

LICENSE AGREEMENT FOR USE OF THE CITY OF PORTLAND OFFICIAL FLAG WITH
MODIFICATIONS ON MAJOR LEAGUE SOCCER LICENSED MERCHANDISE

This License Agreement ("License") is made between the City of Portland, Oregon (the "City"), a municipal corporation of the State of Oregon and Soccer United Marketing, LLC ("SUM"), a Delaware limited liability company, each individually a "Party" and collectively the "Parties", and shall be effective from the latest date of signature (the "Effective Date").

RECITALS

- A. Whereas the Parties desire to promote a positive image of the City; and
- B. Whereas, the Parties desire to promote goodwill for the general benefit of the City; and
- C. Whereas, the Official Flag of Portland, Oregon (the "Flag") is a visible and publically recognized symbol with specifications for its appearance and use defined in Portland City Code Chapter 1.06; and
- D. Whereas, SUM desires to use the Flag in conjunction with its officially licensed merchandise bearing trademarks, trade names, logo symbols and mascots of the Major League Soccer, L.L.C. ("MLS") team currently known as the Portland Timbers (the "Merchandise"), which is produced by its Licensees.

LICENSE

The Parties agree as follows:

1. Permission to Use Flag: The City hereby gives, grants and assigns to SUM and Licensees consent, permission and limited license to use the Flag in connection with the Authorized Use, as described in Section 4.
2. Term: The "Term" of this License shall commence on the Effective Date and continue thereafter until the earlier of an Early Termination Date (as described in Section 3), or at midnight on the day proceeding the fifth (5th) anniversary of the Effective Date. The Parties may agree to renew this License via a written addendum, signed by all Parties for an additional five (5) year term. After termination of this License, SUM and its Licensees have one hundred twenty (120) days to liquidate any remaining Merchandise bearing the Flag, and SUM and its Licensees agrees to not use any other mark which is confusingly similar to the Flag.
3. Early Termination:
 - 3.1. Termination by Mutual Agreement. The City and SUM, by mutual agreement, may terminate this License at any time.

Exhibit A

3.2. Termination by City or SUM, Discretionary. Either the City or SUM, on 90 days written notice to the other, may terminate this License for any reason deemed appropriate in its sole discretion.

3.3. Termination by City for Breach. City may terminate this License in the event of a breach of the License by SUM or its Licensees.

4. Authorized Use: SUM is authorized to license the use of the Flag to its respective MLS affiliated companies, successors, licensees and assigns (each individually a “Licensee” and collectively “Licensees”), in connection with the creation, development, design, manufacturing, display, exhibition, sales and distribution of the Merchandise subject to the following limitations (the “Authorized Use”):

4.1. Authorized Use of the Flag is limited to the specifications approved by the City, in its sole discretion as depicted in **Attachment 1**.

4.2. Licensees may sell Merchandise bearing the Flag in the United States and Canada and their respective territories and possessions.

4.3. SUM may grant use of the Flag to a Licensee provided that such Licensee abides by the terms contained in this License.

4.4. Except as described in Section 4.3 above, SUM shall not grant any license or sublicense of the Flag and shall not otherwise assign or transfer any rights granted by the City pursuant to this License. It is understood by the Parties that the manufacture of the Merchandise may be performed by a third party manufacturer designated by SUM or a Licensee but such third party manufacturer shall not gain any rights to the Flag.

4.5. City shall not be held accountable for any design, production, or marketing cost involved with this License.

4.6. SUM and its Licensees may not alter approved Flag designs, as shown in **Attachment 1**, without the express written approval of the City.

4.7. City agrees that it shall cooperate in or, at its sole discretion and subject to City Council authorization, join in the defense of any threatened or actual third party claims of any kind based upon any theory of law or liability whatsoever, and all losses, damages, settlements, judgments, investigations, liabilities, charges, costs and expenses (including, without limitation, reasonable legal fees and expenses) as and when incurred arising out of, incident to or in relation to any infringing use, or allegation of such use, by SUM, MLS or MLS teams of the Flag (provided that the use of the Flag is in accordance with and as permitted under the terms of this License); all such defense shall be at SUM’s expense, including reasonable attorneys’ fees.

