

COPYRIGHT LICENSE AGREEMENT

This Copyright License Agreement (this “**Agreement**”) is between **CHRISTOPHER MENDOZA**, an individual (“**Licensors**”), and **PRESCOTT UNIFIED SCHOOL DISTRICT**, an Arizona public school district (“**Licensee**”). The license granted under this Agreement is a site-specific license limited exclusively to **PRESCOTT HIGH SCHOOL** (the “**Authorized School**”), a school operated by Licensee, and does not extend to any other school, campus, facility, program, department, athletic program, student organization, or other activity of Licensee except as expressly provided herein.

Licensee may permit the Authorized School and its authorized personnel, athletic teams, programs, departments, and student organizations to exercise the rights granted under this Agreement solely for the benefit of and in connection with the Authorized School. Licensee shall not use, authorize, or permit the use of the Copyright in connection with any other school, campus, program, department, athletic team, student organization, foundation, or entity operated by or affiliated with Licensee without the prior written consent of Licensors.

No provision of this Agreement shall be construed as granting the Authorized School a separate legal license independent of Licensee. Licensee remains the sole Licensee under this Agreement and remains responsible for compliance with all obligations of Licensee under this Agreement.

The Licensors has registered the copyright identified and depicted on **Schedule 1 and Exhibit 1** (the “**Copyright**”).

The Licensee is engaged in education (the “**Licensee Business**”).

The Licensee wants to use the Copyright in connection with the Licensee Business and to produce, offer, distribute, and sell the **Licensed Products** and to make the **Authorized Uses**, in each case as specified on **Schedule 2**; and

The Licensors is willing to permit the Licensee to use the Copyright in connection with the Licensee Business, subject to the terms and limitations of this Agreement, for the mutual benefit of the parties.

The parties therefore agree as follows:

1. DEFINITIONS

1.1 Licensed Products

“**Licensed Products**” means only those specific products expressly identified in **Section A of Schedule 2**. No product shall be deemed a Licensed Product by analogy, similarity, customary industry practice, intended use, or because it is similar to or serves the same purpose as a listed Licensed Product.

1.2 Authorized Uses

“**Authorized Uses**” means uses of the Copyright that are not themselves transactions involving the sale, ordering, payment, or purchase of a Licensed Product and that are identified on **Schedule 2** as uses that Licensee is authorized under this Agreement to make in connection with the Authorized School, including use and display of the Copyright on or in connection with school facilities, sports facilities, school activities, educational materials, websites and social media, advertising and promotional materials, and other uses expressly permitted under this Agreement.

1.3 Acquire

“**Acquire**” means to obtain Licensed Products for authorized school use or resale from authorized manufacturers or suppliers through lawful procurement transactions, including purchase orders or other authorized procurement methods. “Acquire” does not include purchasing, ordering, or otherwise obtaining Licensed Products through an Online Sales Channel, except with Licensor’s prior written consent.

1.4 Material Breach; Immediately Terminable Breach

“**Material Breach; Immediately Terminable Breach**” means a breach that constitutes (i) any unauthorized assignment, sublicense, transfer, delegation, pledge, encumbrance, or other conveyance of any right in or to the Copyright or under this Agreement; (ii) any knowing and intentional unauthorized use of the Copyright outside the scope of the license granted under this Agreement that is material in nature; (iii) any knowing and intentional violation of the exclusive online sales rights reserved to Licensor under Section 2.5; or (iv) any other breach expressly designated in this Agreement as an Immediately Terminable Breach.

2. GRANT OF LICENSE

2.1 License

Licensor hereby grants to Licensee a nonexclusive, nontransferable, non-sublicensable license to use the Copyright solely in connection with the Licensed Products and Authorized Uses identified in Schedule 2 and solely during the Term.

2.2 Authorized Licensee Sales and Uses

Subject to the terms and limitations of this Agreement, Licensee may:

- (a) produce, acquire, use, offer, distribute, market, and sell the Licensed Products through authorized physical, in-person, or other non-online sales channels in connection with the Authorized School;
- (b) use and display the Copyright in connection with the Authorized Uses identified in Schedule 2, subject to the limitations of this Agreement.

2.3 No Unrelated Use

Licensee may not use the Copyright in connection with any business, product, service, activity, school, campus, program, department, athletic team, student organization, foundation, entity, or purpose unrelated to the Authorized School, the Licensed Products, or the Authorized Uses expressly permitted under this Agreement, without the prior written approval of Licensor.

2.4 Licensor's Use of Copyright

Licensor expressly reserves the right to use, and to license other parties to use, the Copyright throughout the world for any purpose.

2.5 Exclusive Online Sales Rights Reserved to Licensor

Notwithstanding the license granted to Licensee under this Agreement, Licensor expressly reserves and retains the exclusive right, as against Licensee, to manufacture, produce, market, advertise, offer for sale, distribute, fulfill, and sell Licensed Products through Online Sales Channels.

Licensor may exercise these reserved rights directly or through **Lunaverse Inc.** (“**Lunaverse**”), an entity owned and controlled by Licensor, or through another person or entity designated by Licensor in writing.

Notwithstanding anything in Schedule 2 permitting Licensee to market, promote, advertise, or otherwise publicize Licensed Products, Licensee shall have no right to offer for sale, sell, accept orders or payments for, or otherwise conduct any online transaction involving any Licensed Product through an Online Sales Channel without Licensor's prior written consent.

