

LICENSE AGREEMENT

Representing the agreement between
the Sigma Pi Fraternity, a fraternal organization

Agreement No. A47733

and

B-Unlimited
612 W. Center
Fayetteville, AR 72701

THIS LICENSE AGREEMENT is made and entered into this 4th day of February, 2013, by and between the Sigma Pi Fraternity, of P.O. Box 1897, Brentwood, TN, hereinafter referred to as "**Fraternity**" and B-Unlimited, of 612 W. Center, Fayetteville, AR, hereinafter referred to as "**Licensee**".

WHEREAS, **Fraternity** has adopted various distinct insignia for the utilization of the membership of the **Fraternity**, which insignia are the subject of various registrations issued to **Fraternity** by the United States Patent and Trademark Office and as a result of long term utilization of said insignia by members of the **Fraternity**, considerable goodwill has inured to the benefit of **Fraternity**; and

WHEREAS, **Licensee** desires to produce or have produced for it, items which will utilize certain of the insignia of **Fraternity**; and

WHEREAS, the Parties to this License Agreement wish to set forth in writing each and every term and condition of **Fraternity's** grant to licensee of the limited right to utilize certain of the insignia of **Fraternity**

Now, THEREFORE, in consideration of the covenants, conditions and stipulations contained herein, the parties hereto agree as follows:

1. GRANT OF LICENSE: For the duration of this agreement and pursuant to each and every condition hereinafter set forth, **Fraternity** hereby grants to **Licensee** the non-exclusive right to utilize the following insignia of **Fraternity** in compliance with **Fraternity's** Public Relations Policy:

Name "Sigma Pi", crest, badge and Greek letters of Organization. It is understood and agreed that Licensee will not utilize any variations on any of the foregoing insignia, or any insignia confusingly similar to any of these insignia absent prior written approval from Fraternity.

2. ACKNOWLEDGEMENT OF PROPRIETARY RIGHTS: **Licensee** acknowledges the ownership by **Fraternity** of each of their insignia, including but not limited to **Fraternity's** names, Greek letters, crest, badge, nicknames, symbols, and the goodwill associated therewith and agrees that it will do nothing inconsistent with such ownership and agrees that all goodwill associated with the use of the insignia by **Licensee** shall inure to the benefit of **Fraternity**. **Licensee** agrees that nothing in this License Agreement shall give **Licensee** any right, title or interest in the insignia other than the limited right to use the insignia of **Fraternity** and only within the scope of each of the terms and conditions of this License Agreement and **Licensee** agrees that it will neither question nor otherwise attack the ownership by **Fraternity** of any of its insignia.

3. LICENSED PRODUCTS: **Licensee** is granted the non-exclusive right to utilize the insignia specifically referenced in paragraph 1 above only in relation to the following products:

See appendix A

4. **QUALITY CONTROL:** In order to protect the goodwill associated with **Fraternity** and its insignia, **Licensee** agrees that in relation to any of its merchandise and any advertising thereof it markets and/or provides utilizing **Fraternity's** insignia, **Licensee** will maintain the high quality associated with **Fraternity** and its licensed merchandise and services.

Licensee shall not commence marketing, sale or production of any product utilizing **Fraternity's** insignia until a representative sample of product and marketing materials has been provided to **Fraternity** and specifically approved in writing by **Fraternity**. **Licensee** is required to submit all new designs and/or marketing materials containing **Fraternity** insignia, or any that are confusingly similar, for approval and shall not produce any products or commence marketing of said products until said designs/materials are approved in writing by **Fraternity**, or their designee.

Every year thereafter, upon written request, **Licensee** shall again provide to **Fraternity** representative samples of products which utilizes **Fraternity's** insignia and/or marketing materials in association with any products which **Licensee** is requesting the right to market in association with renewal of this License Agreement.

Should any licensed products and/or marketing materials be deemed reasonably unacceptable by **Fraternity**, within a reasonable period of time and upon request, **Licensee** shall provide the purchaser with a full refund.

Fraternity has the right and authority to regularly monitor the quality of any products and/or marketing materials within the scope of this License Agreement and if in the exercise of its discretion, **Fraternity** determines that the quality of any of the licensed products and/or marketing materials have decreased below **Fraternity's** standards, including but not limited to those described in Appendix C, it shall notify **Licensee** in writing of its objections to the quality of the products and/or marketing materials, which notice shall advise **Licensee** of the specific requirements necessary to satisfy **Fraternity's** quality standards. Following **Licensee's** receipt of said notice, **Licensee** shall immediately cease and desist from the marketing of any products which **Fraternity** claims has decreased below **Fraternity's** quality standards and shall not resume the marketing of any such products until the quality of said products and/or marketing materials is improved to the extent of being in compliance with any reasonable quality control demands imposed by **Fraternity**.

