

# NATIONAL SCOUTING REPORT LICENSE AGREEMENT

THIS AGREEMENT is made and entered into as of this \_\_\_\_\_, by and between NATIONAL SCOUTING REPORT, INC, an Alabama corporation ("NSR"), and \_\_\_\_\_ (also referred to as "Licensee").

## INTRODUCTION

NSR has developed unique programs intended to expose high school students to college and university recruiters. NSR has also developed a successful marketing plan, including procedures, formats, and products for the purpose of soliciting and obtaining prospects for a scouting and exposure business.

Licensee desires to enter into a high school scouting and exposure business (The Business). In order to commence the Business, Licensee desires to obtain rights to utilize the NSR Plan and receive training from NSR, and NSR agrees to provide the Plan and such training, upon the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants and agreements set forth herein, the parties hereto hereby agree as follows:

### 1. GRANT OF LICENSE.

Subject to the terms and conditions set forth herein, NSR hereby grants to Licensee during the term of this Agreement a license to use the Plan in connection with the operation of the Business. National Scouting Report, Inc. is an Alabama corporation and the only corporate business. Licensee hereby covenants that it will truthfully represent the services being offered by NSR as contained in all NSR prospect agreements. Licensee also acknowledges that its rights to the NSR Plan are subject to the limitations contained in this agreement.

The term of this agreement shall be defined as the time from which the signed contract and payment are received by NSR to that time which the agreement is terminated through transfer of license by licensee or default of licensee under this Agreement as set forth in paragraph 13 herein.

### 2. TERRITORY.

Licensee is awarded the rights to operate the business within the following marketing area:

\_\_\_\_\_  
NSR agrees not to appoint any other licensee within this marketing area so long as the area is producing a minimum of 25 prospect sales for the first year and 50 prospect sales annually thereafter. This quota will begin effective 90 days from the date of training (\_\_\_\_). This figure is based on what NSR considers to be less than 10% of the minimum number of qualified prospects for its service in the area each year. If the required quota is not consummated in the area each year, NSR may, at its option, appoint another licensee in the area. Licensee agrees that it holds no exclusive rights to the area and that NSR is under no obligation, financial or otherwise, to the licensee so long as all quotas and provisions of this agreement have not been met. NSR at its discretion may allow licensee to continue operating the business as usual, however, NSR shall have the option to appoint a new licensee without obligation or notice if the quota is not satisfactorily met. If the required quota is consummated in the area each year, NSR agrees that the Licensee continues to hold exclusive rights to the marketing area and that NSR shall not appoint another licensee in the marketing area.

### 3. FEES.

The license fee for the Plan is \$30,000.00. This amount is to be paid in full before arrival for training. This Agreement will be considered consummated at the time NSR receives the signed contract and payment.

### 4. TRAINING.

Training shall be conducted at NSR National headquarters, 128 Total Solutions Way, Alabaster, AL, or a site mutually agreed upon. The training program will include a standard orientation of the scouting business, NSR policies and procedures, successful prospecting and scouting methods, interviewing and sales procedures, advertising methods, recruiting and managing scouts and other personnel, pay plans, orientation of college athletic scholarships, academics and financial aid. Except for the purchase price, Licensee shall not be required to make any direct payments to NSR with respect to the Plan or any other services to be rendered by NSR. The training program will be offered free of additional charge, but Licensee shall bear the costs of travel to and from training. Lodging and meals will be provided by NSR, not including personal expenses of the person attending the training. If more than one person attends, a fee of \$200 per additional person will be added.

## **5. SUPPORT.**

NSR shall provide unlimited ongoing telephone consultation, support and assistance to Licensee as and when requested by Licensee during regular business hours throughout the term. NSR shall also provide assistance to Licensee's operation of the Business by providing updated memoranda regarding the scouting industry and new products and services which may be available to clients of Licensee. NSR may also provide national advertising and exposure through the "Internet" system, media releases, coaches conventions, college direct mailings, FAX mail promotions, and other various forms of recognition programs.