2.6 Online Sales Channels

For purposes of this Agreement, “**Online Sales Channels**” means any method by which a Licensed Product is ordered, purchased, or paid for through the internet or another electronic network, including, without limitation:

- (i) websites and online stores;
- (ii) Shopify or other e-commerce platforms;
- (iii) third-party e-commerce marketplaces;
- (iv) social-media storefronts and social-media-based purchasing systems;
- (v) mobile applications and other electronic purchasing platforms;

- (vi) online fundraising platforms or third-party websites through which Licensed Products may be purchased;
- (vii) electronic or online ordering systems operated by or on behalf of Licensee; and
- (viii) any other internet-based or electronically facilitated method of ordering or purchasing Licensed Products.

For the avoidance of doubt, the mere display, promotion, advertising, or discussion of a Licensed Product online by Licensee, including on Licensee's websites, social-media accounts, email communications, or other digital media, shall not by itself constitute an Online Sales Channel or an online sale, provided that the order and payment for the Licensed Product are completed entirely through an authorized physical or in-person sales channel.

2.7 Prohibition on Licensee Online Sales

Licensee shall not offer for sale, sell, distribute, or accept orders or payments for Licensed Products through any Online Sales Channel without the prior written consent of Licensor.

For the avoidance of doubt, Licensee's right to sell Licensed Products through physical, in-person, or other non-online sales channels does not include the right to operate or participate in an Online Sales Channel for such Licensed Products.

2.8 Physical and Offline Sales

The reservation of Online Sales Channels to Licensor does not prohibit Licensee from selling Licensed Products through physical, in-person, or other non-online sales channels operated by Licensee in connection with the Authorized School, including sales conducted at school events, athletic events, performances, fundraisers, school offices, physical school stores, or other in-person events or locations.

2.9 Determination of Online Sale

A sale of a Licensed Product shall be deemed an online sale if the customer places or completes the order or payment through an Online Sales Channel, regardless of whether the Licensed Product is subsequently picked up in person, delivered to the customer, or shipped to the customer.

A sale shall not be deemed an online sale merely because the Licensed Product is displayed, promoted, or advertised online if the order and payment are completed entirely through an authorized physical or in-person sales channel.

2.10 Designated Online Sales Entity

Licensor may designate Lunaverse or another person or entity designated by Licensor in writing, as Licensor's authorized entity to exercise Licensor's reserved rights under Section 2.5, including the manufacture, production, marketing, advertising, distribution, fulfillment, and sale of Licensed Products through Online Sales Channels.

Lunaverse may use third-party service providers, including Shopify, Printful, payment processors, fulfillment providers, shipping providers, advertising providers, and other vendors, in connection with such activities.

Lunaverse is not a party to this Agreement, is not a Licensee under this Agreement, and acquires no rights or obligations under this Agreement solely by virtue of being designated by Licensor under this Section 2.10.

Nothing in this Agreement creates any contractual relationship between Licensee and Lunaverse or imposes any obligation directly upon Lunaverse to Licensee. Any agreement between Licensor and Lunaverse concerning Lunaverse's activities, compensation, duties, or obligations is separate from this Agreement and shall not be construed as an agreement between Licensee and Lunaverse.

Notwithstanding the foregoing, Licensor remains responsible to Licensee for Licensor's payment and other obligations expressly imposed upon Licensor under this Agreement, regardless of whether Licensor performs those obligations directly or through Lunaverse or another designated entity.

2.11 No Obligation to Purchase

Nothing in this Agreement obligates Licensee to purchase Licensed Products from Licensor, Lunaverse, or any particular manufacturer, supplier, or vendor, except as expressly provided in this Agreement.

3. NO OWNERSHIP TRANSFER

Licensee acknowledges and agrees that the rights granted to Licensee under this Agreement are license rights only. Nothing contained in this Agreement constitutes an assignment, transfer, conveyance, or other disposition of any ownership interest in the Copyright.

4. TERM AND TERMINATION

4.1 Initial Term

This Agreement shall become effective as provided in Section 22. Unless terminated earlier in accordance with this Section 4, this Agreement shall remain in effect for an initial period of twenty-five (25) years commencing on the Effective Date (the “**Initial Term**”).

4.2 Extension Option

Licensee shall have a one-time option (the “**Option**”) to extend this Agreement for one additional period of twenty-five (25) years (the “**Extension Term**”), subject to the following conditions:

- (a) Licensee provides Licensor with written notice of its intention to exercise the Option at least thirty (30) days before expiration of the Initial Term; and
- (b) Licensee pays Licensor the additional One Dollar (\$1.00 USD) Option Fee described in Section 5.2 at the time the Option is exercised.

If properly exercised, the Extension Term shall commence immediately following expiration of the Initial Term. The Initial Term and the Extension Term are collectively referred to as the “**Term**.”

4.3 Termination

This Agreement may be terminated:

- (a) **Material Breach; Immediate Termination for Specified Breaches.** Either party may terminate this Agreement for a Material Breach in accordance with this Section 4.3. The following breaches shall constitute an **Immediately Terminable Breach** and shall not be subject to any cure period:
 - (i) any unauthorized assignment, sublicense, transfer, delegation, pledge, encumbrance, or other conveyance of any right in the Copyright or under this Agreement;
 - (ii) any knowing and intentional unauthorized use of the Copyright outside the scope of the license granted under this Agreement that is material in nature;
 - (iii) any knowing and intentional violation of the exclusive online sales rights reserved to Licensor under Section 2.5; or
 - (iv) any other breach expressly designated in this Agreement as an Immediately Terminable Breach.

Upon the occurrence of an Immediately Terminable Breach, the non-breaching party may terminate this Agreement immediately upon written notice specifying the breach.

