

# LICENSE AGREEMENT

Representing the agreement between  
the Sigma Phi Epsilon Fraternity, a fraternal organization

Agreement No. A19036

and

B-Unlimited  
509 W. Spring Street  
Suite 260  
Fayetteville, AR 72701

THIS LICENSE AGREEMENT is made and entered into this 1st day of August, 2006, by and between the Sigma Phi Epsilon Fraternity, of 310 S. Boulevard, P.O. Box 1901, Richmond, VA, hereinafter referred to as "**Fraternity**" and B-Unlimited of 509 W. Spring Street, 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**:

**Greek letters of Organization, crest, badge, Balanced Man logo and names "SigEp" and "Sigma Phi Epsilon."**

2. ACKNOWLEDGEMENT OF PROPRIETARY RIGHTS: **Licensee** acknowledges the ownership by **Fraternity** of each of these insignia 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 utilizing **Fraternity's** insignia, **Licensee** will maintain the high quality associated with **Fraternity** and its licensed merchandise.

**Licensee** shall not commence marketing of any merchandise utilizing **Fraternity's** insignia until a representative sample, as specified in the Licensing Application instructions, has been provided to **Fraternity** and specifically approved in writing by **Fraternity**. Every year thereafter, **Licensee** shall again provide to **Fraternity** representative samples of any merchandise which utilizes **Fraternity's** insignia in association with any merchandise which **Licensee** is requesting the right to market in association with any application for renewal of this License Agreement.

Should any licensed merchandise prove defective or reasonably unacceptable for any other reason, within a reasonable period of time following purchase of same and upon request, **Licensee** shall provide the purchaser with a full refund or replacement merchandise, whichever the purchaser prefers.

**Fraternity** has the right and authority to regularly monitor the quality of any merchandise 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 merchandise has 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 merchandise, 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 merchandise which **Fraternity** claims has decreased below **Fraternity's** quality standards and shall not resume the marketing of any such merchandise until the quality of said merchandise 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 merchandise, **Licensee** shall have thirty (30) days, or any such longer period of time agreed upon by the parties to resume production of merchandise 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 article as an officially licensed product of **Fraternity** by incorporating the "Greek Licensed Product" seal shown in Appendix B 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 in the aforementioned manner. 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 "Greek Licensed Product" is the exclusive property of Affinity Marketing Consultants, Inc. Authorization for use, unless otherwise specified within the terms of this License Agreement, must be obtained from Affinity Marketing Consultants, Inc. prior to use. Affinity Marketing Consultants, Inc. retains the right to reject requested use of the "Greek Licensed Product" seal.

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, 8.5% of gross sales**

Within thirty (30) days following the end of each calendar quarter, **Licensee** shall provide **Fraternity** 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.

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 potentially renewable on a year to year basis thereafter in accordance with the next paragraph hereof unless the **Fraternity** mails written notice to **Licensee** on or before May 31 of the then current year notifying **Licensee** that this agreement will not be renewed and will terminate effective June 30 of that year.

10. **POTENTIAL RENEWAL:** Unless terminated by **Fraternity** pursuant to any of the terms and conditions of this License Agreement, this License Agreement is renewable on a year to year basis beginning on July 1 of each year, pursuant to the following conditions:

a. At least 30 days prior to July 1 of each year, **Licensee** shall request renewal in writing and provide **Fraternity** with 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 authorize renewal of this License Agreement in relation to any or all of said proposed items;

c. Should **Fraternity** elect to renew this License Agreement in relation to any of the proposed merchandise, it will provide **Licensee** with written notice of the renewal of this License Agreement effective July 1 along with specification of which items of the proposed merchandise are 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 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 Phi Epsilon Fraternity  
310 S. Boulevard  
P.O. Box 1901  
Richmond, VA 23218-1901

Douglas M. Nabhan, Esq.  
Williams, Muller, Christian & Dobbins  
P.O. Box 1320  
Richmond, VA 23210-1320

LICENSEE:

B-Unlimited  
509 W. Spring Street Suite 260  
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.

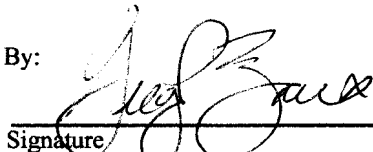
20. ENTIRE AGREEMENT: This License Agreement contains the entire understanding and agreement between the parties, and any statements, promises, or inducements made by either party, or agent of either party, that is not contained in this License Agreement shall not be valid or binding, nor may this License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

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


Fraternity:  
Sigma Phi Epsilon Fraternity

By:

  
\_\_\_\_\_  
Signature  
Greg P. Barra DIR NCD  
\_\_\_\_\_  
Print name and title

LICENSEE:  
B-Unlimited

By:

  
\_\_\_\_\_  
Signature  
Ben Clark, President  
\_\_\_\_\_  
Print name and title

**Appendix A**

General Product description: Screen printing on t-shirts, sweatshirts and cups

**Product Number**

**Product Description**

**Price**

coffee mug  
stickers

Please use additional pages if needed.

## **Appendix B**

Agreement No. A19036



## **Appendix C**

Affinity Marketing Consultants, Inc.

### **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 Marketing Consultants, Inc. 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 following 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 men or 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 Marketing 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.