## **6. THE PLAN.**

During the training, NSR shall provide Licensee with a copy of its confidential operations manual, together with certain other confidential trade and operating procedures and methods. NSR will also provide a manual containing certain reference, background and promotional materials about the scouting business and NSR. Included will be letters to NSR from colleges and clients, examples of promotional materials and statistical information. This information is the property of NSR and may not be copied without the written permission of NSR. At the expiration or termination of this agreement Licensee shall return to NSR all documents and other materials received or created from materials received from NSR (including all full or partial copies of those documents and materials).

## **7. ADVERTISING.**

Licensee shall independently do business under its own name (or fictitious business name) and account in offering its scouting services to the public. Licensee may represent that it provides services offered by NSR. Licensee shall submit copies of all of its advertising and promotional material to NSR at least seven (7) days prior to publication or dissemination so that NSR may determine whether such materials comply with NSR policies. NSR will make all reasonable efforts to respond to Licensee within 24 hours of receipt for these requests by the Licensee. Any failure of NSR to promptly respond to any materials in violation of its policies shall not constitute a waiver of any right of NSR hereunder. The NSR policies referenced in this paragraph are as followed:

NSR will provide advertising/sponsorship money and or supplies for National and State events. These expenses must be pre-approved by NSR. National events held will be covered at 100% and State events will be covered at 50%. NSR has banners and a display booth available for loan for these events with adequate notice for shipping.

## **8. LICENSEE'S OPERATIONS.**

During the term of this Agreement, Licensee may operate its business in any manner it deems appropriate, except that such operations shall not be inconsistent with NSR policies and Licensee shall comply with all applicable federal, state, and local laws and shall not make any misrepresentations or promises that cannot be fulfilled. Licensee agrees not to offer or enter into any business in direct competition with NSR during the term of this agreement.

## **9. INDEMNIFICATION.**

Licensee agrees to defend at its own cost and to indemnify and hold harmless NSR, its shareholders, directors, officers, employees, affiliates and agents, from and against any and all loss, costs, expenses (including reasonable attorney's fees), damages and liabilities, however caused, resulting directly or indirectly from or pertaining to the operations of the Business of Licensee and/or material breach of this Agreement.

NSR agrees to indemnify licensee, its shareholders, directors, officers, employees, affiliates and agents from and against any and all loss, costs, expenses (including reasonable attorney's fees), damages and liabilities, however caused, resulting directly or indirectly from or pertaining to NSR's operations of the Business and/or material breach of this agreement.

Under no circumstance shall the parties to this Agreement be liable to each other for indirect, consequential, special, or exemplary damages. The liability of the parties to each other under any circumstances shall not exceed \$30,000.00 the amount of this Agreement.

## **10. TRANSFERABILITY OF INTEREST.**

### **A. Transfer by NSR**

This Agreement is fully assignable by Licensee provided that quota of prospect sales has been consummated in the area. This quota shall apply on transfers or sales after any partial year of lapsed time of licensee ownership. If the quota is not met, a value of \$600.00 shall be placed on each prospect agreement short of the quota. This amount shall be deducted from the licensee's share of the sale or transfer of the business. It is the licensee's responsibility to obtain any new buyer for the business. However, licensee may request that NSR sell his

business and if NSR does, it will be paid an additional 30% of the sale.

**B. Transfer by Licensee**

This Agreement is fully assignable by Licensee, provided that all of the following conditions are fulfilled:

