

LICENSE AGREEMENT

THIS AGREEMENT is made by and between **Village Coffee**, an Alabama Corporation, (hereinafter referred to as “Licensor”), and _____, a _____ resident (hereinafter referred to collectively as “Licensee”).

W I T N E S S E T H

WHEREAS, Licensor owns the trade name “Village Coffee” and the trademark registered under serial number 77126633 with the United States Patent and Trademark Office, together with all the goodwill associated therewith (collectively, the “Proprietary Marks”).

WHEREAS, Licensee wishes to use the Proprietary Marks in connection with its operation of a Village Coffee coffee shop located at _____ (the “Business”).

NOW, THEREFORE, in consideration of the mutual promises herein contained, the parties hereto agree as follows:

1. Grant of License. Subject to the terms and conditions of this Agreement, Licensor hereby grants to Licensee, and Licensee hereby accepts, the right, privilege and nonexclusive license (the “License”) to use the Proprietary Marks solely in connection with Licensee’s operation of the Business. Licensor represents and warrants that, to the best of its knowledge, it is the sole and exclusive owner of the entire right, title and interest in and to the Proprietary Marks.

2. Term. The term of the License shall be effective upon the date of execution of this Agreement and shall continue for 4 (four) years (the “Term”), unless sooner terminated in accordance with the provisions hereof. At the end of the Term, Licensee will own the use of the Proprietary Marks, subject to the restrictions and other provisions in this Agreement.

3. License Fee. Licensee will pay to Licensor a fee for the use of the Proprietary Marks pursuant to this Agreement in the total amount of **\$24,000.00** (the “License Fee”), payable in sixty (48) consecutive monthly payments of \$400.00 each. The first such payment (\$4800) shall be due on the date thirty (30) days before Licensee commences operation of the Business, and each subsequent payment shall be due on the same calendar date of each subsequent month. In the event Licensee fails to make the payments required in this paragraph on the dates provided, a late fee shall be assessed against Licensee in the amount of ten percent (10.00%) of the aggregate of such payment and any unpaid portion of the License Fee theretofore outstanding.

4. Non-exclusivity. Nothing in this Agreement shall be construed to prevent Licensor from granting any other licenses for the use of the Proprietary Marks or from utilizing the Proprietary Marks in any manner whatsoever. Licensee agrees not to interfere in any manner with, or attempt to prohibit the use of the Proprietary Marks by, any other licensee duly licensed by Licensor. Licensee further agrees to execute any and all documents and assurances reasonably requested by Licensor to effectuate the licensing of the Proprietary Marks to any

other party and agrees to cooperate fully with Licensor or any other licensees of Licensor to protect Licensor's lawful authority to use the Proprietary Marks.

5. Goodwill. Licensee hereby acknowledges and agrees that (i) there exists great value and goodwill associated with the Proprietary Marks; and (ii) the Proprietary Marks and all rights therein and goodwill pertaining thereto belong exclusively to Licensor.

6. Licensor's Title and Protection of Licensor's Rights.

(a) Licensee shall not take any actions, or aid or assist any other party to take any actions, that would infringe upon, harm or contest the proprietary or other rights of Licensor in and to the Proprietary Marks.

(b) Licensee agrees to assist and cooperate fully and in good faith with Licensor to the extent necessary to protect any of Licensor's right to the Proprietary Marks, and Licensor, if it so desires, may commence or prosecute any claims or suits relating to the Proprietary Marks in the name of Licensee or join Licensee as a party thereto. Licensee shall notify Licensor in writing of any infringements or imitations by others of the Proprietary Marks which may come to Licensee's attention, and Licensor shall have the sole right to determine whether or not any action shall be taken on account of any such infringements or imitations. Licensee shall not institute any suit or take any action on account of any such infringements or imitation without first obtaining the written consent of the Licensor so to do.

(c) Nothing contained in this Agreement shall be construed as an assignment or grant to the Licensee of any right, title or interest in or to the Proprietary Marks other than the License, it being understood that all other rights relating to the Proprietary Marks are hereby reserved by Licensor.

7. Inspection. Licensor, or its nominee, shall have access to the Business and the books and records of Licensee during normal business hours for the purpose of ensuring compliance with this Agreement.

8. Use of Proprietary Marks. Licensee will use the Proprietary Marks only in such manner and for such time as specifically and expressly provided in this Agreement. Without limiting the foregoing, (i) Licensee shall have no right to attach, install, print, impose or otherwise place the Proprietary Marks to or on any building, sign, merchandise or other item used in the Business without first obtaining Licensor's express consent, which consent may be granted or withheld in the sole discretion of Licensor; and (ii) Licensee shall bear all costs for any attachment or installation for which Licensor provides such consent.

9. Termination.

(a) Licensee may terminate this Agreement if Licensor materially breaches any term or condition of this Agreement, and such default shall not have been remedied within twenty (20) business days after written notice thereof shall have been given to the Licensor by the Licensee.