5. Goodwill in Flag: SUM agrees that the essence of this License is founded on the goodwill associated with the Flag and the value of that goodwill in the minds of the citizens of the City.

SUM agrees that it is critical that such goodwill be protected and enhanced. Towards this end, during the Term, and any renewal term thereafter, SUM shall not or allow a Licensee to:

5.1. Apply to register or maintain any application or registration of the Flag (modified or otherwise) or any other mark confusingly similar thereto;

5.2. Use any colorable imitation of the Flag, or any variant form (including variant design forms, logos, colors, or type styles) of the Flag not specifically approved by City;

5.3. Misuse the Flag;

5.4. Take any action that would bring the Flag or City into public disrepute;

5.5. Take any action that would tend to destroy or diminish the goodwill in the Flag; or

5.6. Use the Flag for any purpose that is unlawful, prohibited by or outside the terms of this License.

6. Limit to Authorized Use: City is not granting any rights to produce any items for sale or distribution that incorporates any intellectual property, including, but not limited to trademarked or copyrighted material provided by City, other than the Authorized Use as specifically defined in Section 4.

7. Quality of Merchandise: Before selling or distributing any of the Merchandise, Licensees shall submit such Merchandise for SUM's written approval in accordance with the Authorized Use. SUM shall have sole control and ownership over any and all designs, proposals, alterations, and other similar materials submitted for approval by Licensees (whether approved or not) in connection with the Merchandise. Further, SUM shall have sole control and ownership over any and all Merchandise.

8. No Endorsement: The City's grant of this License does not imply endorsement of the Merchandise.

9. Remedies: The City shall have all legal remedies available for any unauthorized, unlicensed use of the Flag, or breach of this License.

10. Payment for Use: SUM will pay to the City a "fee for use" of One Hundred U.S. Dollars (U.S. \$100.00) per year of the Term of this License.

11. Indemnification:

11.1. SUM and its Licensees agree to indemnify, hold harmless and defend City, its officers, employees and agents from and against third party claims, suits, actions, of whatsoever nature, damages or losses, and all expenses and costs incidental to the investigation and defense thereof including reasonable attorney fees, resulting from or arising out of the acts of SUM, its officers, employees, agents, contractors and Licensees under this License.

11.2. The indemnification obligations under this Section shall survive the termination of this License.

12. Adherence to Law: SUM and its Licensees shall comply with all federal, state and local laws and ordinances applicable to this License.

13. Non-Discrimination: SUM and its Licensees shall comply with all requirements of federal and state civil rights and rehabilitation statutes and local non-discrimination ordinances.

14. Entire Agreement, Waiver and Amendment: This License constitutes the entire agreement between the parties. There are no understandings, agreements or representations, oral or written, not specified herein regarding this License. No waiver, consent, modification, amendment or change of terms of this License shall bind either party unless in writing and signed by all parties and unless all necessary approvals have been obtained. Such waiver, consent, modification or change, if made, shall be effective only in the specific instance and for the specific purpose given. The failure of either party to enforce any provision of this License shall not constitute a waiver by either party of that or any other provision.

15. Venue and Choice of Law: This License shall be governed by the laws of the State of Oregon. Venue shall be in Multnomah County, Oregon.

16. Interpretation of License: This License shall not be construed for or against any party by reason of the authorship or alleged authorship of any provision. The Section headings contained in this License are for ease of reference only and shall not be used in construing or interpreting this License.

17. Notices and Communications: All communications between the Parties regarding this License shall be directed to the Party's respective contact persons as indicated below:

Soccer United Marketing, LLC
420 Fifth Avenue, 7th Floor
New York, NY 10018
ATTN: Kathryn Carter, President

City of Portland
Office of Management and Finance
1120 SW Fifth Ave, Room 1250
Portland, OR 97204
ATTN: Chief Administrative Officer

And to:

City of Portland
City Attorney's Office
1121 SW Fourth Ave, Room 430
Portland, OR 97204

Official communications regarding this License shall be in writing and delivered by mail or hand delivery to the above-named persons or their successors in office or designated representatives. Notice of appointment of a designated representative shall be made in writing. Designated representatives may be changed only upon written notice to the other party.

