INSTRUCTIONS

- Read and complete the Contract Agreement

- Licensee may detach Appendix B from Contract Agreement to complete information; however, the entire form must be submitted to Coastal Carolina University for approval.

- Return all pages of the completed Contract Agreement with the administrative fee, if applicable (see Section VI-Rate and Royalty Payments, page 3), and insurance information (see Section XV-Indemnification and Insurance, page 4) to the address listed (see Section XXI-Notices, page 5). Checks should be payable to Coastal Carolina University.

- Approved Contract Agreement and Quarterly Statement forms will be returned to Licensee upon acceptance from Coastal Carolina University.
License to use Indicia of Coastal Carolina University

CONTRACT AGREEMENT

This is a revocable nonexclusive Agreement between (company/business name) ______________________, a business organized under the state of ______________________, and having its principal place of operation and mailing address at ______________________, and Coastal Carolina University (hereinafter called the University), a public university organized under the laws of the state of South Carolina, having its principal place of business in Horry County, South Carolina, and whose mailing address is P.O. Box 261954, Conway, South Carolina 29528-6054.

WHEREAS, the University has the exclusive right to license for commercial purposes the use of certain University designations, comprising designs, trademarks, service marks, logo graphics, symbols; and/or word representation of Coastal Carolina University within the Territory, as hereinafter defined in Section II (B);

WHEREAS, the Licensee desires to be licensed to utilize Licensed Indicia, as hereinafter defined in Section I (B) – Definitions-Licensed Indicia, in connection with the manufacture, sale, and/or distribution of certain articles of merchandise;

NOW, THEREFORE, in consideration of the premises and the mutual promises and covenants herein contained, the parties hereto agree as follows:

I. DEFINITIONS

For the purposes hereof:

A. “Indicia” means designs, trademarks, trade names, service marks, logo graphics, symbols and/or word representation associated with the University.

B. “Licensed Indicia” are attached in Appendix A. In addition, any Indicia adopted hereinafter and used or approved for use by the University shall be deemed to be additions to the Indicia and shall be subject to the terms and conditions of this Agreement.

C. “Licensed Articles” means the articles of merchandise or products listed in Appendix B attached hereto and bearing one or more of the Licensed Indicia.

D. “Retail Sales” means the sale of Licensed Articles directed to the ultimate consumer through electronic or retail outlets, mail order, catalogs, or any forms of direct response.

E. “Net Sales” means the amount of gross sales of Licensed Articles after deducting any credits for returns actually made and allowed as such. In computing Net Sales there shall be no deduction for costs incurred in manufacturing, selling, advertising (including without limitation cooperative or other advertising or promotional allowances) or distributing the articles covered by this agreement, nor shall any indirect expenses be deducted, nor shall any deductions be made for uncollectible accounts.

F. “Premium” means any Licensed Article given free or sold at less than the usual selling price for the purpose of increasing the sale, promoting, or publicizing any other product or any service, including incentives for sales staff, or to be disposed of under similar methods of publicity purposes, for fundraising, as giveaways,

II. GRANT OF LICENSE

A. Grant: Subject to the Limitations of License set forth in Section II(D)-Grant of License: Limitation of License below and other conditions of the Agreement, the University grants to the Licensee the nonexclusive right to utilize the Licensed Indicia on the Licensed Articles for Retail Sales in the Territory. This License applies only to the Indicia of the University indicated in Appendix A which Licensee has selected pursuant to Section I(C)-Definitions hereof and which have been approved for use of the University on the Products listed in Appendix B.

B. Territory: The Licensee hereby granted extends to the United States of America, its territories and possessions, and the Commonwealth of Puerto Rico, as well as to the United States military bases abroad.

C. Term: This Agreement shall begin effective the last date of signature below and shall continue unless terminated sooner in accordance with Section V-Modification of University Appendices or any other provision of this Agreement.

D. Limitation of License: This License is subject to the following limitations, as well as any other limitations and conditions expressed in this Agreement.

1. No License is granted hereunder for the use of Licensed Indicia for any purpose other than upon or in connection with the approved products listed. Any additions to this product line and/or new artwork shall be proposed in writing to the University and samples shall be submitted to the University for approval per Section XI-Display and Approval of Indicia.

