

06-28-2001

6-25-01



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JUN 25 2001

RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New
- Resubmission (Non-Recordation)
Document ID # _____
- Correction of PTO Error
Reel # _____ Frame # _____
- Corrective Document
Reel # _____ Frame # _____

Conveyance Type

- Assignment
- License
- Security Agreement
- Nunc Pro Tunc Assignment
Effective Date
Month Day Year _____
- Merger
- Change of Name
- Other _____

Conveying Party

Mark if additional names of conveying parties attached
Execution Date
Month Day Year _____

Name Zelda, LLC

Formerly _____

- Individual
- General Partnership
- Limited Partnership
- Corporation
- Association

Other Limited Liability Company

Citizenship/State of Incorporation/Organization South Dakota

Receiving Party

Mark if additional names of receiving parties attached

Name Dakota Ammo, Inc.

DBA/AKA/TA _____

Composed of _____

Address (line 1) 1311 Industry Road

Address (line 2) _____

Address (line 3) Sturgis SD 57785
City State/Country Zip Code

- Individual
- General Partnership
- Limited Partnership

Corporation

Other _____

Citizenship/State of Incorporation/Organization _____

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of ad hoc representative should be attached. (Designation must be a separate document from Assignment.)

05/28/2001 LMUELLER 00000063 1398456

FOR OFFICE USE ONLY

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40.00 DP

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages Enter the total number of pages of the attached conveyance document including any attachments.

#

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)			Registration Number(s)		
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="1398456"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Number of Properties Enter the total number of properties involved.

#

Fee Amount Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment: Enclosed Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

Yes

No

Statement and Signature

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

Peter R. Pi IV

Name of Person Signing

Signature

6/4/01

Date Signed

LICENSE AGREEMENT FOR UNITED STATES TRADEMARK/TRADENAME

This License Agreement made and entered into on the 13th day of April, 2001, between Zelda, LLC, a South Dakota Limited Liability Company, with its principal place of business being 18207 Blucksburg Mountain Road, Sturgis, South Dakota, 57785, and Julio Pi and Martha Pi, husband and wife, of 4828 Michigan Avenue, Detroit, Michigan, 48210, hereinafter called Licensors, and Dakota Ammo, Inc., a South Dakota corporation, with its principal place of business being 1311 Industry Road, Sturgis, South Dakota, 57785, hereinafter called Licensee.

RECITALS

A. Licensors represent and warrant that they are the sole owners of and have the right to grant an exclusive license with respect to the following United States Trademark/ Tradename, registration number 1398456 and described as: Word Mark COR-BON, (1) typed drawing, registered on June 24, 1986, and of all good will connected with such Trademark, and that they have granted no other agreements in conflict with this Agreement; and that they have not granted to any other person, firm, or corporation any right, license, or privilege granted under this Agreement. Licensors have the exclusive right to use and license others to use such Trademark.

B. Licensee desires, under the terms and conditions contained herein, to obtain an exclusive license to manufacture, sell, promote and use products bearing the above-described Trademark throughout the United States and its territories.

C. Licensors are willing to grant an exclusive license to Licensee to use such Trademark under the terms and conditions provided herein.

D. Licensors agree that Licensors will, for the life of this Agreement, maintain, protect and defend the registration of the Trademark and Tradename described herein with the United States Patent and Trademark Office and with the Secretary of State of the States of South Dakota and Michigan.

In consideration of the foregoing and of the mutual covenants contained herein, and for other good and valuable consideration, the parties agree as follows:

SECTION ONE DEFINITIONS

As used in this Agreement, the following terms shall have the following meanings:

(a) "Licensors" shall mean Zelda, LLC, a South Dakota limited liability company, and Julio Pi and Martha Pi, husband and wife.

(b) "Licensee" shall mean Dakota Ammo, Inc., a South Dakota corporation.

(c) "Trademark" shall mean the Trademark bearing registration number 1398456 and described as: "Word Mark COR-BON, (1) typed drawing, registered on June 24, 1986 and any associated Tradename used with said mark.