Following **Licensee's** receipt of any notice from **Fraternity** notifying **Licensee** of objections relating to the quality of its products and/or marketing materials, **Licensee** shall have thirty (30) days, or any such longer period of time agreed upon by the parties to resume the marketing of products acceptable to **Fraternity** and upon **Licensee's** failure to timely so comply with any of **Fraternity's** reasonable quality control demands, this License Agreement shall be immediately terminable by **Fraternity**.

5. **MARKING:** **Licensee** shall identify each licensed product as an officially licensed product of **Fraternity** by incorporating the "Official Licensed Product" hologram decal shown in Appendix B (and available for purchase exclusively from OPSEC) on a sticker, tag, label, imprint, or other appropriate method. In addition, all marketing, promotional and advertising pieces associated with the licensed products of **Fraternity** must also be represented with the "Official Licensed Product" seal. The **Licensee** shall also identify each licensed product with the appropriate service mark or trademark symbol in a manner specified in the artwork provided by **Fraternity** upon license approval or as otherwise specified from time to time in writing by **Fraternity**. The "Official Licensed Product" seal is the exclusive property of Affinity Marketing Consultants, Inc. During the term of this License Agreement, **Licensee** is hereby granted the limited right to use the "Official Licensed Product" seal by Affinity Marketing Consultants, Inc.

6. **ROYALTY:** In relation to all merchandise marketed by or on behalf of **Licensee** utilizing any of **Fraternity's** insignia, **Licensee** shall pay to **Fraternity** a royalty calculated as follows:

\$40 annual advance against royalties owed, paid as an annual minimum guarantee; 8.5% of gross sales (defined as total customer invoice for the full value of the embellished product(s) less actual shipping charges, taxes or actual returns. Gross sales shall be calculated before applying discounts, rebates, allowances or other adjustments, and the gross sales is inclusive of labor charges, design fees or other related charges).

In the event **Licensee** distributes or sells licensed products at a special price directly or indirectly to itself, or in concert with others, including without limitation, any affiliate or subsidiary of **Licensee**, to any other person, firm or corporation related in any manner to **Licensee** or its officers, directors or major stockholders, or through a distributor (subject to approval by **Fraternity**), **Licensee** shall pay royalties with respect to such distribution or sales based upon the regular gross retail sales price for such licensed products or, if such regular gross retail sales pricing is not available, as determined by **Fraternity's** evaluation of comparable prices charged the trade for similar products.

Within thirty (30) days following the end of each calendar quarter, **Licensee** shall provide **FraternityY** with a precise accounting showing the calculation of the royalty owing, along with payment of the royalty owing for said calendar quarter. The quarterly accounting shall include sufficient detail to clearly and understandably provide **Fraternity** with any and all information which is to be taken into account in association with the calculation of the royalty owing and, if requested by **Fraternity** in association with any accountings, **Licensee** shall accurately complete and provide **Fraternity** with any forms of accounting reasonably specified by **Fraternity**.

Any royalty or other amount owing from **Licensee** to **Fraternity** which is not paid within seven (7) days of the due date thereof shall accrue interest at the rate of ten (10%) percent per annum. Any royalty report not received within seven (7) days of the due date thereof shall incur an administrative fee of fifteen (\$15) dollars for late royalty reports, which shall be bill separate from and in addition to all royalties owed, if any.

7. **RECORD KEEPING/AUDIT RIGHTS:** For a period of at least three (3) years following each transaction involving merchandise containing **Fraternity** insignia, **Licensee** agrees to maintain true, correct and orderly records in conformity with reasonably recognized accounting standards, including all production records, order forms and purchase orders reflecting the total quantity of licensed merchandise manufactured and the total quantity of licensed merchandise sold or otherwise distributed, including true, accurate and complete accounting records of all consideration received by or on behalf of **Licensee** in relation to any licensed merchandise produced by or on behalf of **Licensee**, as well as any other records reasonably specified by **Fraternity**.

The records to be kept by **Licensee** shall be reasonably available for audit or inspection by or on behalf of **Fraternity**.

Should any such inspection or audit disclose that royalties paid to **Fraternity** were less than the amount actually owing, **Licensee** shall forthwith pay to **Fraternity** the deficiency with interest at the rate of ten (10%) percent per annum from the date when the deficient amount should have been paid to **Fraternity**. Furthermore, should the audit or inspection disclose that royalties paid by **Licensee** were intentionally understated in any amount, or unintentionally understated in an amount of at least five (5%) percent less than the actual royalty owing for any quarterly period, **Licensee** shall be responsible to immediately reimburse **Fraternity** for all fees and expenses incurred by **Fraternity** in relation to the inspection or audit.