2. No License is granted to Licensee hereunder to provide any method of application of Licensed Indicia, on a contract basis, to any party not licensed with the University.

3. No License is granted to Licensee hereunder for the manufacture, sale, or distribution of Licensed Articles to be used as Premiums, for publicity purposes, for fundraising, as giveaways, in combination with sales staff, or to be disposed of under similar methods of merchandising. Licensee shall not use any of the Licensed Indicia in connection with any sweepstakes, lottery, game of chance or any similar promotions sales device, scheme or program. In the event Licensee desires to sell Licensed Articles for such purposes, Licensee agrees to obtain prior written approval from the University.

4. Licensee is not permitted to market a Licensed Article by means of a direct mailing to University alumni, students, parents, athletic contributors, faculty and staff, or similar group maintained or compiled by the University, regardless of how Licensee acquires such lists.

5. Licensee recognizes that any person who has collegiate athletic eligibility cannot have his or her name and/or facsimile utilized on any commercial product. Therefore, in conducting licensed activity under this Agreement, Licensee shall not encourage or participate in any activity that would cause an athlete or a University to violate any rule of the National Collegiate Athletic Association (NCAA).

III. PROMOTIONAL PROGRAMS

A. General: Licensee recognizes that promotions are important to the success of any licensing program and as such will assist the University with such promotional efforts by its participation.

B. Merchandising Directory: At such time as the University considers production of an annual merchandising directory, in print or electronic form, in which participation by Licensee is urged, Licensee will provide all necessary Licensed Articles for display therein upon request of the University. The display of the Licensee’s products and the cost of the development and promotion of such directory for periodic changes therein, presently contemplated to be annual shall be agreed upon in advance by the University and Licensee.

IV. NONEXCLUSIVITY

The License or Licenses granted to Licensee by this Agreement are none exclusive. Nothing in this Agreement shall be construed to prevent the University from granting Licensed Indicia to any party for any purpose including, without limitation, the grant of other licenses to other manufactures during the term of this Agreement for the use of the Licensed Indicia upon the articles described in Appendix B, either within or outside the territory.

V. MODIFICATION OF UNIVERSITY APPENDICES

If there are any deletions from Appendices A and B, Licensee agrees that its permission to use the affected Indicia or to manufacture, distribute, or sell the Licensed Articles pursuant to this Agreement shall cease on the effective date of the deletion. In such event, those provisions of Section XVIII-Effect of Termination on Disposal of Inventory shall become effective for the affected Indicia or Licensed Articles unless Licensee obtains written permission from the University to continue to use the Indicia or to sell the Licensed Articles.
VI. RATE AND ROYALTY PAYMENTS
A. Rate: Licensee agrees that it shall pay to the University a royalty of eight (8) percent of Net Sales, as defined in Section I(E), on all Licensed Articles sold during the term of this Agreement and during any period allowed pursuant to Section XVIII-Effect of Termination on Disposal of Inventory. Said payments hereinafter are called "Royalty Payments."
B. For purposes of determining the Royalty Payments, sales shall be deemed to have been made at the time of invoicing or billing for said Licensed Articles or at the time of delivery thereof, whichever is earlier.
C. Administrative Fee: Upon execution of the Agreement by Licensee, Licensee will pay the University a non-refundable Administrative Fee of $50.

VII. MULTIPLE ROYALTIES
The University recognizes that Licensee may be subject to other license agreements, which with this Agreement would subject certain Licensed Articles to one or more additional royalty payments. The University agrees that upon timely notice to, and subject to the express approval of the University, the Royalty Payment to the University for Licensed Articles subject to other license agreements and additional royalty payments may be reduced by the amount that the licensor, or licensors, reduced its or their standard royalty, up to a total maximum of three (3) percent of Net Sales.