(d) "Package" shall mean an individual carton or container of the product containing any designated amount of the product which shall be manufactured and/or marketed by the Licensee.

(e) "Product" shall mean a small arms bullet having a jacket with a hollow interior having an open end and a closed end. A first core portion of thermoplastic material is provided within the hollow interior at the closed end. A second core portion projects through the open end and is formed by individual metal fragments compacted into an at least substantially solid mass.

(f) "Contract year" shall mean the period beginning July 1 of each calendar year and ending June 30 of the next calendar year.

SECTION TWO INTEREST GRANTED

2.1 Subject to the terms and conditions specified herein, Licensors grant to Licensee the exclusive right and license to use the above-specified United States Trademark in connection with the manufacture, processing, packaging and selling of the product throughout the United States of America, its territories and dependencies. Licensee shall have the right to export to any country of the world licensed products on which royalties are paid as provided below in this Agreement.

2.2 Licensee agrees to use the Trademark rights granted in this Agreement as follows:

(a) To employ the Trademark in the manner and form required by Licensors, as changed from time to time, and consistent with the latest sample graphics supplied by Licensor and with applicable government requirements.

(b) To apply the Trademark only to a product or products that have been manufactured at a plant and according to a process approved by Licensors and all cognizant governmental authorities.

(c) To require all of Licensee's retail outlets that sell the product to apply the Trademark and to do so in the manner and form required by Licensors and consistent with the latest sample graphics supplied by Licensors and with all applicable government requirements, and to take all steps necessary to preserve the nature and quality of the product marketed under said Trademark.

(d) To submit to Licensors for prior approval samples of all proposed copy and oral scripts, including promotional, advertising, labeling and packaging material making use of said Trademark.

(e) To report to Licensors any use by others of trademarks or other terms that may be confusingly similar to the licensed Trademark or that may tend to dilute the value of the Trademark.

(f) That all use of the Trademark by Licensee and those in its chain of distribution shall inure to the benefit of the Licensors as the owners of such Trademark.

SECTION THREE TERM OF AGREEMENT

Unless sooner terminated, as provided in this Agreement, the term of this Agreement shall continue for one full year following execution of the Agreement by the parties. At the expiration of said term, Licensee shall have the first option to renew the License granted herein for a further term of one year on such terms as the Licensors may determine. If no new terms are proposed, Licensee may renew the License on the same terms contained herein. If Licensee fails to exercise said option to renew within thirty (30) days after Licensors offer to renew such License, Licensors may thereafter offer such License to any other person or entity, but Licensors shall not grant such License to any other person or entity on terms substantially different from those offered Licensee, unless Licensor first offers such terms to Licensee and permits Licensee a period of not less than thirty (30) days to accept such offer.

SECTION FOUR FLAT RATE PAYMENT

On all products sold by Licensee during the term of this Agreement that are marketed under any Trademark or Tradename under which Licensee is licensed by this Agreement, Licensors and Licensee agree the consideration for this License Agreement shall be the flat rate sum of One Thousand Dollars \$1,000. payable monthly by Licensee to Licensors, said payment due and payable on or before the last day of each month during which this agreement is in effect. Of that sum, \$500 is to be paid to Zelda, LLC and \$500 is to be paid to Julio and Martha Pi.

SECTION FIVE RESALE OF TRADEMARKED PRODUCTS

In the event any trademarked products are sold for resale to a corporation or firm in which Licensee owns a controlling interest, the royalties to be paid in respect to such products shall be:

SECTION SIX STANDARDS OF QUALITY AND SUPERVISION

6.1 Licensors shall have the right to supervise the manufacture, processing and packaging of the product and to inspect and test all goods produced and offered for sale by Licensee on which, or in connection with which, the Trademark is used, for the purpose of

protecting and maintaining the standards of quality established by Licensors for goods sold under the Trademark.

6.2 Licensee agrees to permit Licensors' authorized personnel to enter Licensee's premises at all reasonable times, with or without advance notice, to inspect Licensee's manufacturing, processing and packaging facilities, and operations, and to inspect and test all goods produced for sale under the Trademark for the purposes of determining the quality of such goods.

