

## LICENSING AGREEMENT

THIS LICENSING AGREEMENT (the "Agreement") is entered into as of May \_\_\_\_, 2009 ("Effective Date") between Sportswear Inc., a Washington corporation ("Licensee"), with offices at and a mailing address of 4660 Ohio Ave, S #A, Seattle, WA 98134, and COLLEGE NAME ("Licensor"), with a mailing address of <<address>>.

### RECITALS

- A. Licensor maintains the rights to registered service marks. Licensor grants the right and license to use the registered service marks on products provided by Licensee.
- B. Licensee maintains e-commerce stores on the Internet and is engaged in a variety of businesses including, but not limited to, customized online stores for schools, teams, colleges, universities, and organizations; custom website design services; database management; product fulfillment; direct advertising; organizational fundraising and other targeted consumer marketing campaigns.
- C. Licensee and Licensor (the "Parties") have determined that it is in their respective best interests to enter into a licensing agreement, whereby Licensee would manufacture and distribute licensed products for Licensor in exchange for a royalty on each product sold.
- D. The Parties desire to enter into this Agreement in order to establish the terms of this licensing agreement.

NOW, THEREFORE, in consideration of the forgoing premises and the covenants set forth in this Agreement, and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

### 1. BACKGROUND

- 1.1. LICENSOR owns the rights to certain marks identified in Attachment A hereto, and has acquired public recognition and goodwill through the use of such marks.
- 1.2. LICENSEE recognized the goodwill appurtenant to use of the marks and desires to obtain a license to utilize such marks. LICENSOR is willing to grant such a license under the terms and conditions of this agreement.

## **2. DEFINITIONS**

- 2.1. MARKS include trademarks, logos and service marks. LICENSOR expressly reserves unto itself the right to use the Licensed marks notwithstanding the rights hereby granted Licensee and to License others to use the same.
- 2.2. LICENSED MARKS means those marks listed in Attachment A, including common-law rights as well as any applications for registration which may be filed by the LICENSOR, or registrations which may be issued to LICENSOR covering such marks, whether state or federal.
- 2.3. LICENSED PRODUCTS and SERVICES mean those products and services in connection with which any of the LICENSED MARKS are used.
- 2.4. GROSS SALES PRICE means LICENSEE'S billing price to customers or distributors, less (1) discounts which are given and which are customary in the trade, (2) returns (3) shipping charges, and (4) taxes.
- 2.5 EFFECTIVE DATE means the date specified in the first paragraph of this Agreement.
- 2.6 SOLD (or SALE) means that a LICENSED PRODUCT is shipped or distributed.
- 2.7 TERM means the effective period of this Agreement, which shall continue for one (1) year from the effective date of this Agreement and shall automatically renew for additional periods of one year unless one of the parties hereto shall give notice of termination at least 30 days preceding the end of the license period or unless sooner terminated pursuant to other provisions of this Agreement.
- 2.8 CONTRACT YEAR shall mean the consecutive twelve month period commencing each January 1, and terminating the following December 31, except that the first CONTRACT YEAR may be less than twelve months, commencing on the EFFECTIVE DATE and terminating on the next December 31.

## **3. LICENSE GRANT**

- 3.1 Subject to the terms and conditions of this Agreement, LICENSOR grants to LICENSEE the non-exclusive right and license to utilize the LICENSED MARKS.

## **4. PAYMENTS TO LICENSOR**

- 4.1 LICENSEE shall pay to LICENSOR a continuing royalty of 7.50% of the GROSS RETAIL SALES PRICE of all LICENSED PRODUCTS or SERVICES SOLD by LICENSEE or any of its subsidiaries, or divisions, or affiliates. All checks for royalties due should be mailed to:

**COLLEGE NAME**  
<<ADDRESS>>  
<<CITY>>, <<STATE>> << POSTAL CODE>>

**5. WEB-BASED REPORTING TOOL**

5.1 LICENSEE will provide LICENSOR access to a password protected, web-based reporting tool that tracks the sale of all LICENSED PRODUCTS or SERVICES. The reporting tool will provide reports in Excel format on the sale of all LICENSOR LICENSED MARKS.

**6. DEFAULT AND/OR TERMINATION**

6.1. In the event LICENSEE fails to submit timely payments to LICENSOR provided in this agreement, or in the event LICENSEE becomes insolvent, makes any assignment for the benefits or creditors, or in the event either party fails to comply with any of its obligations under this agreement, the other party may serve on the defaulting party a notice of default specifying the nature of the default. If the default is not cured within thirty (30) days from service of the notice of default, the other party may then serve its Notice of Termination, and this agreement shall be automatically terminated upon service of said Notice of Termination.

6.2. LICENSEE may terminate this agreement at any time without cause after serving upon LICENSOR thirty (30) days Notice of Intent to Terminate. In such event, this agreement shall be automatically terminated thirty (30) days after service by LICENSEE of said Notice of Intent to Terminate.

6.3. Unless sooner terminated pursuant to the above provisions, this agreement shall remain in effect throughout the TERM described in paragraph 2.7.

**7. EFFECT OF TERMINATION**

7.1. Upon expiration or termination of this agreement, all rights granted to LICENSEE hereunder shall cease, and LICENSEE will refrain from further use of LICENSED MARKS in connection with the manufacture, sale, distribution, or promotion of LICENSED PRODUCTS or SERVICES.

7.2. Expiration or termination of this Agreement shall not relieve LICENSEE from the obligation to pay LICENSOR any payments due and owing at the time of termination.

## 8. GOODWILL IN LICENSED MARKS

8.1. LICENSEE agrees that the essence of this Agreement is founded on the goodwill associated with the LICENSED MARKS and the value of that goodwill in the minds of the consuming public. LICENSEE agrees that it is critical that such goodwill be protected and enhanced and, toward this end, LICENSEE shall not during the TERM or thereafter;

- (a) take any action that would bring the LICENSED MARKS into public disrepute;
- (b) use the LICENSED MARKS, or any mark or name confusingly similar thereto, in its corporate or trade name; or
- (c) take any action that would tend to destroy or diminish the goodwill in the LICENSED MARKS.

## 9. GENERAL PROVISIONS

9.1 **Entire Agreement.** This Agreement, represents the entire agreement between LICENSOR and LICENSEE with respect to the subject matter hereof and thereof and shall supersede all prior agreements and communications of the parties, oral or written, including without limitation existing advertising insertion orders between LICENSOR and LICENSEE.

9.2 **Amendment and Waiver.** No amendment to, or waiver of, any provision of this Agreement shall be effective unless in writing and signed by both parties. The waiver by any party of any breach or default shall not constitute a waiver of any different or subsequent breach or default.

9.3 **Governing Law.** This Agreement shall be governed by and interpreted in accordance with the laws of the State of Washington without regard to the conflicts of laws principles thereof.

9.4 **Successors and Assigns.** All terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective permitted transferees, successors and assigns.

9.5 **Severability.** If any provision of this Agreement is held to be invalid, illegal or unenforceable for any reason, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

This Licensing Agreement has been executed by the duly authorized representatives of the parties, effective as of the Effective Date.

**COLLEGE NAME  
(LICENSOR)**

**SPORTSWEAR INC.  
(LICENSEE)**

**Name:** \_\_\_\_\_

**Name:** Chad A. Hartvigson

**Title:** \_\_\_\_\_

**Title:** Chief Executive Officer

**Date:** \_\_\_\_\_

**Date:** \_\_\_\_\_

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Signature**

**ATTACHMENT A**

**Licensed Marks**