- (a) All of Licensee's accrued monetary obligations to NSR, if any, shall have been satisfied;
- (b) Licensee shall have executed a general release in a form satisfactory to NSR effective as of the date of transfer, of any and all claims against NSR and its officers, directors, shareholders, and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state, and local laws, rules, and ordinances;
- (c) The transferee purchaser shall enter into a written assumption agreement in a form satisfactory to NSR, assuming and agreeing to discharge all of Licensee's obligations under this Agreement prior to and after the date of the assumptions;
- (d) The transferee purchaser shall demonstrate to NSR's satisfaction that it meets NSR's reasonable educational, managerial, and business standards; possesses a good moral character, business reputation, and credit rating; has the aptitude and ability to operate the Business (as may be evidenced by prior related business experience or otherwise); and has adequate financial resources and capital to operate the Business;
- (e) The transferee purchaser shall execute NSR's then current standard form license agreement and other ancillary agreements as NSR may require.
- (f) At transferee purchaser's expense, and upon such other terms and conditions as NSR may reasonably require, the transferee purchaser or its manager shall complete the training course then in effect for Licensees;
- (g) Either Licensee or the transferee Licensee shall pay to NSR a transfer fee of 25% of the current contract fee to cover NSR's administrative, training and other expenses in connection with the transfer; and
- (h) Licensee shall not sell sub-licensees or agents exclusive areas whereas such sub-licensee or agent is required to pay more than \$500, unless otherwise specified in this agreement. NSR shall not be obligated in any way to any sub-licensee or sub-agent. NSR will only recognize the licensee in regards to any obligations or communication.

**11. PROTECTION OF PROPRIETARY RIGHTS.** Licensee acknowledges NSR's right, title and interest in and to the NSR Plan, along with the identification schemes, standards, specifications, operating procedures, and other concepts embodied in the Plan. Except as expressly provided by this Agreement, Licensee shall acquire no right, title or interest therein, and any and all goodwill associated with the Plan and the NSR Trademark shall inure exclusively to NSR's benefit.

Licensee acknowledges and agrees that many items and the information included in the Plan constitute trade secrets of NSR which are revealed to Licensee in confidence. Licensee agrees to adhere fully and strictly to all confidentiality of such information and to exercise the highest degree of diligence in safeguarding NSR's trade secrets during and after the term of this Agreement. Licensee shall divulge such material only to Licensee's employees and agents only to the extent necessary to permit the effective operation of its Business. Licensee agrees that it will not, at any time during the term of this Agreement or at any time thereafter: (i) use or attempt to use any or all of the Trademark or any name or mark similar to the Trademark or use or attempt to use any or all portions of the Plan in connection with any other entity or business in which it has an interest, direct or indirect, or as any part of the name of the entity operating a similar business, including any corporation, partnership, limited liability company or sole proprietorship; (ii) disclose, duplicate, reveal, sell or sublicense any or all portions of the Plan or of the Trademark or seek to transfer any rights therein, except as authorized in this Agreement; or (iii) directly or indirectly, commit an act of infringement or contest or aid in contesting the validity or ownership of the Trademark or take any other action specifically in derogation thereof. Licensee acknowledges and agrees that NSR may at its discretion develop new programs and services, change present programs and services and regulate prices of its services from time to time so long as commission percentages to the licensee remains constant. NSR may also change its policies and procedures regarding the operation of its business as it deems necessary.

**12. RELATIONSHIP OF THE PARTIES.**

In all matters pertaining to the operation of the Business, Licensee is and shall be an independent contractor. No employee of Licensee shall be deemed to be an employee or agent of NSR. Nothing herein contained shall be construed to create a partnership, joint venture or agency between Licensee and NSR. Neither party hereto shall be liable for the debts or obligations of the other unless expressly assumed in writing. Licensee does not have, and shall not hold itself out as having, any right, power or authority to create any contract or obligation, either express or implied, on behalf of, or in the name of or binding upon NSR with the exception of current and

future authorized and approved prospect agreements between NSR and the prospect.