6.3 Licensee agrees to furnish samples of the product to Licensors not less than monthly, and at more frequent intervals at the request of Licensors, for inspection and testing.

6.4 If Licensor at any time finds the product as prepared and packaged by Licensee to be deficient in quality or packaged in a misleading or deceptive manner, or otherwise prepared, packaged, advertised or sold in a manner that is in violation of this Agreement, the licensors may notify Licensee in writing of such deficiency or deficiencies, and if Licensee fails to correct or eliminate such deficiency or deficiencies within thirty (30) days after receipt of such notice, Licensors may, at their election, declare this License terminated.

6.5 Licensee shall not, directly or indirectly, license or attempt to license, whether orally or in writing, any other person or firm to use the Trademark.

SECTION SEVEN PROMOTION OF PRODUCT

Licensee will diligently promote the Trademark as a national brand for ammunition products of uniform high quality. Immediately after the execution of this Agreement, Licensee shall develop quality control methods, or review quality control methods in existence, to maintain the standards of quality established by Licensors for the product, and develop or review its existing nationwide marketing campaign and sales program.

SECTION EIGHT TRADEMARK INFRINGEMENTS

8.1 Licensors shall, at their own expense, challenge all unauthorized uses of or infringements upon the Trademark, and Licensors shall prosecute all persons or entities who unlawfully use or attempt to use the Trademark for its reserved purpose. Licensors shall also diligently oppose or seek to cancel registrations or applications for registration of trademarks that infringe or appear to infringe on the Trademark identified herein. Licensee agrees to assist Licensors in the prosecution of lawsuits by providing such evidence and expert assistance as Licensee may have within its control, and to the extent permitted by law, Licensee shall have the right to intervene at its own expense in any legal proceeding affecting the rights acquired by Licensee under this Agreement.

8.2 If Licensors fail at any time to maintain, protect and defend Licensee's rights in the Trademark, Licensee shall have the right and ability to litigate the infringement and may join the Licensors as party plaintiffs in such suit, and shall be entitled to receive and retain for its own use and benefit any recovery awarded in such suit.

SECTION NINE ASSIGNMENTS

Licensee shall have the right to grant assignments under this Agreement on terms not inconsistent with this Agreement, including the payment of royalties by the assignee at a rate not less than that specified in Section Four hereof, provided the credit of the assignee is acceptable to Licensors, or Licensee is willing to guarantee the payment of royalties by the Assignee. Licensors shall promptly be furnished with a copy of each sublicense granted by Licensee. Licensee shall pay over to Licensors that part of the royalties actually received by it from such assignee, or the receipt of which is guaranteed by it, that corresponds to the royalty rate specified in Section Four hereof.

SECTION TEN MARKING

Licensee shall mark all licensed products sold by it under this Agreement with the Trademark licensed by this Agreement.

SECTION ELEVEN INFRINGEMENT

In the event that any infringement of the licensed Trademark comes to the attention of either party, such party shall promptly notify the other party of the infringement. The parties then shall consult with a view to reaching agreement as to ways and means of eliminating the infringement. If either party desires to litigate the infringement and the other party refuses to do so or refuses to bear one-half of the cost of the litigation in return for one-half of the recovery, the party desiring litigation may at its sole discretion, and at its sole cost and expense, bring suit to restrain such infringement, may join the refusing party as a party plaintiff in such suit, and shall be entitled to receive and retain for its own use and benefit any recovery awarded in such suit.

SECTION TWELVE DISCLAIMER OF RELATIONSHIP

Nothing contained in this Agreement shall be construed in any way to create a partnership or subsidiary relationship between the parties hereto, and that the business operated by Licensee is separate and apart from any that may be operated by Licensors. It is agreed that Licensee is not an affiliate of Licensors, and no representations will be made by either party that would create a parent agency, employment or partnership, and neither party shall have the authority to act for the other in any manner to create obligations or debts that would

be binding on the other. Neither party shall be responsible for any obligation or expenses whatsoever of the other. The only relationship between the parties shall be that of independent contractors and neither party shall be responsible for any act or omission of the other or any employee of the other.

