

ATA SUB-LICENSE AGREEMENT FOR TEAM PRIDE

This Agreement is being entered into as of this _____ day of _____, 20____, by and between American Taekwondo Association, Inc., an Arkansas corporation with its principal place of business located at 6210 Baseline Road, Little Rock, Arkansas 72209 (hereinafter referred to “ATA”) and _____ an individual whose physical school address is _____ (hereinafter referred to as “Team PRIDE Operator”) as it relates to use of intellectual property related to martial arts programs owned and developed by ATA.

WHEREAS, ATA has developed a form of Taekwondo known as Songahm Taekwondo which has become internationally recognized; and

WHEREAS, ATA has a proprietary interest in the forms of Songahm Taekwondo, trade names, trademarks, copyrights and associated intellectual property useful in the instruction of martial arts (the “Intellectual Property”); and

WHEREAS, Team PRIDE is a 501(c)(3) non-profit organization and Operator desires to utilize the Intellectual Property for the purpose of teaching Songahm Taekwondo to approved low-income students at Team PRIDE Approved Locations.

THEREFORE, based upon the following promises, conditions, and restrictions the parties agree as follows:

1.0 ATA hereby grants to Operator a Sub-License for a non-exclusive right to use the Intellectual Property (the “Sub-Licensed Rights”), subject to termination of such grant as set forth in Operator’s ATA License Agreement.

1.1 Operator acknowledges ATA owns exclusive right, title, and interest in and to the Intellectual Property and the Licensed Rights and Operator will not at any time do or cause to be done any act or thing contesting or in any way impairing or tending to impair any part of such right, title and interest. In connection with the use of said Intellectual Property, Operator shall not in any manner represent that Operator has any ownership of the Licensed Rights and that such Operator’s use of the material shall not create in such Operator any rights, title or interest in or to the Intellectual Property. When Operator is making use of the Intellectual Property as permitted under this Agreement, Operator will insure that all Intellectual Property is protected from unauthorized use and will indicate that ATA is the owner of the Intellectual Property.

2.0 The Sub-Licensed Rights are limited to the approved Team PRIDE Location and approved Team PRIDE students at the Operator’s location only. If Operator has territory set out in Operator’s ATA License Agreement, then that territory controls this Agreement as well.

3.0 During the term of this Agreement, Operator will not provide instruction in any form of martial art except Songahm Taekwondo and other approved curriculum unless ATA agrees in writing. Operator will not permit any other business operation to be conducted in conjunction with the martial

arts school (*i.e.*, aerobics, gymnastics) unless prior written approval has been obtained from ATA, and ATA agrees not to unreasonably withhold such consent.

4.0 ATA agrees that Team PRIDE will not pay testing or ATA membership fees on approved Team PRIDE students. Master Jordan Schreiber will have a list of all Team PRIDE Members at each approved location, and will provide this list to ATA.

5.0 Operator shall not be required to purchase any specific products, but shall only be allowed to utilize such mark on products purchased from ATA or authorized distributors, except for ATA t-shirts for Operator's location.

5.1 Operator will be permitted to purchase stationary and other related supplies from any source and utilize the licensed marks set forth herein and contain the words "**Independently Owned and Operated.**"

5.2 Also, Operator may purchase tee-shirts for tournaments utilizing the licensed marks either from ATA Authorized Distributors or to have them produced elsewhere.

6.0 Operator hereby agrees to indemnify and hold harmless ATA, its owners, officers, employees, and agents, against all losses, damages and expenses, including attorneys fees, incurred as a result of or related to any and all claims alleged or actually suffered by third parties relating to injuries alleged or actually suffered by any person or entity relating as the result of any business being operated by Operator. Operator will include the statement that this location is "**Independently Owned and Operated**" on all advertising and written material. The above statement set forth above will be prominently displayed at the above licensed location and at all events sponsored by Operator (*i.e.*, testing or tournaments). All contracts entered into by Operator and any third party will contain a clause specifically setting forth that ATA is not a party to the Agreement.

7.0 Operator must show proof of insurance under Operator's ATA License. Operator may choose to take advantage of the Professional and General liability insurance coverage available through ATA. If Operator chooses not to receive this insurance coverage through ATA it must show proof of insurance through another source. ATA must be shown as a certificate holder and as an additionally insured on any policy not held through ATA Headquarters.