VIII. STATEMENT, PAYMENTS, PENALTIES
A. On or before the twentieth (20) day of each month following the close of a quarter, Licensee shall submit to the University full and accurate statements showing the quantity, description and Net Sales of the Licensed Articles distributed and/or sold during the preceding three (3) calendar month period (quarter), listed by:
   (1) Category of article and
   (2) Any additional information kept in the normal course of business by the Licensee, which is appropriate to enable an independent determination of the amount due hereunder with respect to the Licensed Indicia of the University. All payment then due to the University shall be made simultaneously with the submission of statements. Quarterly statements shall be submitted whether or not sales occurred in the period. Quarterly statements are due by April 20, July 20, October 20 and January 20.
B. Failure to submit timely or accurate statements and/or payments may result in additional charges.
C. The receipt and/or acceptance by the University of the statements furnished or royalties paid hereunder to the University, or the cashing of any royalty checks paid hereunder, shall not preclude the University from questioning the correctness thereof at any time. In the event that any inconsistencies or mistakes are discovered in such statements or payments, the Licensee shall rectify them immediately and the Licensee shall make appropriate payment.
D. All checks should be made payable to Coastal Carolina University.
E. Licensee shall, unless otherwise directed in writing by the University, send all Royalty Payments and accounting reports to:
   Marketing Communications/Licensing Administrator
   Coastal Carolina University
   P.O. Box 261954
   Conway, SC 29528-6054

IX. EXEMPT AREA
The University may exempt certain accounts or areas of the University from the obligation to pay any royalty payments required under Section VI(A)-Rate and Royalty Payments, for sales made and delivered by Licensee to customers located within said exempted area. The University reserves the right to make exemption decisions, if any, and will notify the applicable Licensee or Licensees when such decisions are effective.

X. OWNERSHIP OF INDICIA AND PROTECTION OF RIGHTS
A. Licensee acknowledges and agrees that the University owns each of the Indicia identified in Appendix A, as well as any Indicia adopted and used or approved by the University, and that each Indicia is valid and that the University has the exclusive right to use each of its Indicia subject only to limited, nonexclusive, revocable permission granted to the Licensee pursuant to this Agreement. Licensee further acknowledges the validity of each state and federal registration, which each University may own for each Licensed Indicia as of the date of the Agreement or which each University may thereafter obtain or acquire. Licensee further undertakes that it shall not, at any time, file any application in the United States Patent and Trademark Office, or in any state, or in Puerto Rico, or in any territory or possession of the United States, or in any foreign country for the trademark or service mark registration of any mark or other Indicia of the University. Licensee further undertakes that it shall not register or deposit any of the University Indicia as, or as part of, a trademark, service mark, trademark, trade name, fictitious name, or company or corporate name anywhere in the world. Any trademark or service mark registration obtained or applied for, during the term of this Agreement, affecting the Licensed Indicia, shall be transferred to the University without compensation.
B. Licensee undertakes and agrees that it shall not, on the basis of any of the Licensed Indicia, oppose or seek to cancel, in any court or state or federal agency, including, but not limited to, the United States Patent and Trademark Office, any registration for any mark which the University files an application or obtains a registration for any goods or services. Licensee further undertakes and agrees not to object to, or file any action or lawsuit because of use by the University of any Indicia of the University for any goods or services, whether directly by the University or through different Licenses or authorized users.
C. Licensee agrees to assist the University in the protection of the several and joint rights of the University, in and to the Licensed Indicia and shall provide, with reasonable actual costs to be borne by the University, any evidence, documents, and testimony, concerning the use by Licensee of any one or more of the Licensed Indicia, which the University may request for use in obtaining, defending, or enforcing Licensed Indicia or its registration.
D. Licensee agrees that nothing in this Agreement shall give the Licensee any right, title, or interest in any Licensed Indicia, except the right to use in accordance with the terms of the Agreement, greater than Licensee already has and all uses by Licensee of any Licensed Indicia associated with the University. The Licensee, upon request from the University, shall provide the following for each Licensed Indicia and for each Licensed Article to the extent reasonably available to Licensee:
   (1) The date of the first sale of each Licensed Article,
   (2) Description of the Licensed Article and Licensed Indicia thereon, and
   (3) Name and address of the recipient of the initial distribution of the Licensed Article outside of South Carolina, the home state of the University.
E. Licensee acknowledges that its breach of this Agreement will result in immediate and irreparable damage to the University and that money damages alone would be inadequate to compensate the University. Therefore, in the event of a breach or threatened breach of this Agreement by Licensee, the University may, in addition to other remedies, immediately obtain and enforce injunctive relief prohibiting the breach or compelling specific performance.

