



Pel Industries, Inc.

2001 Town West Drive • Rogers, Arkansas 72756 • (800) 643-3055

March 7, 2011

NELSON COUNTY SCHOOL DIST
ATTN: TIM HOCKENSMITH
288 WILDCAT LANE
BARDSTOWN, KY 40004

This letter is sent to you in regards to the proposed license agreement attached.

Pel Industries, Inc. is a wholesale manufacturer producing high quality apparel (tee shirts, hooded pullovers, sweat pants, shorts, headwear, etc.). We have retailers in your community (Walmart, Kmart, etc.) that are interested in having merchandise bearing your school's name and/or logo in their stores. We are asking for your permission to use your school's name and/or logo(s) on our merchandise provided to our retail customers. By granting permission (and signing our license agreement) we will send royalties generated from this product to your school.

Pel will donate an 8% royalty on the net sales price of merchandise bearing your school's name and/or logo(s) directly back to your school. This agreement is a non-exclusive license that may be canceled at any time by either party. Pel will continue to provide a donation to your school on an ongoing basis based on royalties earned from all future sales of licensed merchandise, until such time as either you or Pel terminates this licensing agreement.

This is a great way for your school to earn money without any cost or expense to the school or the school district. The potential dollars to be paid to your school could be substantial. These large retailers provide easy access to a wide range of customers that will purchase your school's branded apparel and now your school will be able to benefit from these sales just like universities and professional sport leagues have done for years.

If your school or school district already has a licensing program in place, Pel would welcome the opportunity to review your existing contract and sign that agreement in lieu of our proposed document. If your school has a contract with a licensing agent, please let us know this as well as we can work through these agents to provide your school's products to retailers.

We are very pleased to have the opportunity to work with your school in promoting school spirit and community pride. If you have any questions, please do not hesitate to contact us at 1-800-643-3055 and ask for Laura (ext. 104) or Darla (ext. 105).

You may mail the enclosed agreement to: Pel Industries, Inc.
2001 Town West Drive
Rogers, AR 72756

Or Fax to: 1-888-556-2936



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LICENSING AGREEMENT

March 7, 2011

NELSON COUNTY SCHOOL DIST
288 WILDCAT LANE
BARDSTOWN, KY 40004

Pel is a manufacturer of apparel, headwear, and other merchandise. The purpose of this agreement is to request your school's participation in Pel's production of licensed merchandise for your school. Pel will donate an 8% royalty on the net wholesale price of merchandise bearing your school name and/or logo(s) to your school. By accepting this offer, you are granting to Pel a non-exclusive license to print your school name and/or logo(s) on merchandise, including without limitation shirts, hats, and other apparel and headwear ("licensed merchandise"), and to sell such merchandise to its retail customers, who may sell such licensed merchandise to their customers. This is a one year contract that begins with the date you sign below and automatically renews each year unless either party terminates. Termination will become effective upon written advance notice of ninety days. Any existing inventory will be allowed to be sold through at the time of termination.

Pel takes great pride in the quality of the products it sells. Pel commits itself to providing only high-quality merchandise bearing your school name and/or logo(s). You may, at any time, request a representative sample of the products sold for inspection (samples may not have your school name and/or logo(s) used).

By accepting this offer, you represent that you have the authority to enter into this licensing agreement on behalf of your school. This agreement shall be binding upon the respective successors, heirs, and assigns of each party. No waiver by either party of a breach shall be construed as the waiver of any subsequent breach. This agreement contains the entire understanding between the parties concerning its subject matter, and no modification is binding unless in writing and signed by the party to be bound.

We are very pleased to have the opportunity to work with your school in promoting school spirit and community pride. If you have any questions, please do not hesitate to contact me.

Best regards,

Chris Dubbell
President
Pel Industries, Inc.

Agreed by:

Signature: _____

Title: _____

Printed Name: _____

Date: _____



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FREQUENTLY ASKED QUESTIONS

Q: Why does our school need to license?

To help offset budget cuts and review loss. A licensing program will compensate your school for the use of your name and logos. This is an opportunity to generate new revenue for the school's general fund.

Q: How much will it cost the school?

Nothing.

Q: Should my school trademark our logo?

Yes, your school should protect it's logo but it is not required. We can recommend options for you if interested.

Q: What if our logo is identical to a college or pro logo?

Your school should begin the process of modifying the logo in use and eventually create your own logo. Pel cannot use a logo if it has been registered and is owned by someone else besides your school.

Q: Is this an exclusive agreement?

No, this is a non-exclusive agreement that can be canceled at anytime.

Q: What is the length of this contract?

The term is 1 year from the date you sign the agreement and is automatically renewed each year unless either party terminates for any reason with at least 90 days notice.

Q: Will this require our booster club to have a license?

No, the booster club will not need a license and can operate as normal. If interested booster clubs can contact us directly to see if we can build them a merchandising program at lower cost to the club and with differentiating products.

Q: What if we have an existing licensing program in place?

Please send us your existing agreement for our review. We do not require your school to use our agreement if you wish to participate. If your school is signed up with a licensing agent please let us know the company name of your agent so we can contact them about obtaining a license through their company.

Q: How do we make sure our logo and colors are being used accurately?

Once you are signed up with Pel we research all our schools for proper logos and colors. It is not necessary but we would prefer for the school to send us their art and color information.

Q: How will the school be paid?

Pel will send your school an accounting report of where goods were sold and when. Pel will pay your school 8% royalty no later than 30 days after the end of each quarter when merchandise was sold. Available payment dates based on quarterly reporting would be: Jan. 31, April 30, July 31, October 30

Q: Who is Pel Industries?

Pel is a manufacturer of printed sportswear and gear. Our customers are major retail chains across the U.S. We specialize in providing customized programs for each retail outlet.

Q: How do we get signed up?

Review the enclosed license agreement, sign it and return it. You may fax it to 888-556-2936 or mail to:

Pel Industries

2001 Town West Drive

Rogers, AR 72756

***For additional questions about the program please call Darla (ext. 105) or Laura (ext. 104): (800)-643-3055
Or email to info@pelindustries.com***