

LICENSE AGREEMENT

THIS LICENSE AGREEMENT is made as of _____, 20__ by and between _____, an individual, with his/her principal address at _____ Street, Santa Barbara, California (hereinafter referred to as "Licensor") and _____, Inc., a California corporation, with its principal place of business at _____ Street, Santa Barbara, California, (hereinafter referred to as "Licensee").

- A. Licensor is a _____ in the _____ industry and Licensee desires to license the use of Licensor's recipes in connection with Licensee's business;
- B. Licensee owns and operates the _____ known as _____; and
- C. Licensor agrees to license to Licensee the use of such _____ on the terms and conditions set forth herein.

IN CONSIDERATION OF THE FOREGOING and of the mutual covenants herein contained, the receipt and sufficiency of which are hereby acknowledged and intending to be legally bound, the parties hereby agree as follows:

1. Definitions. The terms below shall have the following meanings when used in this Agreement:

"Licensed Material" shall mean the _____ as more fully described in Exhibit A.

"Proprietary Information" shall mean all ideas and concepts relating to Licensed Materials including, without limitation, trade secrets, plans, specifications, prototypes, and marketing plans.

Permitted Use shall mean the Licensee's use of the Licensed Material solely for the purpose of _____, located at _____, Santa Barbara, California (the "Restaurant").

2. Grant of License. Subject to the terms of this Agreement, Licensor hereby grants Licensee a non-exclusive, non-transferable, non-assignable limited license to use the Licensed Materials and the Proprietary Information for the Permitted Use for the purpose of using them in the _____ during the term of this Agreement.

3. Compensation

3.1 License Fee. In consideration of the grant of license provided for herein, Licensee shall pay Licensor a non-refundable fee of \$_____ per month payable at the first of the month during the term of this Agreement.

3.2 Royalties. In addition, Licensee shall pay Licensor a royalty profit generated in the operation of the _____ in an amount to be reasonably agreed upon by the parties hereto on no less than an annual basis.

4. Assignment. Licensee shall not assign or transfer any interest in this Agreement whether by merger, consolidation, operation of law or otherwise without the prior written consent of Licensor. Licensor's consent may be withheld at Licensor's sole and absolute discretion.

5. Inspection. Licensee agrees to keep accurate books of account and records relevant to the operations of the _____. Licensor and his duly authorized representatives and nominees shall have the right at all reasonable hours of the day at any time during the term of this Agreement and any renewal term, to examine said books of account and records and of all other documents and material in the possession or under the control of Licensee with respect to the subject matter and the terms of this Agreement, and Licensor shall have free and full access thereto for said purpose of making extracts therefrom. Such rights shall be exercised during the normal business hours and in such manner as not to interfere with the conduct of Licensee's business.

6. Non-Exclusive Rights. Notwithstanding any provision herein to the contrary, Licensor may license firms, individuals, partnerships and corporations to use the Licensed Materials in any part of the world including Santa Barbara, California, and Licensor reserves all rights pertaining to the Licensed Materials.

7. Use of Licensed Materials.

7.1 Licensor's Rights; Copyright Notices and Markings. Licensee acknowledges Licensor's exclusive right, title and interest in and to the Licensed Materials. Nothing contained in this Agreement shall be construed as conveying to Licensee any right, title or interest in or to any of the Licensed Materials other than an express right to the Permitted Use in connection with the _____.

7.2 Protection of Licensed Materials. Licensee shall cooperate to the fullest extent possible as necessary to allow Licensor, in his sole discretion, to protect any of the Licensed Materials. Licensee will fully cooperate with Licensor in maintaining and defending the ownership and validity of each of the Licensed Materials against infringement and claims of infringement. Licensee will promptly notify Licensor of any infringement or unauthorized use of any Licensed Materials by any third party. Licensor shall not be obligated to initiate or defend legal action with respect to any Licensed Materials, and Licensee shall not initiate or defend any such action itself without Licensor's prior written consent.

8. Goodwill. Licensor and Licensee each acknowledge that the Licensed Materials have acquired a valuable secondary meaning and goodwill with the public. Accordingly, Licensee undertakes and agrees not to use the Licensed Materials in any manner whatsoever which, directly or indirectly, would derogate or detract from the repute of Licensor or the Licensed Materials. Licensor and Licensee each acknowledges that the undertaking on its part

set forth in this paragraph represents a major inducement and consideration for Licensor to enter into this Agreement.