13. DEFAULT

A. Termination

NSR may elect without prejudice to any other rights or remedies which it may have hereunder, at law or in equity to terminate this Agreement and Licensee's rights hereunder upon occurrence of any of the following, which shall constitute a default by Licensee under this Agreement:

- (i) Licensee's failure to fulfill all of the terms and conditions of this Agreement in any material respect, including but not limited to the prompt payment of any sum due by virtue of this Agreement.
- (ii) Licensee's abandonment of the Business by failure to operate same for six (6) consecutive months unless such failure to operate is due to fire, flood, earthquake or other similar causes beyond Licensee's control.
- (iii) Any affirmative act of bankruptcy or insolvency by Licensee or the filing by Licensee or a third party of any petition or action in bankruptcy or insolvency, or the failure to vacate or dismiss any such proceedings within sixty (60) days after filing, or the appointment of a receiver for Licensee or any part of its property, or any assignment for the benefit of creditors of Licensee, if not dismissed within fifteen (15) days of appointment or assignment, as the case may be; or Licensee is not paying its debts as they become due, or otherwise contesting in good faith, or the sum of Licensee's debts is greater than all of Licensee's assets.
- (iv) Any attempted transfer of the Licensee in violation of the policy stated herein;
- (v) Any misrepresentation by Licensee relating to the Business or conduct by Licensee which reflects materially and unfavorably upon the operation and reputation of NSR or the Plan;
- (vi) Licensee's failure to fulfill quota obligations as stated in Section 2 of this contract.

B. Obligations Upon Termination

Upon termination of this Agreement, Licensee shall forthwith:

- (i) Cease using the Plan in the Business and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former independent contractor of NSR;
- (ii) Immediately and permanently cease to use, by advertising or in any manner whatsoever, any equipment, materials, confidential methods, procedures, and techniques associated with the Plan; and
- (iii) Turn over to NSR the operations manual and all copies of all records, files, instructions, correspondence, agreements, and any and all other materials relating to the business operated hereunder in Licensee's possession, and all copies directly related to correspondence with NSR, (all of which are hereby acknowledged to be NSR's sole property).

14. ENFORCEMENT.

NSR shall be entitled, without bond, to the entry of temporary and permanent injunctions and orders of specific performance enforcing the provisions of this Agreement relating to (i) Licensee's unauthorized use of the NSR Trademark; (ii) the obligations of Licensee upon termination or expiration of this Agreement; (iii) an assignment or transfer of the Business or any ownership interest therein; and (iv) as necessary to prohibit any act or omission by Licensee or its employees that would constitute a violation of any applicable law, ordinance, or regulation, or which is dishonest or misleading to NSR and/or NSR other purchasers or licensees.

15. NOTICES.

All notices, requests, demands, payments, consents and other communications hereunder shall be transmitted in writing and shall be deemed to have been duly given when sent by registered or certified United States mail, postage prepaid, return receipt, addressed as follows:

NSR:	National Scouting Report 128 Total Solutions Way Alabaster, Alabama 35007 1-800-354-0072 1-800-953-9006 fax	Licensee: _____ Address: _____ SS#: _____ Phone: _____
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16. RANGES OF EARNINGS STATEMENT.

NSR makes no guarantee of earnings or has or will provide Licensee with statements concerning range of earnings. Licensee enters into this agreement at its own risk for any and all losses which it may incur.

**17. NO BUY-BACK OR SECURITY AGREEMENT.**

Licensee acknowledges that NSR is providing no "buy-back", "protection" or "secured investment" arrangement of any nature whatsoever which would serve to protect Licensee from the loss of any purchases or payments hereunder. Subject to the provisions of this agreement, all licenses issued hereunder are final.

**18. LICENSEE'S REPRESENTATIONS.**

Licensee hereby represents and warrants to NSR that it is acting freely and voluntarily in entering into this Agreement and that Licensee is not relying on any representation or statement made by NSR or NSR's representatives which are not included in this Agreement or in the written disclosure and information documentation which have been received by Licensee.

**19. MISCELLANEOUS.**

**A. Further Acts.**

The parties agree to execute such other documents and perform such further acts as may be necessary or desirable to carry out the purposes of this Agreement.

**B. Heirs and Successors.**

This Agreement shall be binding upon and inure to the benefit of the parties, their heirs, successors and assigns.