8. **INSURANCE:** The **Licensee** is obligated to maintain comprehensive general and product liability insurance protecting against claims of any sort for loss or damage arising out of the design, manufacture or marketing of licensed products, said liability insurance to be maintained in the face amount of one million dollars (\$1,000,000.00), which policy of insurance shall name **Fraternity** as a co-insured and shall provide that **Fraternity** is to be given at least thirty (30) days notice from the insurer prior to cancellation or amendment of such insurance policies. The **Licensee** shall provide **Fraternity** with certificates of insurance evidencing that the required insurance has been procured before commencing with the manufacture or marketing of any merchandise bearing insignia of **Fraternity**. Should the **Licensee** fail to maintain the required insurance, **Fraternity** may, but is not required to, procure same and the **Licensee** shall promptly reimburse **Fraternity** for the cost of same.

9. **DURATION:** This License Agreement shall remain in effect up through the 30th day of June next following the execution of this agreement and is automatically renewed for an additional year in accordance with the next paragraph hereof unless either party mails written notice to the other party on or before May 31 of the then current year notifying the other party that this agreement will not be renewed and will terminate effective June 30 of that year.

10. **POTENTIAL RENEWAL:** Unless terminated by either party pursuant to any of the terms and conditions of this License Agreement, this License Agreement is automatically renewed for an additional year beginning on July 1, pursuant to the following conditions:

- a. At the written request of **Fraternity**, **Licensee** will provide representative samples of any merchandise, which **Licensee** wishes to market pursuant to a renewal of this License Agreement;
- b. **Fraternity** shall have thirty (30) days to examine said merchandise and in its sole discretion determine whether to deny renewal of this License Agreement in relation to any or all of said proposed items;
- c. Should **Fraternity** elect not to renew this License Agreement in relation to any of the proposed merchandise, it will provide **Licensee** with written notice of such, along with specification of which items of the proposed merchandise are not approved for the renewal year.

11. **DEFAULT:** **Fraternity** shall have the right to terminate this License Agreement prior to the duration thereof pursuant to the following conditions:

- a. **Fraternity** has the right to immediately terminate this License Agreement through written notice to **Licensee** upon the occurrence of any of the following situations:
 - (1) Willful and material falsification of any records required to be maintained or reports required to be provided by the **Licensee** to **Fraternity**;
 - (2) Willful and material deception of customers in relation to the production, marketing or other distribution of products containing **Fraternity** insignia;
 - (3) Failure of the **Licensee** to maintain liability insurance in compliance with paragraph 8 of this License Agreement.
- b. **Fraternity** has the right to terminate this License Agreement upon thirty (30) days written notice to the **Licensee** specifying the details of the grounds for termination and advising that unless the **Licensee** immediately proceeds to cure and does cure the default(s) within said thirty (30) days, the License Agreement can be terminated in any of the following situations:
 - (1) Delinquency in payment of any sums owing to **Fraternity**;
 - (2) Inability to conduct the licensed business such as through insolvency, attachment of assets, liquidation, receivership or some other order of a court, administrative agency or other governmental official or body;
 - (3) Misuses or unauthorized use of the insignia of **Fraternity** or any other conduct which in the judgment of **Fraternity** is detrimental to the goodwill of **Fraternity** or otherwise injurious to the best interest of **Fraternity** licensing program;
 - (4) Failure to comply with any other obligation imposed on the **Licensee** by or through this License Agreement.

12. **OBLIGATIONS UPON TERMINATION:** The continuing obligations of the **Licensee** after termination or expiration of this License Agreement are as follows:

- a. To pay any sums then or subsequently owing to **Fraternity**;
- b. To cease any production, use, marketing or distribution of any merchandise bearing the insignia of **Fraternity** and **Licensee** shall cease holding itself out as being a **Licensee** of, or otherwise affiliated with, **Fraternity** and the **Licensee** shall not advertise or otherwise publicize the former affiliation with **Fraternity**;
- c. **Fraternity**, in its sole discretion, has the option to purchase from **Licensee** any portion of the supplies or materials remaining on hand containing any of the insignia of **Fraternity** which items shall be provided to **Fraternity** at cost; and
- d. **Licensee** shall destroy any other items on hand bearing **Fraternity** insignia or otherwise remove such insignia from any merchandise, equipment, fixtures and structures as to any items remaining on hand bearing the insignia of **Fraternity** which **Fraternity** does not wish to purchase pursuant to subsection c. above.

13. **NO WAIVER:** The failure of either party to exercise any power or right under this License Agreement or to insist at any time upon the strict compliance with any of the provisions hereof shall not constitute a waiver of said party's right to thereafter demand exact compliance with the terms hereof. A waiver shall only be effective if it is contained in a writing signed by the party against whom the waiver is claimed and shall not preclude that party from declaring default as to any further continuation or occurrence of that or any other grounds to declare default of this License Agreement.

