping or fulfillment expenses will **not otherwise reduce Designer's 10% participation payment**.

For example, if a shirt featuring the Design sells for **$30.00** and no refund or other exclusion applies, Designer's payment attributable to that sale would be **$3.00**.

If a product is sold at a promotional or discounted price, the Designer Sales Participation Payment will be calculated using the actual qualifying product price collected from the customer.

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6. DESIGNER SALES PARTICIPATION PERIOD

The Designer Sales Participation Payment will apply for a period of exactly **twelve (12) months beginning on the first date Ripples makes a product featuring the Design available for sale to the public** ("Designer Sales Participation Period").

The Designer Sales Participation Period will end twelve months after that date.

After the Designer Sales Participation Period ends:

- Ripples will continue to own the Design permanently;
- Ripples may continue to manufacture, sell, display, modify, advertise, license, or otherwise use the Design;
- Designer will have no continuing right to receive a percentage of sales unless Ripples and Designer enter into a new written agreement.

7. PAYMENT SCHEDULE AND SALES STATEMENTS

Ripples will calculate Designer Sales Participation Payments on a **quarterly basis**.

Payments will be made within thirty (30) days after the end of each applicable calendar quarter.

Each payment will be accompanied by a reasonable summary identifying the number of qualifying products sold and the Designer Sales Participation Payment due for that period.

Ripples' business records will control the calculation of sales unless there is a demonstrable error.

Designer agrees to provide Ripples with any reasonably required tax documentation before payment is issued.

Designer is responsible for any personal federal, state, or local taxes arising from payments received under this Agreement.

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8. PRODUCT PRICING

Ripples currently anticipates launching shirts featuring selected designs at an initial retail price of approximately **$30.00 per shirt**.

Designer understands and agrees that the $30.00 price is not guaranteed.

Ripples retains sole discretion regarding:

- retail pricing;
- discounts;
- promotional pricing;
- sales events;
- bundles;
- product types;
- product quantities;
- manufacturing decisions;
- inventory levels; and
- whether or when a product is discontinued.

Designer's 10% participation payment will be calculated according to Section 5 regardless of the retail price selected by Ripples.

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9. NO GUARANTEED SALES OR MINIMUM PAYMENT

Selection of Designer or the Design does not guarantee:

- any minimum number of products will be manufactured;
- any minimum number of products will be sold;
- any specific amount of revenue;
- any minimum Designer Sales Participation Payment; or
- continued sale of the product for the entire twelve-month period.

Ripples may suspend or discontinue a product at any time.

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10. MEET THE DESIGNER FEATURE

As part of the collaboration, Ripples intends to recognize and promote Designer.

Designer authorizes Ripples to create a **Meet the Designer** feature that may include Designer's:

- name;
- approved photograph;
- biography;
- professional background;
- creative inspiration;
- location, if provided and approved;
- website;
- social media handles;
- quotes provided by Designer;
- story behind the Design; and
- other biographical information voluntarily supplied by Designer.

The Meet the Designer feature may appear on:

https://connect.ripplesofsunshine.com/

and on other Ripples websites, digital platforms, printed materials, or promotional materials.

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11. MEET THE DESIGNER CARD

Designer authorizes Ripples to create and distribute a printed or digital **Meet the Designer card** featuring Designer and the Design.

The card may be included in customer orders, promotional mailings, packages, event materials, marketing pieces, or other Ripples communications.

Designer gives Ripples permission to reproduce the approved photograph, name, biography, design story, and related information for this purpose without additional compensation.

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12. SOCIAL MEDIA AND PROMOTIONAL RELEASE

Designer grants Ripples permission to use Designer's approved:

- name;
- photograph;
- likeness;
- biography;
- social media handles;
- quotes;
- video or audio supplied by Designer; and
- information concerning Designer's participation in the competition

for promotional purposes associated with Ripples, the competition, the Design, or products featuring the Design.

This permission includes use on, without limitation:

- Instagram;
- TikTok;
- Facebook;
- LinkedIn;
- YouTube;
- Ripples websites;
- email marketing;
- digital advertising;
- printed materials;
- public relations;
- event materials; and
- other marketing or social platforms.

Ripples may identify Designer as the original creator or designer of the Design even after ownership of the Design has transferred to Ripples.

Designer will not receive additional compensation for these promotional uses unless otherwise agreed in writing.

13. DESIGNER ATTRIBUTION

Although Ripples will own the Design, Ripples intends to recognize Designer as the original creator when reasonably appropriate.