- (b) **Other Breaches; 30 Day Cure.** Any breach that does not constitute an Immediately Terminable Breach may result in termination of this Agreement only if the breaching party fails to cure the breach within thirty (30) days after receiving written notice describing the breach in reasonable detail, provided that, if the breach is reasonably capable of cure but cannot reasonably be cured within thirty (30) days, the breaching party shall not be deemed in default if it commences cure within such thirty (30)-day period and diligently pursues the cure within a reasonable additional period.
- (c) **Other Termination Rights.** Either party may terminate this Agreement as otherwise expressly provided in this Agreement.

4.4 Effect of Termination

Upon termination or expiration of this Agreement, all rights granted to Licensee under this Agreement shall immediately terminate. Licensee shall promptly discontinue all use of the Copyright and shall cease producing, acquiring, offering, distributing, marketing, or selling Licensed Products, except as expressly provided in Section 4.5. Licensee shall have six (6) months to remove all replications of The Copyright in connection with the Authorized Uses identified in Schedule 2. **Licensee shall have no obligation after the effective date of termination or expiration** to make any payment, reimbursement, contribution, or other financial obligation toward any Annual Online Operating Costs or other costs associated with Licensor's Online Sales Channels.

4.5 Existing Inventory

Notwithstanding termination or expiration of this Agreement, Licensee may, for a period of ninety (90) days following the effective date of termination or expiration, sell existing finished Licensed Products that were lawfully manufactured, produced, or acquired by Licensee before termination or expiration, solely through authorized physical, in-person, or other non-online sales channels.

Licensee shall not manufacture, produce, commission, or acquire any additional Licensed Products bearing the Copyright during such ninety (90)-day sell-off period.

The rights reserved to Licensor under Section 2.5 shall remain unaffected during the sell-off period.

4.6 Survival

Any provision of this Agreement that by its nature or express terms is intended to survive termination or expiration shall survive such termination or expiration, including Sections 3, 5 (with respect to amounts accrued before termination or expiration), 6, 7, 9, 11, 12, 15, 18, 19, 20, and any other provision necessary to give effect to rights or obligations accrued before termination or expiration.

5. CONSIDERATION AND ONLINE SALES CONTRIBUTION

5.1 License Fee

On or before the Effective Date, Licensee shall pay Licensor a nonrefundable fee of One Dollar (\$1.00 USD) (the "**License Issue Fee**") as consideration for the rights granted to Licensee under this Agreement during the Initial Term.

5.2 Extension Option Fee

If Licensee exercises the extension option described in Section 4.2, Licensee shall pay Licensor an additional nonrefundable fee of One Dollar (\$1.00 USD) (the "**Option Fee**") upon exercise of the option. The Option Fee shall constitute the consideration for the rights granted to Licensee during the Extension Term.

5.3 Licensee Physical and Offline Sales

Licensee shall be entitled to collect and retain all revenue generated from Licensed Products sold by Licensee through authorized physical, in-person or other non-online sales channels. Licensor shall not be entitled to, and Licensee shall have no obligation to pay Licensor, any royalty, license fee, percentage of sales, or other compensation arising from or related to such sales. Licensee shall use one hundred percent (100%) of the net proceeds derived from such sales for the benefit of the Authorized School and its students, programs, activities, or other lawful school purposes. For purposes of this Section, "**net proceeds**" means the gross amounts actually received from the sale of Licensed Products, less reasonable and documented costs and expenses directly attributable to the acquisition, manufacture, production, fulfillment, distribution, and sale of such Licensed Products.

5.4 Online Sales Contribution

In consideration of the license granted under this Agreement and Licensor's reservation of the exclusive right to conduct online sales of Licensed Products, Licensor shall pay, or cause to be paid on Licensor's behalf, to Licensee an amount equal to ten percent (10%) of Contribution-Eligible Gross Online Sales, as determined under this Section 5.

5.5 Gross Online Sales

For purposes of this Agreement, "**Gross Online Sales**" means the total amount actually paid by customers for Licensed Products sold through Online Sales Channels, **before deduction of Annual Online Operating Costs or any other permitted costs or expenses, but excluding separately stated sales, use, or similar transaction taxes and separately charged shipping, postage, delivery, or transportation charges.**

Amounts actually refunded to customers for returned or cancelled orders shall not be included in Gross Online Sales.

For example, if a customer pays **\$100 for a Licensed Product, plus applicable sales tax and \$10 of separately stated shipping**, the Gross Online Sales amount for that sale is **\$100**. Once the applicable costs described in this Section 5 have been recovered, the contribution payable to Licensee on that sale shall be **\$10**.

5.6 Annual Online Operating Costs

Before any ten percent (10%) contribution is payable to Licensee for a calendar year, Gross Online Sales shall first be applied toward recovery of the Annual Online Operating Costs described below.

For the calendar year in which the Effective Date occurs, only the portion of each qualifying Annual Online Operating Cost attributable to the period beginning on the Effective Date through the end of that calendar year shall be included in Annual Online Operating Costs for that calendar year. The applicable portion shall be determined based on the period to which the cost relates, regardless of when the cost was invoiced or paid.

- (a) the annual Shopify or comparable e-commerce platform subscription charge;
- (b) the annual Printful or comparable online product-production platform subscription charge;
- (c) recurring bank account or banking-service fees specifically associated with the Online Sales Channels, including the cumulative monthly account fees for the applicable calendar year;
- (d) annual or recurring subscription charges for applications, plugins, software, or other digital tools used directly in connection with the Online Sales Channels;
- (e) annual web hosting charges directly associated with the Online Sales Channels; and

- (f) annual domain registration or renewal charges directly associated with the Online Sales Channels.