SECTION THIRTEEN TERMINATION

13.1 If Licensee fails to pay to Licensors the flat rate fee payable under the terms of this Agreement, or if Licensee violates or fails to keep or perform any other obligation, term or condition of this Agreement, or if Licensee shall be adjudged a bankrupt or become insolvent or make an assignment for the benefit of creditors, or be placed in the hands of a receiver or trustee in bankruptcy, then Licensors may, at their option, cancel and terminate this Agreement by giving thirty (30) days written notice, specifying the default complained of; provided, however, that if Licensee shall, within such thirty (30) days cure the default complained of, then the notice shall cease to be operative and this License Agreement shall continue in full force and effect as though such default had not occurred.

13.2 Licensee shall have the right to cancel this Agreement upon ninety (90) days written notice to Licensors. In the event of any such cancellation, Licensee shall pay to Licensors all royalties due and payable up to the effective date of such cancellation. After the effective date of cancellation, Licensee shall be in the same position that it would have occupied had this Agreement not been made.

13.3 Failure of Licensors to exercise any right hereunder, or otherwise waive or condone any delay or failure by Licensee to comply with any of the terms or conditions of this Agreement, shall not constitute a continuing waiver of any such requirements or provisions of Licensors' right to terminate, or any rights of Licensors hereunder.

13.4 On termination of this Agreement for whatever cause, it is agreed and fully understood that the rights and privilege of Licensee to use the Trademark and Tradename, or any variation thereof, shall terminate, and Licensee agrees immediately thereupon to discontinue any and all use of such name and mark, or variation thereof, and not thereafter to use such name and mark, in any manner whatsoever.

13.5 Within sixty (60) days after the expiration or termination of this Agreement for any reason other than the default or insolvency of Licensee, Licensee shall give Licensors an itemized statement of all unsold articles that were manufactured, or were in the process of manufacture more than thirty (30) days prior to such expiration or termination. Upon delivery of such statement to Licensors, and for a period of ninety (90) days after the date of such expiration or termination of this Agreement, Licensee shall have the right to dispose of all such articles that were manufactured, or were in the process of manufacture more than thirty (30) days prior to such expiration or termination; however, Licensee shall have no right to sell such articles at a reduced price or otherwise than as set forth in this Agreement.

SECTION FOURTEEN
NON-USE

If Licensee makes no substantial use of the Trademark licensed by this Agreement for a full calendar year after entry into this License Agreement, then Licensors shall have the right to cancel this License as to such non-used Trademark on thirty (30) days written notice to Licensee. The failure of Licensor to serve such notice of cancellation within six (6) months after the end of the calendar year in question shall be construed as a waiver of the right of Licensors thus to cancel this License Agreement; provided, however, that Licensors may nevertheless exercise their option to cancel if the Trademark is not substantially used by Licensee for any subsequent calendar year.

SECTION FIFTEEN
WARRANTIES

Neither party makes any representations, extends any warranties, or assumes any responsibilities whatever with respect to the use, sale or other disposition by the other party or its vendors or transferees of the licensed products.

SECTION SIXTEEN
NOTICE

Any written notice necessary or appropriate under this Agreement shall be deemed to be properly given if sent by United States registered mail to the party to be notified at the address set forth above or at such other address as either party may later designate in writing. The date of service of any such notice so sent by registered mail shall be deemed to be three days after mailing.

SECTION SEVENTEEN
INTEGRATION

The parties agree this writing constitutes the entire agreement between them and that there are no other oral or collateral agreements or understandings of any kind or character except those contained herein.

SECTION EIGHTEEN
TIME OF THE ESSENCE

Time is of the essence of this Agreement and all provisions hereof.