9. Termination.

9.1 Termination on Insolvency or Material Breach. Either Licensee or Licensor may at its option immediately terminate this Agreement by giving written notice thereof to the other party in the event of the happening of any of the following:

(a) If the other party becomes insolvent, or a petition of bankruptcy is filed, or any similar relief is filed by or against the other party, or a receiver is appointed with respect to any of the assets of the other party, or a liquidation proceeding is commenced by or against the other party; or

(b) Failure to correct or cure any material breach by the other party or any covenant or obligation under this Agreement hereunder within ten (10) calendar days after receipt by the other party of a written notice from such party specifying such breach.

9.2 Licensee's Change in Control. In the event that all or a controlling interest in Licensee, or a parent of Licensee, is acquired by an unrelated third party by merger, acquisition or private or public purchase of securities or assets, Licensor shall have the right:

(a) To terminate this Agreement with thirty (30) days prior written notice; or

(b) To continue this Agreement and at Licensor's option, require Licensee to adopt reasonable internal constraints to prevent the disclosure of Licensor's Proprietary Information to the acquiring party or any part of the non-acquired party.

9.3 Licensee's Breach of Confidentiality Provisions. Licensor shall have the right to immediately terminate this Agreement without prior notice if Licensee, its employees or agents shall breach the confidentiality provisions of this Agreement.

10. Effect of Termination and/or Expiration.

10.1 Return of Licensed Materials.

(a) Upon the expiration or termination of this Agreement for whatever reason, the Licensee shall promptly return to Licensor all Proprietary Information furnished hereunder together with all copies made therefrom and shall not retain them thereafter.

(b) Upon the expiration or termination of this Agreement for whatever reason, Licensee will immediately cease all use of the Licensed Materials and deliver to Licensor all of the Licensed Materials.

10.2 Licensor's Rights and Remedies. Notwithstanding any termination in accordance with the foregoing, Licensor shall have, and hereby reserves all the rights and

remedies which it has or which are granted to it by operation of law, for damages or breach of this Agreement on the part of the Licensee.

11. Term. This Agreement and all licenses and rights granted hereunder shall commence and continue for a period commencing on the date first written above and ending on June 30, 2007, except as earlier terminated as provided herein.

12. Notice. Any notice required or permitted to be given under this Agreement shall be sent in writing and shall be deemed to be duly given five (5) days after mailing if mailed or delivered to such party, by United States certified, return receipt requested, first class air mail to the addresses indicated below:

If to Licensor:

If to Licensee:

or to such other addresses as the parties may provide to each other from time to time.

13. Amendment. This Agreement may not be amended, modified or extended except by a written instrument signed by both Licensor and Licensee.

14. Governing Law. This Agreement shall be considered as having been entered into the State of California, and shall be construed and interpreted in accordance with the laws of the State of California; and each of the parties hereto irrevocably agrees to submit to the jurisdiction and venue of the courts of Santa Barbara County, State of California to resolve any disputes related hereto or arising hereunder.

15. Waiver. Any failure of Licensor to enforce, at any time or for any period of time, any of the provisions under this Agreement shall not be construed as a waiver of the right of the Licensor to enforce such provisions unless said waiver is in writing, and signed by an authorized executive officer of Licensor.

16. Survival. Licensee recognizes and agrees that its obligations under Sections 7, 8, and 10 of this Agreement shall survive the termination of this Agreement and Licensee shall be bound by such obligations after termination hereof.

17. Severability of Provisions. Each provision of this Agreement shall be considered severable and if for any reason any provision or provisions herein are determined to be invalid or contrary to any existing or future law, such invalidity shall not impair the operation of this Agreement or affect those portions of this Agreement which are valid.

18. Equitable Remedies. In the event the Licensee breaches, or threatens to breach any of the covenants expressed herein, the damages to Licensor will be great and irreparable and difficult to ascertain; therefore, Licensor may apply to a court of competent jurisdiction for

injunctive or other equitable relief to restrain such breach or threat of breach, without disentiing Licensor from any other relief in either law or equity.

19. Entire Agreement. This Agreement, the exhibits hereto and the documents referenced herein, constitute the entire agreement between the parties hereto and there are no representations, warranties, covenants or obligations except as set forth herein. This Agreement supersedes all prior or contemporaneous agreements, understandings, negotiations and discussions, written or oral, of the parties hereto, relating to any transaction contemplated by this Agreement. Nothing in this Agreement is intended or shall be construed to confer upon or to give any person other than the parties hereto any rights or remedies under or by reason of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement under seal as of the day and year first written above.

Licensor:

Licensee:

_____, INC., a California corporation

By: _____
_____, President