(b) The rights granted hereunder may be terminated by Licensor upon immediate notice, without the opportunity to cure, should any of the following events occur:

(i) Licensee shall: (A) admit in writing its inability to pay its debts generally as they become due; (B) file a petition in bankruptcy or a petition to take advantage of any insolvency act; (C) make an assignment for the benefit of its creditors; (D) consent to the appointment of a receiver of itself or of the whole or any substantial part of its property; (E) on a petition in bankruptcy filed against it, be adjudicated as bankrupt; (F) file a petition or answer seeking reorganization or arrangement under the bankruptcy laws or any other applicable law or statute; (G) become subject to a final order, judgement or decree entered by a court of competent jurisdiction appointing, without the consent of Licensee, a receiver of Licensee or of the whole or any substantial part of its property or approving a petition filed against Licensee seeking reorganization or arrangement of Licensee under the bankruptcy laws or any other applicable law or statute; or

(ii) Licensee shall fail or refuse to perform any other obligation created by this Agreement, or if Licensee materially breaches any term or condition of this Agreement, and such default shall not have been remedied within twenty (20) business days after written notice thereof shall have been given to the Licensee by the Licensor; or

(iii) Licensee shall make any misrepresentations relating to the acquisition of the License, or Licensee or any of Licensee's shareholders, officers, directors, or managing personnel engages in conduct which reflects unfavorably on the Proprietary Marks or upon the operation and reputation of the Licensor's business; or

(iv) Licensee or any of Licensee's shareholders, officers, directors, or managing personnel shall be convicted of a felony or any other criminal misconduct which is relevant to the operation of the business of Licensee.

In the event of termination of the License for any reason, except as Licensor shall agree otherwise in writing, (i) Licensee shall immediately cease all use of the Proprietary Marks and shall not thereafter use, for any reason or in any manner whatsoever, any name, mark or trade name similar thereto; (ii) Licensee will be deemed to have assigned, transferred and conveyed to Licensor all trade rights, equities, goodwill, titles or other rights in and to the Proprietary Marks of Licensee; (iii) Licensee will execute any instruments requested by Licensor to accomplish or confirm such assignments, transfers and conveyances; and (iv) such assignments, transfers and conveyances shall be deemed made without other consideration than the mutual covenants and considerations of this Agreement.

10. Compliance with Laws and Regulations. Licensee shall, and shall cause its shareholders, officers, directors, and managing personnel to, comply with all laws, rules and government regulations pertaining to its business and shall not violate any laws which would create an adverse effect on the Proprietary Marks.

11. No Agency. Licensee shall not in any manner or respect be the legal representative or agent of Licensor and shall not enter into or create any contracts, agreements, or obligations on the part of Licensor, either expressed or implied, nor bind Licensor in any

manner or respect whatsoever; it being understood that this Agreement is only a contract for the license of the Proprietary Marks.

12. Indemnification and Insurance.

(a) Licensee agrees to defend, indemnify and hold harmless Licensor, its officers, affiliates, directors, agents, and employees from and against any and all property damage, personal injuries or death and other liability, loss, cost, expense, or damage, including, without limitation, court costs and reasonable attorney's fees arising out of operations of the Business and from Licensee's breach of any of the terms contained herein.

(b) Licensee agrees that it will obtain, at its own expense, liability insurance from a recognized insurance company which is qualified to do business in each state where Licensee conducts the Business providing protection which is standard in the industry for businesses similar to the Business for the benefit of Licensor and its affiliates and their officers, directors, agents, and employees (as well for Licensee) against any claims, suits, loss or damage arising out of or in connection with the Business. As proof of such insurance, a fully paid certificate of insurance naming Licensor as an insured party will be submitted to Licensor by Licensee for Licensor's approval within thirty (30) days after the date of execution of this Agreement. Any proposed change in certificates of insurance shall be submitted to Licensor for its prior approval.

13. Notices. All notices and statements and all payments to be made hereunder, shall be given or made at the respective addresses of the parties as set forth below such party's name unless notification of a change of address is given in writing, and the date of mailing shall be deemed the date the notice or statement is given.

14. No Joint Venture. Nothing herein contained shall be construed, either itself or together with any other agreement, document, or arrangement, to place the parties in the relationship of partners or joint venturers or of franchisor/franchisee.

15. No Assignment or Sublicense by Licensee. Licensee may not assign or sublicense this Agreement and/or the License; provided, however, that Licensee may assign or sublicense the License, subject to the terms and conditions of this Agreement, to such third parties as Licensor shall approve in writing, which approval may be given or withheld in Licensor's sole discretion.

16. No Waiver, Etc. This Agreement may not be waived or modified except by an express agreement in writing signed by both parties. There are no representations, promises, warranties, covenants or undertakings other than those contained in this Agreement with respect to its subject matter, which represents the entire understanding of the parties. The failure of either party hereto to enforce, or the delay by either party in enforcing, any of its rights under this Agreement shall not be deemed a continuing waiver or a modification thereof and either party may, within the time provided by applicable law, commence appropriate legal proceedings to enforce any or all of such rights.

17. Governing Law. This Agreement shall be construed under the laws of the State of Alabama.

18. Severability. Whenever possible each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited, void, invalid, or unenforceable under applicable law, such provision shall be ineffective to the extent of such prohibition, invalidity, voidability, or enforceability without invalidating the remainder of such provision or the remaining provisions of this Agreement.

19. Survival. All obligations of the Licensee contained in this Agreement shall survive the expiration or termination of this Agreement.

20. Attorneys' Fees. Should any litigation be commenced between the parties to this Agreement concerning this Agreement, or the rights and duties of either in relation thereto, the party prevailing in such litigation shall be entitled, in addition to such relief as may be granted, to its attorneys' fees and costs in the litigation.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement this 10th day of December, 2009

LICENSEE
[LICENSEE ENTITY NAME]

LICENSEE
[LICENSEE ENTITY OWNER NAME]

By: _____

By: _____

Address: _____

Address: _____

VILLAGE COFFEE, an Alabama corporation

By: _____
William T Lowery

Address: P.O. Box 1032
Troy, Alabama 36081