Nothing in this Agreement requires Ripples to include attribution on every product, advertisement, webpage, social media post, or other use of the Design.

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14. DESIGNER PORTFOLIO RIGHTS

Ripples grants Designer a limited, nonexclusive, noncommercial permission to display images of the final Design and finished Ripples products featuring the Design in Designer's:

- personal portfolio;
- professional website;
- résumé;
- social media portfolio;
- professional presentation materials; and
- applications or examples of prior creative work.

Designer may identify the work as a design created for Ripples of Sunshine.

Designer may not, without Ripples' prior written permission:

- sell the Design;
- license the Design;
- reproduce the Design on merchandise for sale;
- authorize another company to use the Design;
- create competing commercial merchandise using the Design; or
- represent that Designer continues to own the copyright.

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15. MODIFICATION OF DESIGN

Designer understands that Ripples may modify the Design for manufacturing, marketing, branding, sizing, printing, placement, color, format, or other commercial purposes.

Modifications may include changes to:

- color;
- typography;

- dimensions;
- orientation;
- placement;
- background;
- layout;
- accompanying words or phrases; and
- incorporation of Ripples branding or logos.

Ripples is not required to obtain additional approval from Designer before making such modifications.

All modifications, adaptations, and derivative works of the Design, whether created by Ripples, Designer, or any third party will be owned exclusively by Ripples.

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16. THIRD-PARTY MANUFACTURING AND FULFILLMENT

As the owner of the Design, Ripples may, in its sole discretion, provide the Design to printers, manufacturers, fulfillment companies, e-commerce platforms, marketing companies, contractors, licensees, and any other third parties.

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17. MORAL RIGHTS

To the maximum extent permitted by applicable law, Designer waives and agrees not to assert any moral rights, rights of attribution, rights of integrity, or similar rights that would prevent Ripples from exercising the rights granted under this Agreement.

Where such rights cannot legally be waived, Designer agrees not to assert those rights in a manner that interferes with Ripples' permitted use, modification, or commercialization of the Design.

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18. INFRINGEMENT CLAIMS

Designer agrees to promptly notify Ripples if Designer becomes aware of a claim that the Design infringes the rights of another person or entity.

Ripples may immediately suspend the sale or promotion of the Design while investigating an infringement claim.

If Designer knowingly misrepresented ownership or authorization concerning material incorporated into the Design, Designer may be responsible for damages or costs arising from that misrepresentation to the extent permitted by applicable law.

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19. INDEPENDENT RELATIONSHIP

Nothing in this Agreement creates an employment, partnership, joint venture, franchise, or agency relationship between Designer and Ripples.

Designer is participating as an independent creator and is not authorized to enter into contracts, make representations, incur obligations, or otherwise act on behalf of Ripples.

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20. USE OF RIPPLES NAME AND TRADEMARKS

Nothing in this Agreement transfers ownership of any Ripples of Sunshine name, logo, trademark, slogan, branding, website content, or other intellectual property to Designer.

Designer may reference the collaboration for portfolio and professional purposes but may not use Ripples branding to suggest sponsorship, endorsement, employment, or an ongoing partnership beyond the relationship described in this Agreement.

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21. DISCONTINUATION OF PRODUCT

Ripples has sole discretion to determine whether and for how long products containing the Design will be manufactured or offered for sale.

If Ripples stops selling a product before the twelve-month Designer Sales Participation Period expires, Designer will receive payment for all Qualifying Sales occurring before sales cease but will not be entitled to compensation for products that were never sold.

If Ripples later resumes sales during the original twelve-month Designer Sales Participation Period, qualifying sales during the remaining portion of the period will continue to be subject to the 10% payment.

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22. BREACHES AND REMEDIES

Designer Breach. If Designer breaches any representation, warranty, or obligation in this Agreement, including the representations in Section 2 and the disclosure in Section 3, Ripples may, in addition to any other remedy available under this Agreement or by law:

1. suspend or withhold any Designer Sales Participation Payment until the breach is resolved;
2. offset any amounts Designer owes Ripples against payments otherwise due to Designer;
3. recover from Designer any Designer Sales Participation Payments already made, if the breach involves infringement of third-party rights or a misrepresentation concerning ownership, authorization, or use of generative AI; and
4. seek an injunction or other court order, without posting bond, to stop Designer from selling, licensing, reproducing, or otherwise using the Design in violation of this Agreement.