XI. DISPLAY AND APPROVAL OF INDICIA
A. Licensee shall use the Licensed Indicia according to the requirements as specified in Appendix A. The proper symbol to identify the Indicia as a trademark as indicated in Appendix A shall be included on all uses of the Indicia unless written permission is granted by the University. Except when otherwise expressly authorized in writing by the University, Licensee shall not use the Indicia in combination with Indicia of any other college or university.
B. The University will provide to the Licensee guidance on the proper use of Licensed Indicia. Electronic versions of all Indicia specified in Appendix A will be supplied to the Licensee. A true representation or example of any proposed use of the Indicia listed in Appendix A, in any visible or audible-medium, and all proposed advertisements and promotional materials, in print or electronic form and including Internet uses, depicting Indicia or referring to Indicia in any manner shall be submitted at Licensee's expense to the University for approval prior to such use. Licensee shall not use any Indicia in any form or in any material disapproved by the University.
C. Licensee shall not attempt to obtain copyright rights for any artwork that contains the Licensed Indicia of the University without the express written authorization of the University.
XII. PROCEDURE AND PRODUCT APPROVAL
A. Licensee understands and agrees that it is an essential condition of this Agreement to protect the high reputation enjoyed by the University, and that the goods sold, promoted or advertised in association with any of the Licensed Indicia shall be of high and consistent quality, subject to the approval and continuing supervision and control of the University.
B. The standards, specifications and characteristics of each product to be sold under each of the Licensed Indicia are in Appendix B attached hereto, or in an attachment to Appendix B. Licensee agrees to adhere strictly to the agreed standards, specifications and characteristics for each product sold under each of the Licensed Indicia.
C. Prior to the production or sale of any product, Licensee shall submit to the University, at Licensee's expense, one sample of the product in Appendix B as it would be produced for sale. If the University approves the product, the product shall be accepted to serve as an example of quality for that item, and Licensee may continue production of the items in strict conformity with the sample that was submitted and the written description of the standards, specifications and characteristics for that product. Only items manufactured in accordance with the corresponding sample accepted hereunder, and which have substantially the same relative quality position in the marketplace as do the samples thereof, may be manufactured.
D. Licensee may only use the Licensed Indicia as depicted in Appendix A. Licensee may not modify the Licensed Indicia without the express written approval of the University. The use of Licensed Indicia in conjunction with original artwork supplied by the Licensee requires the express approval before submitting finished samples.
E. If the University notifies Licensee of any defect in any product, or of any deviation from the approved use of any of the indicia, Licensee shall have thirty (30) days from the date of notification from the University to correct the noted defect or deviation. Products in Licensee's inventory which contain defective qualities as deemed by the University shall not be sold or distributed, but if it is possible to correct all defects in the goods in Licensee's inventory, such goods may be sold after all defects are corrected.

XIII. NO JOINT VENTURE OR ENDORSEMENT OF LICENSEE
Nothing in this Agreement shall be construed to place the parties in the relationship of partners of joint ventures to agents and neither Licensee nor the University shall have the power to obligate or bind each other in any manner whatsoever. The University is in no way a guarantor of the quality of any product produced by Licensee. Licensee agrees that it shall neither state nor imply, either directly or indirectly, that the Licensee or its activities, other than pursuant to exercise of the Licensee herein, are supported, endorsed or sponsored by the University and shall issue disclaimers to that effect.

XIV. INFRINGEMENT
The University shall not be liable as the result of activities by Licensee under this Agreement for infringement of any patent, copyright, or trademark belonging to a third party, or for damages or costs involved in any proceeding based upon any such infringement, or for any royalty or obligation incurred by Licensee because of any patent, copyright or trademark held by a third party.