The costs described in this Section are collectively referred to as the "**Annual Online Operating Costs.**"

Only actual amounts paid for the foregoing costs shall be included as Annual Online Operating Costs. No salaries, compensation, management fees, administrative charges, overhead, production costs, fulfillment costs, shipping costs, payment-processing fees, advertising expenses, taxes, refunds, chargebacks, or other costs or expenses shall constitute Annual Online Operating Costs.

5.7 Annual Cost Recovery and Carryforward

Annual Online Operating Costs shall be calculated separately for each calendar year.

Gross Online Sales shall first be applied to any **Unrecovered Prior-Year Costs** carried forward from previous calendar years. After all Unrecovered Prior-Year Costs have been fully recovered, Gross Online Sales shall next be applied to the Annual Online Operating Costs for the current calendar year.

Only Gross Online Sales remaining after all Unrecovered Prior-Year Costs and all Annual Online Operating Costs for the applicable calendar year have been fully recovered shall constitute "Contribution-Eligible Gross Online Sales" and be subject to the ten percent (10%) contribution described in Section 5.4.

If Gross Online Sales for a calendar year are insufficient to fully recover the Annual Online Operating Costs for that year, the unrecovered amount shall carry forward into the following calendar year as "**Unrecovered Prior-Year Costs.**"

Unrecovered Prior-Year Costs shall remain outstanding until fully recovered and shall be applied against Gross Online Sales before any ten percent (10%) contribution becomes payable to Licensee.

Each new calendar year shall create a new Annual Online Operating Cost amount. **Annual Online Operating Costs do not accumulate as a separate annual payment obligation of Licensee; rather, only the unrecovered portion of such costs is carried forward and recovered from future Gross Online Sales.**

Under no circumstances shall Licensee become personally liable to Licensor for any Unrecovered Prior-Year Costs or Annual Online Operating Costs.

For example, if the Annual Online Operating Costs for 2026 are \$1,000 and Gross Online Sales for 2026 are \$800, no ten percent (10%) contribution shall be payable for 2026 and \$200 shall carry forward into 2027.

If the Annual Online Operating Costs for 2027 are \$1,000, the total amount to be recovered from 2027 Gross Online Sales before any ten percent (10%) contribution becomes payable shall be \$1,200, consisting of the \$200 carried forward from 2026 and the \$1,000 in 2027 Annual Online Operating Costs.

If Gross Online Sales for 2027 are \$2,000, the first \$1,200 shall be applied to those unrecovered costs, leaving \$800 of Contribution-Eligible Gross Online Sales. The ten percent (10%) contribution payable to Licensee would therefore be \$80.

5.8 Payment and Statement

Licensor shall pay the ten percent (10%) contribution described in Section 5.4 to Licensee **annually, within thirty (30) days after the end of each calendar year.**

Each payment shall be accompanied by a reasonably detailed statement showing:

- (a) Gross Online Sales for the applicable year;
- (b) any Unrecovered Prior-Year Costs at the beginning of the year;
- (c) Annual Online Operating Costs incurred and paid during the year;
- (d) the amount of Gross Online Sales applied toward recovery of such costs;
- (e) the resulting unrecovered cost balance; and
- (f) the amount of Contribution-Eligible Gross Online Sales and the resulting ten percent (10%) contribution, if any.

If no contribution is payable for a year because applicable costs have not yet been fully recovered, Licensor shall nevertheless provide the statement described above.

5.9 Responsibility of Licensor

The contribution payable under this Section 5 is an obligation of Licensor to Licensee. The designation or use of Lunaverse or any other person or entity to conduct Online Sales shall not alter, reduce, or eliminate Licensor's obligations under this Section.

Licensor may receive or cause to be received the proceeds of Online Sales through Lunaverse, a payment processor, Shopify, Printful, or another service provider, but Licensor shall remain responsible for calculating and paying the amount due to Licensee under this Section.

5.10 No Licensee Responsibility for Online Operating Costs

Licensee shall have no obligation to pay, reimburse, contribute to, or otherwise bear any Annual Online Operating Costs or other costs associated with Licensor's Online Sales Channels.

Licensee shall not be responsible for any such costs during the Term or following the expiration or termination of this Agreement.

5.11 No Additional License Fee

Except for the License Issue Fee, the Option Fee, and the ten percent (10%) contribution expressly described in this Section 5, no additional license fee, royalty, reimbursement, or other compensation shall be payable by Licensee to Licenser for Licensee's authorized use of the Copyright under this Agreement.

6. MAINTENANCE OF RECORDS AND AUDIT RIGHTS

6.1 Licensee Books and Records

Licensee shall keep accurate books of account and records covering transactions conducted by Licensee under this Agreement. Licensee shall maintain such books and records in good order and condition for a period of one (1) year after expiration or termination of this Agreement or, if there is a dispute between the parties concerning any payment or other obligation under this Agreement, until such dispute is resolved, whichever is later.

6.2 Online Sales Statements

With each payment required under Section 5.8, Licenser shall provide Licensee with a reasonably detailed statement identifying the Gross Online Sales for the applicable reporting period, the Annual Online Operating Costs, any Unrecovered Prior-Year Costs, the resulting Contribution-Eligible Gross Online Sales, and the amount of the ten percent (10%) contribution due to Licensee.

6.3 Verification of Online Sales

Upon reasonable written request, Licenser shall provide Licensee with reasonably sufficient documentation in Licenser's possession or control supporting the calculation of Gross Online Sales for a particular reporting period, subject to the protection of confidential business information, customer information, and information unrelated to the calculation of Gross Online Sales.