8.0 This Agreement does not create an agency, joint venture, or partnership between the parties. Operator is an independent contractor and neither party is authorized to enter into a contract, warranty, or representation on behalf of the other party. This Agreement is not intended to create a franchise within the meaning of the Federal Trade Commission or any state franchise law or regulation.

9.0 Operator will utilize the services of ATA for all-ATA rank testing, and such testing shall be in accordance with the Intellectual Property. Each testing must be reported to ATA HQ within the specified time period referenced in Operator's ATA License Agreement.

10.0 During the term of this Agreement, **Operator shall not operate a martial arts facility that is not subject to this or another Agreement with ATA.** This restriction applies not only to direct operation, but also indirect operation (as an employee, shareholder, partner, or joint venturer). ATA intends to restrict the activities of Operator under this Agreement. Both parties agree that such restriction is necessary to protect the business interest of ATA. Should this provision be deemed too

broad by a court of competent jurisdiction, this provision shall nevertheless be valid and enforceable to the extent necessary for such protection as determined by the court.

11.0 The term of this Agreement shall commence upon execution by all the parties to this Agreement and shall coincide with Operator's ATA License Agreement.

11.1 ATA requires that Operator meet the current ATA licensee requirements and Team PRIDE Requirements of Master Jordan Schreiber before renewal is complete.

12.0 ATA may terminate this Sub-license Agreement at any time for a material default or breach of Operator's ATA License, as set out in Section 14.0 of Operator's ATA License Agreement.

13.0 ATA **may** terminate this Agreement without giving advance notice and without giving an opportunity to cure under Section 15.0 of Operator's ATA License Agreement:

14.0 Upon termination of this and/or Operator's License Agreement the following provision shall apply:

14.1 All monies owed by Operator to ATA will immediately become due and payable.

14.2 All Licensed Rights granted under this Agreement shall terminate.

14.3 Operator shall cease using any names associated with ATA.

14.4 Operator will cease using all supplies and items pertaining to the Licensed Rights, including, without limitation, the Instructor Manual.

14.5 Operator will cease instructing martial arts using the Songahm Taekwondo forms or utilizing the Intellectual Property in any way.

15.0 This Sub-License Agreement shall not be assigned. If Operator sells his ATA License, then new licensee can fill out a new Sub-License agreement if he or she meets requirements for Team PRIDE and ATA.

16.0 All notices to be given under this Agreement are to be in written form. Any notice to ATA shall be sent to: American Taekwondo Association, P.O. Box 193010, Little Rock, Arkansas, 72219, Attention: Chief Executive Officer. Any notice to Operator shall be sent to the address appearing on the signature page to this Agreement. Either party may modify their address for notices to be sent by so instructing the other party in writing. Notices shall be deemed delivered 3 (three) days after posing if sent by regular mail, pre-paid, or upon actual receipt if sent by other form (next day delivery, registered mail, etc....) or upon personal delivery if delivered by hand.

17.0 This Sub-License Agreement works in accordance with Operator's ATA License may not be changed except by changing original ATA License.

18.0 This Agreement shall be interpreted pursuant to the Laws of the State of Arkansas.

19.0 Should any term or condition of this Agreement be found to be invalid or unenforceable by a court of competent jurisdiction, the remaining terms and conditions of this Agreement shall remain in full force and effect.

20.0 Should either party bring legal proceedings to enforce the terms and conditions of this Agreement, the prevailing party shall be entitled to recover all of its reasonable expenses, including attorney fees, costs, and other expenses reasonably and necessarily incurred.

21.0 It is expressly agreed that all covenants and conditions relating to the rights and obligations of ATA and Operator subsequent to the termination of this Agreement shall survive the termination of this Agreement.

22.0 If Operator chooses to change its physical address, the Operator must notify ATA and sign a new Agreement. This is required so that ATA can keep licensee's address accurate and documented.

23.0 By signature below, any person executing this Agreement on behalf of a corporation, partnership, limited liability company or any other legal entity represents that such person has the authority to do so.

24.0 As referenced herein, ATA shall refer to all affiliated and related entities of American Taekwondo Association, Inc., specifically World Traditional Taekwondo Union, Inc., Superior Credit Services, Inc., World Martial Arts Supply, Inc., Songahm Taekwondo Federation, Inc. and the divisions of each.

This Agreement is being executed by the parties on the date set forth next to the signature herein below.

“ATA”

American Taekwondo Association, Inc.

By _____

_____ Date

Name: _____

Title: _____

“OPERATOR”

Signature: _____

_____ Date

Name: _____

Address