Indemnification. Designer will defend, indemnify, and hold harmless Ripples and its members, managers, employees, and agents from any claims, losses, damages, and reasonable attorneys' fees arising from Designer's breach of this Agreement. [Designer's total liability under this Section, other than for fraud or willful misconduct, will not exceed the greater of (i) the total Designer Sales Participation Payments paid to Designer, plus reasonable defense costs, or (ii) $[_____].]

Ripples Breach; Notice and Cure. If Designer believes Ripples has failed to make a payment or otherwise breached this Agreement, Designer must give Ripples written notice describing the breach. Ripples will have thirty (30) days after receiving notice to cure the breach.

Designer's Remedies Limited. Designer's sole remedy for any breach by Ripples is recovery of unpaid Designer Sales Participation Payments owed under this Agreement. Designer may not rescind, revoke, or terminate the assignment in Section 4, and may not seek an injunction against Ripples' manufacture, sale, promotion, licensing, or other use of the Design. In no event will Ripples be liable for indirect, incidental, consequential, or punitive damages, and Ripples' total liability under this Agreement will not exceed the total Designer Sales Participation Payments due to Designer.

Survival. Sections 2, 3, 4, 14, 15, 17, 18, and this Section will survive the end of the Designer Sales Participation Period and any termination of this Agreement.

Remedies Cumulative. Except as limited in subsection (d), the remedies in this Section are in addition to any other rights or remedies available under this Agreement or by law.

23. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between Ripples and Designer concerning the Design and supersedes prior conversations, emails, messages, representations, or understandings relating to ownership and compensation for the Design.

Any amendment to this Agreement must be in writing and agreed to by both parties.

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24. SEVERABILITY

If any provision of this Agreement is determined to be unenforceable, the remaining provisions will continue in full force and effect to the greatest extent permitted by law.

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25. NO WAIVER

Failure by either party to enforce a provision of this Agreement on one occasion will not constitute a waiver of that provision in the future.

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26. GOVERNING LAW

This Agreement will be governed by and interpreted according to the laws of the State of **South Carolina** without regard to conflict-of-law principles.

Any legal action arising from this Agreement will be brought in a court of competent jurisdiction located in **Charleston County, South Carolina**, unless the parties mutually agree otherwise.

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27. ELECTRONIC SIGNATURES

The parties agree that electronic signatures, electronically submitted agreements, and signatures transmitted electronically will have the same legal effect as original handwritten signatures to the extent permitted by applicable law.

DESIGNER INFORMATION FOR FEATURE

Designer Name as You Want It Published:

City/State or General Location You Want Published:

Website:

Instagram/TikTok/Social Handle(s):

Short Designer Bio

What Inspired This Design?

Anything Else You Would Like Customers to Know About You?

PHOTO AND BIOGRAPHICAL INFORMATION AUTHORIZATION

Please check:

☐ I authorize Ripples of Sunshine to use the photograph I provide for my Meet the Designer webpage, Meet the Designer card, social media, marketing, promotional materials, and related communications.

☐ I authorize Ripples of Sunshine to publish the biographical information and design story I provide.

☐ I authorize Ripples of Sunshine to tag or mention my approved social media account(s) when promoting the Design or Designer feature.

DESIGNER ACKNOWLEDGMENT

By signing below, Designer acknowledges that Designer has read and understands this Agreement.

Designer specifically understands that:

☐ I am permanently transferring ownership and copyright in the Design to Ripples of Sunshine.

☐ Ripples may modify, manufacture, market, sell, license, and otherwise use the Design.

☐ I will receive 10% of Qualifying Sales during the twelve-month Designer Sales Participation Period.

☐ My right to receive the 10% payment ends after the twelve-month Designer Sales Participation Period.

☐ Ripples continues to own the Design after my sales participation period ends.

☐ I am not guaranteed any minimum amount of sales or compensation.

☐ Ripples may feature me as the Designer on its website, in customer mailings, and through social media and promotional materials as described in this Agreement.

SIGNATURES

DESIGNER

Designer Name: _____

Signature: _____

Date: _____

PARENT OR LEGAL GUARDIAN

Required only if Designer is under 18

Parent/Guardian Name: _____

Relationship to Designer: _____

Signature: _____

Date: _____

RIPPLES OF SUNSHINE

Authorized Representative: _____

Title: _____

Signature: _____

Date: _____

DESIGN IDENTIFICATION

A copy or image of the Design covered by this Agreement should be attached to this Agreement and labeled:

EXHIBIT A — ASSIGNED DESIGN

Design Name: _____

Designer: _____

File Name(s): _____

Date Submitted: _____

Date Selected: _____

First Date Offered for Sale: _____