14. **NO AGENCY:** **Licensee** acknowledges that this License Agreement does not in any way establish **Licensee** as an agent or employee of **Fraternity**. **Licensee** acknowledges that it is entering into this agreement solely to become a **Licensee** of **Fraternity** with no right or authority to assume or create any obligation on behalf of **Fraternity**.

15. **INDEMNIFICATION:** Should **Fraternity** receive any claim or otherwise incur any liability relating to any loss as a result of any claim relating to any alleged actions or omissions of **Licensee**, **Fraternity** shall be indemnified and held harmless by the **Licensee** from any such claim or loss including any costs and reasonable attorneys' fees incurred by **Fraternity** to defend against same.

16. INVALIDITY OF TERMS: Any provision of this Agreement prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remaining provisions of this Agreement.

17. NOTICES: Any notices required to be given pursuant to this License Agreement should be addressed as follows:

LICENSOR

Executive Director
Sigma Pi Fraternity
P.O. Box 1897
Brentwood, TN 37024

John D. Kitch
Kitch Axford Attorneys at Law
Suite 305
2300 Hillsboro Rd.
Nashville, TN 37212

LICENSEE

B-Unlimited
612 W. Center
Fayetteville, AR 72701

18. BREACH OF CONTRACT: Should Licensee materially breach any provision of this License Agreement, it shall be required to pay any reasonable attorneys' fees, as well as any litigation or other expenses resulting there from incurred by Fraternity.

19. BINDING EFFECT: This License Agreement is not assignable by either party and shall be binding upon any employees, agents, heirs, executors, administrators, assigns, or successor in interest of any of the parties.

20. ENTIRE AGREEMENT: This License Agreement contains the entire understanding and agreement between the parties, and any statements, promises, or inducements made by either party, or agent of either party, that is not contained in this License Agreement shall not be valid or binding, nor may this License Agreement be enlarged, modified, or altered, except in writing signed by the parties.

21. CHOICE OF LAW: This License Agreement shall be interpreted and applied according to the laws of the State of Tennessee.


IN WITNESS WHEREOF, the parties have executed this License Agreement this day and year first above written.

Fraternity:
Sigma Pi Fraternity

LICENSEE:
B-Unlimited

By: 

Signature

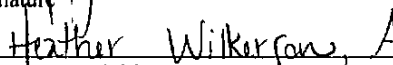

Print name and title

Director of Account Services -5-

Alpha Consultants

By: 

Signature


Print name and title

Heather Wilkerson, Admin. Manager

Appendix A

General Product description: Screen printing on t-shirts, sweatshirts, coffee mugs, plastic cups and stickers

<u>Product Number</u>	<u>Product Description</u>	<u>Price</u>
1.	T-shirts	
2.	Sweatshirts	
3.	Headbands	
4.	Socks	
5.	Shorts	
6.	Buttons	
7.	Plastic Cups	
8.	stickers	
9.	Hats	
10.		

Please use additional pages if needed.

Appendix B

Agreement No. A47733



Appendix C

Affinity Consultants

CLIENT PRODUCTS AND SERVICES POLICY

Products and services containing images of Greek organizations help to define the public perception of each individual Greek organization. Since the Greek organizations aligned with Affinity Consultants are proud of values that help define their intellectual property, they wish to protect their marks and control the manner in which their marks are used by product manufacturers and service providers. All vendors are required to abide by the following quality control rules:

The below rules will apply to any licensed product or service utilizing Greek marks, specifically but not limited to the following categories of products:

- | | |
|--|--|
| *apparel (shirts, shorts, jackets, etc.) | *press releases |
| *flyers | *banners |
| *manuals | *glassware |
| *publications | *party favors (cups, frames, key chains, etc.) |
| *posters | *computer web pages |
| *newspaper articles & advertisements | |

There may not be:

- any depiction of alcohol, alcoholic beverage use, kegs, beer cans, alcohol bottles, beer bong, or brand names;
- any depiction of drugs, drug use, drug slogans or slang words, or drug paraphernalia;
- any depiction in a demeaning way, of minorities, ethnicities, or cultural segments;
- any religious depictions in a demeaning way;
- any depictions of women in a demeaning way;
- any depictions relating to sex, sexual paraphernalia, or sexual orientation;
- any use of profanity;
- or any use of licensed or copyrighted characters, phrases, logos, or materials without permission from the property owner.

Approval for all products and services will be coordinated by Affinity Consultants and granted in compliance with the license agreement prior to production of said product or service.

If you are unsure about an image or slogan, contact Melissa Jean-Baptiste for approval.

* Developed from Sigma Alpha Mu Fraternity's Public Relations Policy.