XV. INDEMNIFICATION AND INSURANCE
Licensee hereby agrees to be solely responsible for, to defend, and indemnify the University and their respective officers, agents and employees, and to hold each of them harmless from all liability claims, demands, causes of action or damages, including reasonable attorney's fees, caused by or arising from workmanship, material, or design of any Licensed Article or out of any action by the Licensee in using the Licensed Indicia in connection with the manufacture, sale, distribution, or any other use of the Licensed Activities. Licensee shall obtain, prior to the first sale of any Licensed Article, product liability insurance providing for the University as insured in amounts of coverage specified below against any claims, demands, or causes of action and damages, including reasonable attorney's fees, arising out of any alleged defects in such articles, or any manufacture to the University. The University shall be furnished with a certificate of such insurance reflecting the dates of coverage, and evidence thereof should be provided to the University on the renewal of said policy. Licensee agrees that such insurance policy or policies shall provide coverage of one million dollars ($1,000,000) for personal injuries arising out of each occurrence and coverage of one million dollars ($1,000,000) for property damage arising out of each occurrence. However, recognizing that the aforesaid amounts may be inappropriate with regard to specific classes of goods, it is contemplated that the University and Licensee may agree upon reasonable adjustment to the foregoing amounts. The University must confirm any adjustment in advance in writing.

XVI. RECORDS AND RIGHTS
Licensee agrees to keep accurate books, accounts and records covering all transactions to the License herein in a manner such that the information contained in the statement referred to in Section VIII-Statement, Payment, Penalties can be readily determined. The University and/or its duly authorized representatives shall have the right to examine such books, accounts and records and all other documents and material in Licensee's possession or under its control, with respect to the subject matter and terms of this Agreement, and shall have a reasonable amount of freedom and access thereto for such purposes and for the purpose of making copies and/or abstracts. Should an audit indicate an underpayment of ten (10) percent or more of the royalties due to the University under the terms of the Agreement, the cost of the audit will be paid by Licensee, along with the full amount of underpayment, within fifteen (15) days from receipt of a memorandum of charge from the University. All such books, accounts, and records shall be kept available for at least three (3) years after the termination of this Agreement.

XVII. TERMINATION
A. To the extent then permitted by laws, this Agreement shall be deemed terminated automatically, effective immediately, should any of the following occur:
1. Any voluntary or involuntary act of insolvency on the part of Licensee, including, but not limited to, an adjudication or insolvency, any filing under any provision of the Bankruptcy Act, the appointment of a receiver or trustee, an assignment for the benefit of creditors, or any bulk sale by Licensee for the payment of debts; or
2. Any attempt by Licensee to grant a sublicense or any attempt by Licensee to assign any right or duty under this agreement to any person, corporation, partnership, association, or any other third party, without the prior written consent of the University.
B. The University may terminate this Agreement, effective thirty (30) days from the date of written notice to Licensee, should any of the following occur:
1. Any failure by Licensee to account for and to pay to the University, within twenty (20) days of the due date, the royalties due for the period prior to the date when such accounting and payment are due; or
2. Any act or omission by Licensee for which any clause or paragraph of this Agreement provides for cancellation or termination; or
3. Any other breach by Licensee of any clause or paragraph of this Agreement for which cancellation or termination is not otherwise provided, unless within thirty (30) days, Licensee fully remedies such omission or breach.
4. Any act or omission by Licensee that should reflect unfavorably or embarrass or otherwise detract from high reputation of the University.

XVIII. EFFECT OF TERMINATION ON DISPOSAL OF INVENTORY
After termination of the Agreement, Licensee shall have no further right to manufacture, advertise, distribute, sell or otherwise deal in any Licensed Articles, and Licensee shall not use any Licensed Indicia or any derivation thereof nor any Indicia confusingly similar thereto, unless, expressly authorized by the University. Upon such termination, unless the same shall occur pursuant to Section XII-Procedure and Product Approval hereof, Licensee may dispose of Licensed Articles which are on hand or in process at the time of such termination for one hundred eighty (180) days thereafter provided all payments then due are first made to the University and statement of payments with respect to that one hundred eighty (180) day period are thereafter made in accordance with Section VIII hereof.
XIX. FINAL STATEMENT
If the University terminates the Agreement pursuant to Section XVII-
Termination, Licensee shall furnish to the University a statement showing the
number and description of Licensed Articles on hand or in process within
thirty (30) days after notice of termination is given.