SECTION NINETEEN
GOVERNING LAW

This License Agreement shall be construed with and be governed by the laws of the state of South Dakota, without regard to its choice of law rules. Exclusive venue and

jurisdiction with respect to any lawsuit or court action under this Agreement shall be in the state or federal courts of the state of South Dakota.


SECTION TWENTY
BINDING EFFECT; ASSIGNMENT


This Agreement shall be binding on and inure to the benefit of the heirs, executors, personal representatives, administrators, successors and assigns of the parties, and neither party shall have the right to assign this Agreement, except to the purchaser of substantially its entire business, without the consent in writing of the other party.

The parties have executed this License Agreement on the day and year first above written.

ZELDA, LLC (Licensor)

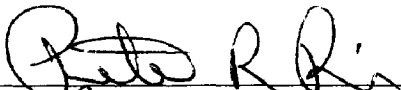
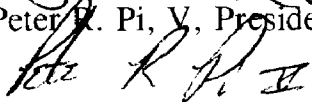
JULIO PI (Licensor)

By: 
Elaine A. Pi, Operating Manager

By: 
Peter R. Pi, Operating Manager

MARTHA PI (Licensor)

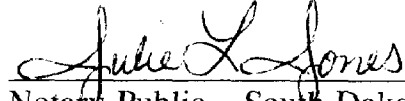
DAKOTA AMMO, INC. (Licensee)

By: 
Peter R. Pi, V, President


STATE OF SOUTH DAKOTA)
)SS
COUNTY OF Meade)

On this 13th day of April, 2001, before me, the undersigned officer, personally appeared Peter R. Pi and Elaine A. Pi, known to me or satisfactorily proven to be the Operating Managers of Zelda, LLC, a South Dakota limited liability company, and acknowledged that they executed the same in the capacity and for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.



Notary Public - South Dakota

~~My Commission Expires March 5, 2005~~

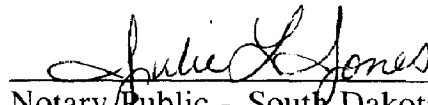
My commission expires:

(SEAL)

STATE OF SOUTH DAKOTA)
)SS
COUNTY OF Meade)

On this 13th day of April, 2001, before me, the undersigned officer, personally appeared Peter R. Pi, V, known to me or satisfactorily proven to be the President of Dakota Ammo, Inc., a South Dakota corporation, and acknowledged that he executed the same in the capacity and for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.



Notary Public - South Dakota

My commission expires:

~~My Commission Expires March 5, 2005~~

(SEAL)

jurisdiction with respect to any lawsuit or court action under this Agreement shall be in the state or federal courts of the state of South Dakota.

SECTION TWENTY
BINDING EFFECT; ASSIGNMENT

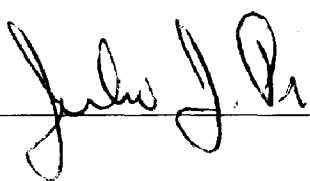
This Agreement shall be binding on and inure to the benefit of the heirs, executors, personal representatives, administrators, successors and assigns of the parties, and neither party shall have the right to assign this Agreement, except to the purchaser of substantially its entire business, without the consent in writing of the other party.

The parties have executed this License Agreement on the day and year first above written.

ZELDA, LLC (Licensor)

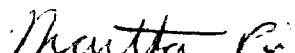
JULIO PI (Licensor)

By: _____
Elaine A. Pi, Operating Manager

 4-12-01

By: _____
Peter R. Pi, Operating Manager

MARTHA PI (Licensor)

 4-12-01

DAKOTA AMMO, INC. (Licensee)

By: _____
Peter R. Pi, V, President

STATE OF MICHIGAN)
)SS
COUNTY OF WAYNE)

On this 12 day of APRIL, 2001, before me, the undersigned officer, personally appeared Julio Pi and Martha Pi, husband and wife, known to me or satisfactorily proven to be the persons described in the foregoing instrument, and acknowledged that they executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.



Notary Public -Michigan

My commission expires:

VINCENT R. GUIDO
Notary Public, Wayne County, Michigan
My Commission Expires September 5, 2002

(SEAL)