Nothing in this Section requires Licenser to provide Licensee with records or information that Licenser is not legally entitled to disclose or that are subject to confidentiality obligations owed to third parties.

6.4 Licensee Audit Rights

Licensee may, no more than once during any twelve (12)-month period and upon at least thirty (30) days' prior written notice, request a review of records reasonably necessary to verify **Gross Online Sales, Annual Online Operating Costs, Unrecovered Prior-Year Costs, Contribution-Eligible Gross Online Sales, and the ten percent (10%) contribution** for the preceding twelve (12) months.

Any such review shall be limited to records reasonably necessary to verify amounts payable under this Agreement and shall not require disclosure of confidential information unrelated to the calculation of those amounts.

Any review conducted under this Section shall be conducted by Licensee or an independent accountant or other professional reasonably acceptable to Licensor and shall not provide Licensee with access to customer payment information, personally identifiable information, trade secrets, proprietary business information, or records unrelated to the calculation of Gross Online Sales or amounts payable under this Agreement.

The audit rights granted under this Section are rights against Licensor and do not create any right to audit, inspect, or obtain records directly from Lunaverse or any other designated online sales entity.

7. OWNERSHIP AND USE OF COPYRIGHT

7.1 Ownership of Copyright

Licensee acknowledges that Licensor is the sole owner of the Copyright and all rights therein. Nothing in this Agreement grants Licensee any ownership interest in the Copyright. The rights granted to Licensee under this Agreement are license rights only, and nothing contained in this Agreement constitutes an assignment, transfer, or conveyance of any ownership interest in the Copyright.

7.2 Limitation on Licensee's Actions

Licensee shall not take any action inconsistent with Licensor's ownership of the Copyright and shall not claim adversely to Licensor, or assist any third party in attempting to claim adversely to Licensor, with respect to such ownership.

Licensee shall not challenge Licensor's title to the Copyright or challenge the validity of the Copyright.

Nothing in this Section shall prevent Licensee from asserting or enforcing its rights under this Agreement.

7.3 Assistance in Protecting the Copyright

The Licensee's authorized use of the Copyright inures to the benefit of the Licensor, and the Licensee shall cooperate reasonably with the Licensor to protect the Copyright.

The Licensee shall not misuse the Copyright, use the Copyright in a manner that would materially damage the reputation associated with the Copyright, or take any action that would knowingly and materially diminish the value of the Copyright.

7.4 Notification of Infringement

The Licensee shall promptly notify the Licensor of:

- (i) any claim, demand, or cause of action based on or arising from any third-party unauthorized use of the Copyright or any confusingly similar reproduction of the Copyright;
- (ii) any infringement of which the Licensee becomes aware involving the Copyright; or
- (iii) any challenge to the Licensee's authorized use of the Copyright.

However, the Licensee may not institute any proceedings for infringement of the Copyright without the prior written approval of the Licensor.

8. MARKING ON PRODUCTS

8.1 Designation of Licensed Products

The Licensee shall designate the **Licensed Products** in the manner specified by the Licensor in writing to indicate that the Licensed Products are manufactured, produced, or distributed under license from Licensor and, where applicable, to provide appropriate copyright notice for the Copyright.

8.2 Proper Notice and Acknowledgement

Except as expressly provided in this Section 8.2, every use of the Copyright by Licensee shall, where commercially and technically practicable, incorporate in an appropriate manner a "C" encased by a circle or the phrase "Reg. U.S. Copyright."

An exception shall be made for:

- (i) the Copyright as currently reproduced on the Prescott High School gym floor;
- (ii) the Copyright as currently reproduced on the Prescott High School football field;

- (iii) any current replications of the Copyright emblazoned in fixed mediums located in, on, or at Prescott High School or the main offices of Prescott Unified School District that may be too costly to replace or update;
- (iv) all Licensed Products produced, manufactured, acquired, or finalized before the Effective Date, and all Authorized Uses existing or in place before the Effective Date;
- (v) social media, digital, or internet applications where the addition of the copyright symbol is not commercially or technically practicable; and
- (vi) all replications, such as embroidery, where it is not commercially or technically practicable to use the copyright notification due to production quality, technical constraints, or other reasonable production limitations.

8.3 Format and Appearance

The Licensors may establish reasonable specifications concerning the format, quality, and manner in which Licensee uses and displays the Copyright for purposes of protecting the integrity and identification of the Copyright, provided that such specifications do not materially interfere with the rights expressly granted to Licensee under this Agreement.

The Licensee may not use any unauthorized variant form of the Copyright, including variant design forms, colors, inverted colors, or type styles, that materially alter the Copyright from the artwork/design depicted in Exhibit 1, unless specifically approved by the Licensors in writing.

The authorized colors of The Copyright are blue #002D75 and yellow #FFD400. Exceptions shall be made for embroidery, where a reasonably similar color thread may be used.

Notwithstanding the foregoing, Licensee is authorized to produce and use the Copyright in the following limited special-event color or design motifs (the “Authorized Special Event Variants”): (i) pink or a substantially similar pink color for breast cancer awareness and related charitable or awareness events; (ii) camouflage or a substantially similar camouflage pattern for military recognition, military appreciation, veterans’ events, and related observances; and (iii) a red, white, and blue stars-and-stripes motif for patriotic, national, or civic observances and events. The Authorized Special Event Variants may be used only in connection with the applicable event, campaign, observance, or promotional activity and may not be used as a general replacement for the authorized blue and yellow colors.