XX. SURVIVAL OF RIGHTS
A. The terms and conditions of this Agreement necessary to protect the
rights and interests of the University in its Indicia including, but not
limited to, Licensee's obligations under Section XV-Indemnification
and Insurance, shall survive the termination of this Agreement for any
reason.
B. The terms and conditions of this Agreement requiring Licensee to furnish
the University with reports, statements, or accounts and payment of
monies due to the University, and providing the University with the
right to examine and make copies of Licensee's books and records to
determine or verify the correctness and accuracy of Licensee's reports,
statements, accounts, or payments shall survive the termination of this
Agreement.
C. All of the terms and condition of this Agreement, which provides for any
activity following the effective date of termination of this Agreement,
shall survive until such time as these terms and conditions have been
fulfilled or satisfied.

XXI. NOTICES
Unless the University gives notification of a change of address in writing, all
statements, payments, and notices of changes to Appendices or other elements
of this contract shall be made to:
Marketing Communications/Licensing Administrator
Coastal Carolina University
P.O. Box 261954
Conway, SC 29528-6054

All materials indicated in Section XXI-Notices shall be sent by first class
or priority mail. The postmark determines the submission date of all materials
described in this.

XXII. CONFORMITY TO LAW
A. Licensee undertakes and agrees that the manufacturing and sale of all the
Licensed Articles described in Appendix B shall be in conformity with all
federal, state and local laws, ordinances, regulations and rules.
B. Licensee undertakes and agrees to obtain and maintain all required
permits and Licenses at Licensee's expense.
C. Licensee undertakes and agrees to pay all federal, state and local taxes
that may be due on or by reason of the sale of Licensed Articles described
in Appendix B.

XXIII. SEVERABILITY
In the event any portion of this Agreement is declared invalid or
unenforceable for any reason, such portion is deemed severable here from and
the remainder of this Agreement shall be deemed to be, and shall remain,
valid and enforceable unless such validity or unenforceability tends to
deprive either party of the benefits to be provided by this Agreement, in
which case said deprived party shall have the option of keeping this
Agreement in effect or termination.

XXIV. JURISDICTION AND VENUE
Any litigation that might arise from this Agreement shall be conducted in
the 15th Judicial Circuit for the State of South Carolina or in the United
States District Court, Florence Division, at the option of the University.
The parties may pursue mediation, if both agree. This Agreement shall be
construed in accordance with the laws of the State of South Carolina.
Conflict of laws shall not apply to this Agreement.

XXV. MISCELLANEOUS
This Agreement contains the entire Agreement and understanding between the
parties hereto and cancels, terminates and
nullifies all other promises, agreements, warranties, covenants or
representatives, promises, agreements, warranties, covenants or
understandings other than those contained herein. None of the provisions
of this Agreement may be waived or modified, except expressly in writing
signed by both parties. However, failure of either party to object to [of] any
breach thereof shall not prevent subsequent enforcement of such terms and
shall not be deemed a waiver of any subsequent breach. The attached
Appendices are an integral part of this Agreement. Paragraph headings are for
convenience only and shall not add to or detract from any of the terms or
provisions of this Agreement.

SIGNATURES
LICENSEE

Authorized signature ____________________________
Date ____________________________
Print Name of Signee ____________________________
Title ____________________________
Address ____________________________
Federal ID number ____________________________
License contact ____________________________
Telephone ( ___________ ) ____________________________
Fax ( ___________ ) ____________________________
E-mail ____________________________

COASTAL CAROLINA UNIVERSITY

Authorized signature ____________________________
Date ____________________________
Name: David A. DeCenzo
Title: President, Coastal Carolina University
Address: P. O. Box 261954, Conway, SC 29528-6054
License contact(s): Anne Monk / Trenny Neff
Telephone(s): (843) 349-2017 / (843) 349-2102
Fax: (843) 349-2119
E-mail: monk@coastal.edu / tneff@coastal.edu
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Please list merchandise to be produced and imprinted by Licensee. Include specifications including materials, content, approvals, certifications and other pertinent information.