**C. Entire Agreement.**

This Agreement represents the entire understandings between the parties and supersedes all other negotiations, agreements, representations and covenants, oral or written, other than any other agreement executed by NSR and Licensee in connection herewith. This Agreement may not be modified or executed by a written instrument signed by both NSR and Licensee. Licensee acknowledges and agrees that NSR has made no promises or warranties to Licensee concerning the profitability or likelihood or success of the business, that he has been informed by NSR that there can be no guarantee of success of the business, that he has been informed by NSR that there can be no guarantee of success in the licensed business and that Licensee's business ability and aptitude are primary in determining his success. The parties intend this Agreement to be the entire integration of all of their agreements of any nature. No other agreements, representations, promises, commitments or the like, of any nature exist between the parties, except as set forth or otherwise referenced herein.

**D. Waiver.**

Failure by either party to enforce any rights under this Agreement shall not be construed as waiver of such rights. Any waiver, including waiver of default, in any one instance shall not constitute a continuing waiver or a waiver in any other instance. Any acceptance of money or other performance by NSR from Licensee shall not constitute a waiver of any default except as to the payment of the particular payment or performance so received.

**E. Attorneys' Fees.**

If NSR has to commence any legal action against Licensee party arising out of or in connection with this Agreement, NSR shall be entitled to have and recover from Licensee its reasonable attorneys' fees and costs of suit in enforcing this agreement. If Licensee has to commence any legal action against NSR arising out of or in connection with this Agreement, Licensee shall be entitled to have and recover from NSR its reasonable attorneys' fees and costs of suit in enforcing this agreement.

**F. Governing Law; Venue.**

This Agreement shall be governed by and construed in accordance with the internal laws of the State of Alabama; however, if this Agreement concerns a business located in a state other than such state and the laws of that state require terms other than those or in addition to those contained herein, then this Agreement shall be deemed modified so as to comply with the appropriate laws of such state, but only to the extent necessary to prevent the invalidity of this Agreement or any provision hereof the imposition of fines or penalties, or the creation of civil or criminal liability on account thereof. Any provision of this Agreement which may be determined by competent authority to be prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of the prohibition or un-enforceability without invalidating the remaining provisions of this Agreement. Any invalidity of any portion of this Agreement shall not affect the validity of the remaining portion and unless substantial performance of this Agreement is frustrated by any such invalidity, this Agreement shall not invalidate the provision or render it unenforceable in any other jurisdiction. To the extent permitted by applicable law, Licensee waives any provision of law which renders any provision of the Agreement prohibited or unenforceable in any respect. NSR and Licensee agree that the sole venue for any lawsuits between NSR and Licensee shall be in any state or federal court within the State of Alabama. Licensee hereby submits to the jurisdiction of such courts and waives any objection it may have to those courts based on an alleged lack of personal jurisdiction.

**G. Counterparts.**

This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

**H. Severability.**

In the event that any term or provision in this Agreement is held to be invalid, void, illegal or unenforceable in any respect, the Agreement shall not fail, but shall be deemed amended to delete the void or unenforceable term or provision, and the remainder of this Agreement shall be enforced in accordance with its terms and shall not in any way be affected or impaired thereby. In the event that any term or provision of this Agreement is held to be unreasonable, the same shall not fail, but shall be deemed amended only to the extent necessary to render it reasonable, and the parties agree to be bound by the same as thus amended.

Executed at: 128 Total Solutions Way

**ACKNOWLEDGED, READ, ACCEPTED:**

Executed in and accepted in:

Alabaster  
(City)

Shelby  
(County)

Alabama  
(State)

\_\_\_\_\_  
Date

LICENSEE (S)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Signature)

NSR: National Scouting Report, Inc.

