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TO: Board of Education

FROM: Kevin Lancaster

DATE: September 10, 2012

SUBJ: West Montgomery and LRG Prep (Walmart) License Agreement

Attached you will find the license agreement between West Montgomery High School and LRG Prep (Walmart).

I will be available to answer any questions you may have.

This is an action item and will require a vote.

LICENSE AGREEMENT

THIS LICENSE AGREEMENT ("Agreement") is by and between West Montclair High School (the "School") and LRG Prep, LLC, of 442 Century Lane, Suite 100, Holland, Michigan 49429 ("LRG"). For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the School and LRG agree as follows:

1. **Use of Marks.** The School gives LRG the non-exclusive right and a license to use its Marks and to authorize the distribution and sale of merchandise by vendors approved by LRG. "Marks" shall mean the School's school name, nicknames, mascots, logos, designs and graphics. "Products" shall mean all merchandise utilizing the School's Marks. LRG may place a tag, label, imprint, or other appropriate mark designating the Products as associated with a merchandising program of the National Federation of State High School Associations and/or state high school association.

2. **Payments.** The School will be paid a minimum royalty of fifty percent (50%) on Revenues received by LRG from the sale of Products. Royalties will be paid to the School within sixty (60) days after the end of each school year. "Revenues" means royalty income resulting from the sale of Products during the term of this Agreement, which is paid to LRG by third-party licensees. "Revenues" shall not include deductions made for commissions, freight, uncollectible accounts, costs incurred in the manufacture, sale, advertisement, or distribution of the Products, or any indirect or overhead expense.

3. **Booster Clubs.** Nothing in this Agreement shall prevent the School's bookstore, booster club, concessionaires, or similar entities from purchasing, selling, marketing or distributing Products.

4. **Termination.** This Agreement is effective upon execution by the School and will remain in effect with a perpetual term unless and until terminated in accordance with the provisions herein. The School may terminate this Agreement at any time by sending written notice to LRG. Upon termination, LRG and its vendors may continue to sell the existing inventory of Products, and after sale of the existing inventory LRG shall stop using the School's Marks.

5. **Use of Marks.** LRG will use manufacturers and vendors to produce and distribute the Products in a manner that maintains the integrity, character, and reputation of the School. To serve as example only and without limitation, distribution channels for Products may include large retailers such as Walmart, drug stores such as Walgreens, sporting goods stores and online retailers. The School authorizes its Marks to be used for manufacture and distribution by LRG's vendors and in order to perform rights under this Agreement can be assigned or sublicensed by LRG.

6. **Ownership.** LRG is not obtaining any ownership of the Marks, and except as licensed to LRG by this Agreement, all rights in the Marks will be retained by the School. The School represents to LRG that it is the owner of all rights in the Marks, that it has the right to license the Marks to LRG.

7. **Miscellaneous.** This Agreement is the entire understanding between the School and LRG. This Agreement supersedes all previous understandings or agreements, oral or written, between the School and LRG, and cannot be modified except by a written agreement signed by the School and LRG. The signatory below has the authority to enter into this Agreement on behalf of School.

The following signature represent the parties have read this Agreement in its entirety and by their execution below, the parties have agreed to all the terms and conditions of this Agreement.

West Montgomery High School
[School Name]*

LRG Prep, LLC

Signature: Jack Cagle

Name: Jack Cagle
(Please Print)

Title: Principal

Date: 3/20/12

Address: 147 Warrior Drive
Mt. Gilead, NC 27306

Email Address:

Jack.Cagle@montgomery.k12.nc.us

Please return this signed agreement by
mail, fax or email to:

LRG Prep, LLC
442 Century Lane, Suite 100
Holland, Michigan 49423

Fax: (616) 395-2517
Email: Agreement@LRGPrep.com

*If you represent more than one school
please list them below:

[School 2]

[School 3]

Signature: Cindy Sweet

Name: Cindy Sweet
(Please Print)

Title: Assist. Principal / Athletic Dir.

Date: 3/20/12
Cindy.Sweet@montgomery.k12.nc.us.