Exhibit A

IN WITNESS WHEREOF, the City and SUM have executed this License.

LICENSEE: Soccer United Marketing, LLC

CITY of Portland:

Kathryn Carter, President

Mayor Charlie Hales

Date

Date

Approved as to form:

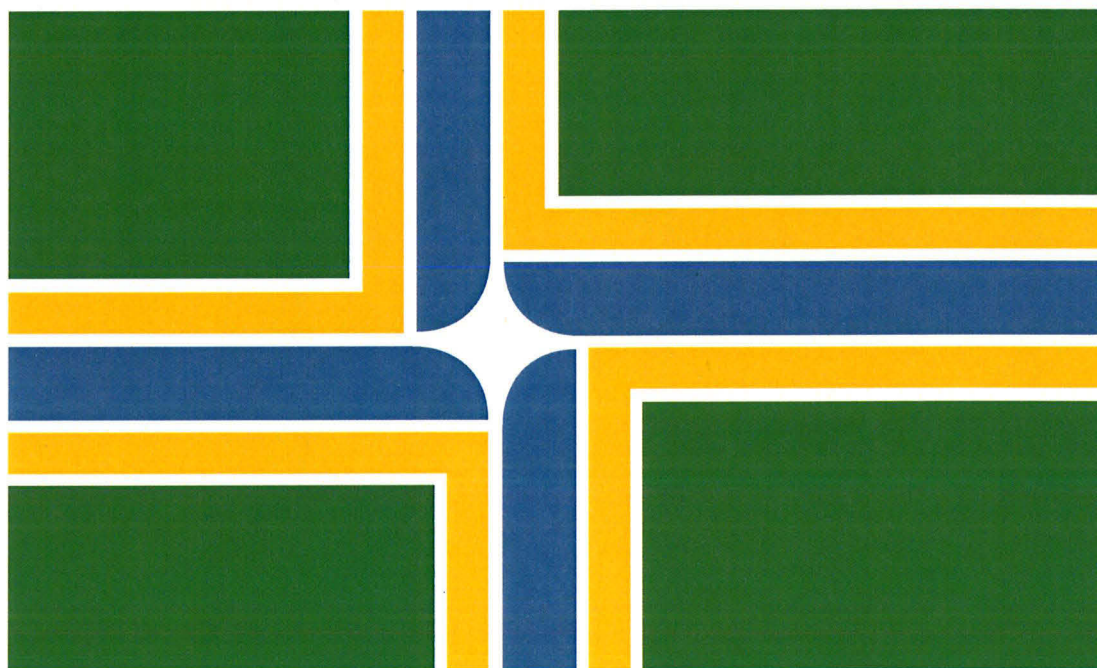
Office of the City Attorney

Attachment 1

Image #1 - City Flag utilizing a two color option:

- Two color flag incorporates the Portland Timbers colorway. Flag colors are: PMS 350c (Green); PMS 396u (Yellow) on a white background or with PMS 11-0601 TCX (Bright White)
- Addition of Portland Timbers wordmark surrounding City flag

PORTLAND



TIMBERS™

Image #2 - City Flag connection with Portland Timbers:

- Addition of Portland Timbers wordmark surrounding City flag
- Flag colors are: PMS 279 (Blue); PMS 349 (Green); PMS 1235 (Yellow)
- on a white background or with PMS 11-0601 TCX (Bright White)

Image #3 - City Flag in stylized manner:

- Features four color City Flag graphics shaped within Oregon state borders. Flag colors are: PMS 279 (Blue); PMS 349 (Green); PMS 1235 (Yellow); PMS 11-0601 (Bright White)
- Addition of "Soccer City, USA" within flag designs (popular Portland Timbers slogan)



Image on dark background



Image on white background