The Authorized Special Event Variants shall not alter the underlying artwork/design of the Copyright, including its proportions, elements, identifying characteristics, or overall design, except solely to the extent necessary to apply the applicable authorized color or pattern motif. No additional colors, patterns, graphic elements, or other variant treatments may be incorporated into the Copyright without the Licensors’ prior written approval.

Licensee shall not use any Authorized Special Event Variant in a manner that suggests or implies that the Licensors or the owner of the Copyright endorses, sponsors, or is affiliated with any particular charitable organization, political candidate, political party, governmental entity, military organization, or other third party, unless expressly authorized in writing by the Licensors.

Licensor may, upon reasonable written notice to Licensee, discontinue or modify any Authorized Special Event Variant for future uses, provided that such change shall not affect materials already produced or orders already committed to by Licensee prior to receipt of such notice.

All replications of The Copyright, including the Authorized Special Event Variants, shall meet one of the following criteria:

- (i) On dark backgrounds, a white border shall be used around the artwork/design as depicted in Exhibit 1;
- (ii) On light backgrounds, no border shall be used around the artwork/design as depicted in Exhibit 1;

Licensee shall not materially alter the Copyright or use any variant that materially changes the appearance, proportions, elements, or identifying characteristics of the Copyright without Licensor's prior written approval.

9. LICENSOR'S REPRESENTATIONS

Licensor represents to Licensee that:

- (a) Licensor is the owner of the Copyright and has the right to grant the license provided in this Agreement;
- (b) Licensor has not assigned or transferred ownership of the Copyright or agreed to do so;
- (c) Licensor has full power and authority to enter into this Agreement and grant the license provided under Section 2;
- (d) Licensor has no actual knowledge of any pending claim alleging that the Copyright infringes or misappropriates a third party's copyright;
- (e) Licensor is not aware of any third-party consent, assignment, or license necessary for Licensor to perform its obligations under this Agreement; and
- (f) Licensor and original creator were not acting within the scope of employment of any third party when conceiving, creating, or otherwise performing any activity with respect to the Copyright listed on Schedule 1 and licensed under this Agreement.

Licensor shall promptly notify Licensee in writing if any facts or circumstances arise that would make any of the foregoing representations materially inaccurate.

10. LICENSEE'S REPRESENTATIONS

The Licensee hereby represents to the Licensors that:

- (a) subject to the required governing board approval described in Section 22, Licensee has the power and authority necessary to enter into this Agreement; and
- (b) subject to the required governing board approval described in Section 22, Licensee has the authority to commit the resources necessary to perform its obligations under this Agreement.

The Licensee shall immediately notify the Licensors in writing if any facts or circumstances arise that would make any of the representations in this Agreement inaccurate.

11. DOCUMENTATION

11.1 Recordation of Agreement

As soon as is reasonably possible following a request from the Licensee, the Licensors shall provide the Licensee with copies of documentation reasonably necessary to evidence Licensors' ownership of the Copyright and Licensee's rights under this Agreement.

The Licensors shall also, on request:

- (a) execute and deliver to the Licensee any additional papers, including any separate licenses of the Copyright, reasonably necessary to record the agreement in the State of Arizona and the United States; and
- (b) generally do all other lawful acts reasonable and necessary to record the agreement in the State of Arizona and the United States.

Nothing in this Section shall require Licensors to disclose confidential, proprietary, personal, or commercially sensitive information that is not reasonably necessary to evidence Licensors' ownership of the Copyright or Licensee's rights under this Agreement.

12. INDEMNIFICATION

If a third party brings a claim against Licensee alleging that Licensee's authorized use of the Copyright under this Agreement infringes a United States copyright of a third party not affiliated with Licensee, Licensors shall indemnify Licensee against such claim, subject to all of the following conditions:

- (a) the Licensee promptly gives notice of the claim to the Licensors;
- (b) the Licensors control the defense and settlement of the claim;

- (c) the Licensee fully cooperates with the Licensors in connection with its defense and settlement of the claim; and
- (d) the Licensee temporarily suspends the affected use of the Copyright upon the Licensors' written request if reasonably necessary to mitigate the claim or comply with applicable law.

If Licensee is enjoined from further use of the Copyright or if Licensee stops using the Copyright pursuant to Licensors' written request under this Section 12, Licensors shall, at its own expense and option:

- (a) obtain the right for the Licensee to continue to use the infringing Copyright;
- (b) modify the infringing Copyright to eliminate the infringement, if practicable;
- (c) provide a substitute non-infringing Copyright to the Licensee pursuant to this Agreement, if practicable; or

The Licensors will have no other obligations or liability if infringement occurs, and will have no other obligation of indemnification relating to infringement.

The Licensors will not be liable for any costs or expenses incurred without its prior written authorization and will have no obligation of indemnification or any liability if the infringement is based on:

- (i) any modified form of the Copyright not made by the Licensors; or
- (ii) the laws of any country other than the United States or its states.

13. NO AGENCY RELATIONSHIP

This Agreement creates solely a licensor-licensee relationship between Licensors and Licensee.

Nothing in this Agreement shall be construed to establish a joint venture, agency, partnership, employment relationship, fiduciary relationship, or other business relationship between Licensors and Licensee.

Nothing in this Agreement creates any agency, partnership, joint venture, employment, or other contractual relationship between Licensee and Lunaverse.

Lunaverse is not a party to this Agreement and has no rights or obligations under this Agreement.

14. ASSIGNMENT AND DELEGATION

14.1 No Assignment

Neither party may assign, transfer, or otherwise convey its rights or obligations under this Agreement without the prior written consent of the other party; provided, however, that Licensor may exercise Licensor's reserved rights under Section 2.5 directly or through Lunaverse or another person or entity designated by Licensor, and may use third-party service providers as expressly permitted by Sections 2.5 and 2.10, without such consent.