\_\_\_\_\_  
(By)

# ADDENDUM

## ARBITRATION AGREEMENT

READ COMPLETELY BEFORE SIGNING

In connection with the attached License Agreement , the undersigned and National Scouting Report mutually covenant, stipulate and agree, in connection with the resolution of any dispute arising out of or relating to or concerning all of the contract(s) and agreements entered into by the parties of and concerning the relationship or duties of the parties, and business relationships resulting therefrom, that the agreements evidence transactions involving and affecting interstate commerce. The undersigned agree that all disputes not barred by applicable statutes of limitations, whether denominated as a claim, counter-claim, cross claim or third party claim, resulting from or arising out of or relating to or concerning the transaction entered into (including but not limited to: the terms of this agreement and all clauses herein contained, their breadth, scope and interpretation, and any term of any agreement contemporaneously, previously or hereafter entered into by the parties; the representations, promises, undertakings, warranties or covenants made by National Scouting Report) shall be submitted to **BINDING ARBITRATION**, pursuant to the provisions of 9 U.S.C. Section 1, et seq. and according to the Commercial Rules of the American Arbitration Association (the AAA) then existing in Shelby County, Alabama, except as follows: (a) In all disputes in which the matter in controversy exceeds \$20,000, National Scouting Report shall select one arbitrator; the licensee shall select one arbitrator; and the two arbitrators so selected shall select a neutral arbitrator from a list of at least 10 arbitrators supplied by the American Arbitration Association (b) An arbitrator or arbitrators impaneled to hear any dispute brought before them shall be empowered to enter an award of such damages, fees and costs, and grant such other relief, as allowed by law. Any party to this agreement who fails or refuses to arbitrate in accordance with the terms of this predispute binding arbitration agreement shall, in addition to any other relief awarded through arbitration, be taxed by the arbitrator or arbitrators with all of the costs, including reasonable attorneys fees, of any other party who had to resort to judicial or other relief in compelling arbitration in accordance with the terms herein contained. **Further information about arbitration can be obtained directly from the AAA, Atlanta, GA, by calling the AAA at 404/325-0101 or from a review of AAA's Commercial Dispute Resolution Procedures. THE UNDERSIGNED HAVE AGREED TO WAIVE THE UNDERSIGNED(S)' RIGHT TO A TRIAL BY JUDGE OR JURY IN ORDER TO COMPLETE THE TRANSACTION ON THIS DATE FOR THE PRICE AND FOR ALL OF THE OTHER TERMS AGREED TO BY THE PARTIES. THIS ARBITRATION SHALL BE IN LIEU OF ANY CIVIL LITIGATION IN ANY COURT AND IN LIEU OF ANY TRIAL BY JUDGE OR JURY.**

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

\_\_\_\_\_  
Licensee

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

\_\_\_\_\_  
National Scouting Report

## Schedule A

### COMMISSION SCHEDULE

NSR offers various scouting services for promoting high school students to colleges. These services are free to all colleges, however, clients who sign up for the various NSR scouting and promotional services shall pay NSR a fee. The amount of the fee and an explanation of the services are outlined on a NSR prospect agreement.

Licensee shall be paid a commission of 50% of the prospect promotional plans. All commissions will be paid every Tuesday of the month. Commissions will be paid on these dates when the completed prospect paperwork is turned in and the online submissions are made. On financed contracts, the Licensee will be paid 50% of the payments as they are paid to NSR. These commissions will be paid on the 2<sup>nd</sup> commission date of the month from payments made the previous month.



## Schedule B

### START UP SUPPLIES

As part of your territory fee, NSR will supply the following to you one time as your "Starter Kit". Supplies then must be purchased through regular channels described in the Operations Manual.

**5 day training room and board**

**Laptop computer**

**Web site design and hosting**

**Supply of the following (100 each):**

**Platinum contracts, Elite Contracts, Athletic Questionnaires, Finance Forms, Transcript Forms, MC/VS forms, Brochure form, Contract checklist, Email Activation Forms**

**Sample Brochure Book**

**4 Presentation manuals (1 for licensee – 3 for separate scout packs)**

**4 Sales training manuals (1 for licensee – 3 for separate scout packs)**

**4 NSR badges (1 for licensee – 3 for separate scout packs)**

**1 set of NSR Letterhead and Envelopes (500 each)**

**4 sets of NSR Business cards (500 each) (1 for licensee – 3 for separate scout packs)**

**7 NSR Staff Shirts (4 for licensee – 3 for separate scout packs)**

**4 NSR Backpacks (1 for licensee – 3 for separate scout packs)**