Any such designation or use shall not constitute an assignment, transfer, sublicense, or delegation of this Agreement or relieve Licensor of any obligation expressly imposed upon Licensor under this Agreement.

14.2 No Delegation of Licensee Obligation

Licensee may not delegate its obligations under this Agreement without the prior written consent of Licensor.

14.3 Effect of Prohibited Assignment

Any purported assignment, transfer, or delegation made in violation of this Section shall be void to the extent permitted by applicable law.

15. GOVERNING LAW; JURISDICTION; VENUE

This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona, without regard to its conflict-of-laws principles. Except as otherwise provided below, any action arising out of or relating to this Agreement shall be brought in the state courts located in Yavapai County, Arizona, or, where federal jurisdiction exists, in the United States District Court for the District of Arizona with venue in the division serving Yavapai County, Arizona.

Licensee irrevocably submits to the jurisdiction of such courts and waives, to the fullest extent permitted by law, any objection to personal jurisdiction, venue, or forum non conveniens.

Notwithstanding the foregoing, Licensor shall not be prohibited from bringing an action asserting infringement of the Copyright, or seeking injunctive relief, damages, statutory damages, attorneys' fees, or any other remedy available under the United States Copyright Act, in any federal court having jurisdiction and proper venue over such action.

16. AMENDMENTS

No amendment to this Agreement will be effective unless it is in writing and signed by both parties or an authorized representative.

17. NOTICE

Any notice or other communication provided for in or given under this Agreement to a party will be in writing and given in person, by email, by overnight courier, or by mail (registered or certified mail, postage prepaid, return-receipt requested) to the respective parties as follows:

If to the Licensors:

Christopher Mendoza
214 Cory Ave
Prescott, Arizona 86303
chris@lunaverseinc.com

If to the Licensee:

Prescott Unified School District
300 E Gurley St
Prescott, Arizona 86301
info@prescottschools.com
clark.Tenney@prescottschools.com (or current PUSD Superintendent)

18. SEVERABILITY

If any provision contained in this Agreement is, for any reason, held to be invalid, illegal, or unenforceable in any respect, that invalidity, illegality, or unenforceability will not affect any other provisions of this Agreement, but this Agreement will be construed as if the invalid, illegal, or unenforceable provision had never been contained in it, unless the deletion of that provision would result in such a material change as to cause completion of the transactions contemplated by this Agreement to be unreasonable.

19. WAIVER

No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this Agreement will be effective unless it is in writing and signed by the party waiving the breach, failure, right, or remedy.

No waiver of any breach, failure, right, or remedy will be deemed a waiver of any other breach, failure, right, or remedy, whether or not similar, and no waiver will constitute a continuing waiver, unless the writing so specifies.

20. ENTIRE AGREEMENT

This Agreement constitutes the final agreement of the parties with respect to its subject matter and is the complete and exclusive expression of the parties' agreement with respect to that subject matter.

All prior and contemporaneous communications, negotiations, and agreements between the parties relating to the subject matter of this Agreement are expressly merged into and superseded by this Agreement.

The provisions of this Agreement may not be explained, supplemented, or qualified by evidence of trade usage or a prior course of dealings.

Neither party was induced to enter this Agreement by, and neither party is relying on, any statement, representation, warranty, or agreement of the other party except those set forth expressly in this Agreement.

Except as expressly set forth in this Agreement, there are no conditions precedent to this Agreement's effectiveness.

Any separate agreement between Licensor and Lunaverse concerning Licensor's relationship with Lunaverse is separate from this Agreement and is not incorporated into, made a part of, or subject to this Agreement.

No provision of any such separate agreement shall modify the rights or obligations of Licensor or Licensee under this Agreement unless the modification is expressly set forth in a written amendment to this Agreement signed by Licensor and Licensee.

21. HEADINGS

The descriptive headings of the sections and subsections of this Agreement are for convenience only and do not affect this Agreement's construction or interpretation.

22. BOARD APPROVAL AND EFFECTIVENESS

22.1 Board Approval

This Agreement is subject to approval by the governing board of Prescott Unified School District in accordance with A.R.S. § 15-213, applicable Arizona law and the District's policies.

This Agreement shall not become effective unless and until such required governing board approval has occurred.

22.2 Effective Date

This Agreement shall become effective only after:

- (i) approval by the governing board of Prescott Unified School District, if such approval is required; and
- (ii) execution of this Agreement by both parties.

The “**Effective Date**” shall be the later of the date of such governing board approval and the date on which the last party executes this Agreement.

22.3 No Effect Before Effective Date

No provision of this Agreement shall create any obligation or grant any license or other right to either party before the Effective Date.

22.4 Authority, Appropriations, and Applicable Law

Nothing in this Agreement shall be construed to require Licensee to act beyond the authority granted to it by applicable law, its governing board, or its duly adopted policies, or to obligate Licensee beyond the appropriations, legally available funds, and other resources lawfully available to Licensee at the relevant time.

Licensee’s obligations under this Agreement remain subject to applicable Arizona law and other legal requirements governing Licensee’s operation, contracting, expenditures, procurement, and use of public resources.

Nothing in this Section shall be construed to alter the parties’ agreement concerning the Term, the license granted under this Agreement, or any other substantive right or obligation expressly established by this Agreement, except to the extent required by applicable law.

Licensee's acquisition of Licensed Products shall remain subject to all applicable procurement laws, regulations, policies, competitive procurement requirements, and governing-board requirements applicable to Licensee.

If any provision of this Agreement is determined to exceed the legal authority of Licensee or to conflict with a mandatory provision of applicable law, the parties shall cooperate in good faith to modify that provision to the minimum extent necessary to comply with applicable law while preserving, to the greatest extent legally permissible, the parties’ original economic and substantive intent.

23. NECESSARY ACTS; FURTHER ASSURANCES

Each party shall use all reasonable efforts to take, or cause to be taken, all actions necessary or desirable to consummate and make effective the transactions this Agreement contemplates or to evidence or carry out the intent and purposes of this Agreement.

SIGNATURE PAGE FOLLOWS

The parties acknowledge that this Agreement is subject to the required governing board approval of Prescott Unified School District and shall not become effective unless and until such approval has occurred and the Agreement has been executed in accordance with Section 22.

The Effective Date shall be determined in accordance with Section 22.

LICENSOR:

Date: _____

Christopher Mendoza
Copyright Owner

PRESCOTT UNIFIED SCHOOL DISTRICT

Date: _____

Clark Tenney
Superintendent

The individual signing this Agreement on behalf of Licensee represents that, subject to the governing board approval required under Section 22, such individual is duly authorized under applicable law and Licensee's policies to execute and deliver this Agreement on behalf of Licensee.

SCHEDULE 1

LIST OF COPYRIGHT

Copyright:

Prescott Badger

Copyright Registration:

VA0002348069

Date of Registration:

April 18, 2023

Copyrighted Work:

The Copyright licensed under this Agreement consists solely of the artwork/design depicted in Exhibit 1 attached to and incorporated into this Schedule 1.

Exhibit 1 is included solely to identify and depict the copyrighted work that constitutes the Copyright licensed under this Agreement.

EXHIBIT 1

COPYRIGHTED ARTWORK / DESIGN



The artwork/design depicted above is the Copyright identified in Schedule 1 and licensed under the Copyright License Agreement between Christopher Mendoza and Prescott Unified School District.

SCHEDULE 2

LICENSED PRODUCTS AND AUTHORIZED USES

A. LICENSED PRODUCTS

The Licensed Products authorized under this Agreement are limited exclusively to the following specific product categories:

- 1 T-shirts;**
- 2 Long-sleeve shirts;**
- 3 Polo shirts and other collared shirts;**
- 4 Sweatshirts and hooded sweatshirts;**
- 5 Jackets and outerwear;**
- 6 Athletic jerseys and game uniforms;**
- 7 Athletic shorts and athletic pants;**
- 8 School uniforms and uniform apparel;**
- 9 Hats, caps, beanies, and visors;**
- 10 Socks;**
- 11 Backpacks, school bags, and drawstring bags;**
- 12 Stickers, decals, magnets, buttons, and pins;**
- 13 Keychains;**
- 14 Pennants, flags, and banners.**

Closed Category Requirement

No product, good, merchandise, or other item bearing or incorporating the Copyright shall constitute a Licensed Product unless the item falls squarely within one of the categories expressly listed above.

Licensee shall not manufacture, commission, acquire for resale, offer, distribute, market, or sell any product bearing or incorporating the Copyright that is not expressly included within the foregoing categories without Licensor's prior written consent.

All rights to manufacture, produce, acquire, offer, distribute, market, and sell Licensed Products under Section A remain subject to Sections 2.5 through 2.11.

B. AUTHORIZED USES

Licensee may use and display the Copyright in connection with the Authorized School solely for the following non-sale purposes:

- 1 School buildings and facilities**, including classrooms, offices, hallways, gymnasiums, athletic facilities, fields, courts, and other facilities operated for the Authorized School;
- 2 Permanent and temporary signage**, including signs, banners, plaques, scoreboards, displays, directional signage, and similar installations;
- 3 School activities and events**, including assemblies, ceremonies, performances, fundraisers, athletic events, student activities, and other school-sponsored events;
- 4 Athletic programs and activities**, including athletic teams, practices, competitions, tournaments, camps, and related activities;
- 5 Educational and instructional activities** conducted by or for the Authorized School;
- 6 Printed, digital, educational, instructional, administrative, informational, and school-related materials, including programs, yearbooks, newsletters, schedules, announcements, and similar school communications.**
- 7 School websites, social-media accounts, and other digital media**, solely for informational, educational, promotional, advertising, or other **non-sale purposes**, subject to Sections 2.5 through 2.9;

Nothing in this Schedule 2 authorizes Licensee to establish, operate, participate in, or provide a link that facilitates ordering or purchasing Licensed Products through an Online Sales Channel.

- 8 Advertising and promotional materials** relating to the Authorized School or its authorized activities and programs;
- 9 Use and display of the Copyright on school uniforms and athletic uniforms** when worn by students, faculty, staff, coaches, or authorized participants in connection with the Authorized School;
- 10 Use and display of the Copyright on class rings, letterman jackets, yearbooks, and graduation garments** ordered or purchased by students through Jostens or a substantially similar vendor.

C. LIMITATION ON PRODUCT SCOPE

For the avoidance of doubt, **Authorized Uses do not constitute Licensed Products and do not create any right to sell, offer for sale, or distribute other products bearing or incorporating the Copyright.**

Except as expressly identified in Section A of this Schedule 2, Licensed Products do not include equipment, furniture, technology, electronics, vehicles, food or beverages, services, digital products, software, subscriptions, or other goods or services.

Any addition to or modification of the Licensed Products listed in Section A requires a **written amendment to this Schedule 2 signed by both Licensor and Licensee**, unless the parties expressly agree in writing that a particular item is already within an existing Licensed Product category.