

PORTEJAS®
TRADEMARK
LICENSE AGREEMENT

THIS TRADEMARK LICENSE AGREEMENT ("Agreement") is made and entered into effective as of _____
by and between the Texas Wine and Grape Growers Association, a Texas corporation ("Licensor"), and

("Licensee").

WHEREAS, Licensor has created, and has registered with the United States Patent and Trademark Office and the trademark offices of various foreign countries, the "mark" of Portejas® (Trademark); and

WHEREAS, Licensee desires to use the Trademark in connection with Licensee's products, advertising, and labels; and

WHEREAS, Licensor, subject to the terms and conditions set forth in this Agreement, is willing to permit Licensee to use the Trademark.

NOW, THEREFORE, in consideration of the above premises, the mutual covenants set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1
LICENSE

1.1 Scope of License. Subject to the terms and conditions set forth in this Agreement, Licensor grants to Licensee a non-exclusive, non-transferable, license to use the Trademark in connection with the its products, advertising, and labels.

1.2 Non-Assignment. Licensee acknowledges and agrees that the rights granted to Licensee by and obtained by Licensee as a result of or in connection with this Agreement are license rights only, and nothing contained in this Agreement constitutes or shall be construed to be an assignment of any or all of Licensor's rights in the Trademark.

Section 2
LICENSOR'S CONTROL

2.1 In order to protect and preserve Licensor's rights in the Trademark, Licensee understands, acknowledges, and agrees that once Licensee's use of the Trademark in connection with its products, advertising, and labels is initially approved by Licensor, any subsequent alteration, modification, or change in such use must be reviewed and approved by Licensor prior to implementation of such alteration, modification, or change.

2.2 The Licensee understands and agrees that the mark, including electronic, paper, computer files, and other versions are the sole property of the Licensee and must be returned to the Licensee within 72 hours upon the termination of this agreement and request of the Licensee.

Section 3
USE OF THE TRADEMARK

3.1 Trademark Format. Licensor retains the right to specify, from time to time, the format in which Licensee shall use and display the Trademark, and Licensee shall only use or display the Trademark in a format approved by Licensor. A copy of the Portejas® logo shall appear on the logo as supplied by the Licensor.

3.2 Proper Notice and Acknowledgment. Every use of the Trademark by Licensee shall incorporate in an appropriate manner an "R" enclosed by a circle (®) or the phrase "Reg. U.S. Pat. & Tm Off.".

3.3 Impairment of Licensor's Rights. Licensee shall not at any time, whether during or after the term of this Agreement, do or cause to be done any act or thing challenging, contesting, impairing, invalidating, or tending to impair or invalidate any of Licensor's rights in the Trademark or any registrations derived from such rights.

3.4 Licensor's Rights and Remedies. Licensee acknowledges and agrees that Licensor has, shall retain, and may exercise, both during the term of this Agreement and thereafter, all rights and remedies available to Licensor, whether derived from this Agreement, from statute, or otherwise, as a result of or in connection with Licensee's breach of this Agreement, misuse of the Trademark, or any other use of the Trademark by Licensee which is not expressly permitted by this Agreement.

3.5 Licensee agrees to limit its use of said Mark as a certification mark to wine which shall meet the following standards and quality controls which have been described and approved by Licensor:

- a. Red or White wine made primarily from Texas grapes and either fermented or fortified above 14% alcohol.

3.6 Licensee agrees to provide Licensor with a sample copy of the proposed label to be used for the Portejas® bottling in advance of it being approved to ensure it contains the licensed Portejas® logo and Trademark.

Section 4 ROYALTIES

4.1 In consideration for the granting of this License to Licensee by Licensor, Licensee agrees to compensate Licensor by paying to Licensor a fee of one dollar per case of wine (9000 ml) labeled with the mark based on annual production plans up to \$500. Said fee shall be due and owing at the commencement of a license year. Fees for unanticipated production during the license year shall be due and owing at the time of labeling. The first license year shall commence upon the execution of this Agreement and each subsequent license year shall commence on the anniversary of the date of execution of the Agreement. If this Agreement is terminated prior to the expiration of a full year or the completion of the final year, the aforesaid license fee for that year shall not be prorated.

Section 5 TERM AND TERMINATION

5.1 Term. The term of this Agreement shall be for one (1) year from the Effective Date; provided, however, that either party may terminate this Agreement, with or without cause, by delivering written notice of termination to the other party, and, unless a later date is specified in such notice, termination shall be effective ten (10) days after the date such notice is given.

5.2 Termination for Cause. Notwithstanding the provisions of Section 5.1 of this Agreement, this Agreement and all rights granted hereby, including but not limited to Licensee's right to use the Trademark, shall automatically terminate without notice from Licensor if (i) Licensee attempts to assign, sub-license, transfer or otherwise convey, without first obtaining Licensor's written consent, any of the rights granted to Licensee by or in connection with this Agreement; (ii) Licensee fails to obtain Licensor's approval of Licensee's use of the Trademark in accordance with Section 2 of this Agreement; (iii) Licensee uses the Trademark in a manner in violation of, or otherwise inconsistent with, the restrictions imposed by or in connection with Section 3 of this Agreement; or (iv) Licensee uses the Trademark in a manner not expressly permitted by this Agreement.

5.3 Effect of Termination. All rights granted by this Agreement, including, without limitation, Licensee's right to use the Trademark, shall expire upon termination of this Agreement, and upon termination Licensee shall immediately cease and desist from all further use of the Trademark.

Section 6 MISCELLANEOUS

6.1 Assignment. Licensee shall not assign, sublicense, transfer, or otherwise convey Licensee's rights or obligations under this Agreement without Licensor's prior written consent. Licensee shall indemnify and hold harmless Licensor against all liability, costs, and expenses, including but not limited to a reasonable attorneys' fee, arising out of or in connection with claims relating to an attempted assignment, sublicense, transfer, or other conveyance of Licensee's rights and obligations.

6.2 Applicable Law. This Agreement shall be interpreted, construed, and enforced pursuant to, and in accordance with, the laws of the State of Texas and <insert county name here>.

6.3 Entire Agreement. This Agreement supersedes all previous agreements, understandings, and arrangements between the parties, whether oral or written, and constitutes the entire agreement between the parties.

6.4 Amendments. This Agreement may not be modified, amended, altered, or supplemented except by an agreement in writing executed by the parties hereto.

6.5 Waivers. The waiver by either party of a breach or other violation of any provision of this Agreement shall not operate as, or be construed to be, a waiver of any subsequent breach of the same or other provision of this Agreement.

6.6 Notice. Unless otherwise provided herein, any notice, demand, or communication required, permitted, or desired to be given hereunder shall be in writing and shall be delivered by hand, by telex or telecopy, by facsimile, or by registered or prepaid certified mail through the United States postal service, return receipt requested, addressed as follows:

Attn: Executive Director
Texas Wine and Grape Growers Association
210 S. Hudgins
Grapevine, TX 76051

or to such other address, and to the attention of such other persons or officers as either party may designate by written notice. Any notice so addressed and mailed shall be deemed duly given three (3) days after deposit in the United States mail, and if delivered by hand, shall be deemed given when delivered, and if telecopied, telexed, or sent by facsimile, shall be deemed given on the first business day immediately following transmittal.

6.7 Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original, but all of which together shall constitute one and the same Agreement.

6.8 Articles and Other Headings. The articles and other headings contained in this Agreement are for reference purposes only, and shall not affect in any way the meaning or interpretation of the terms of this Agreement.

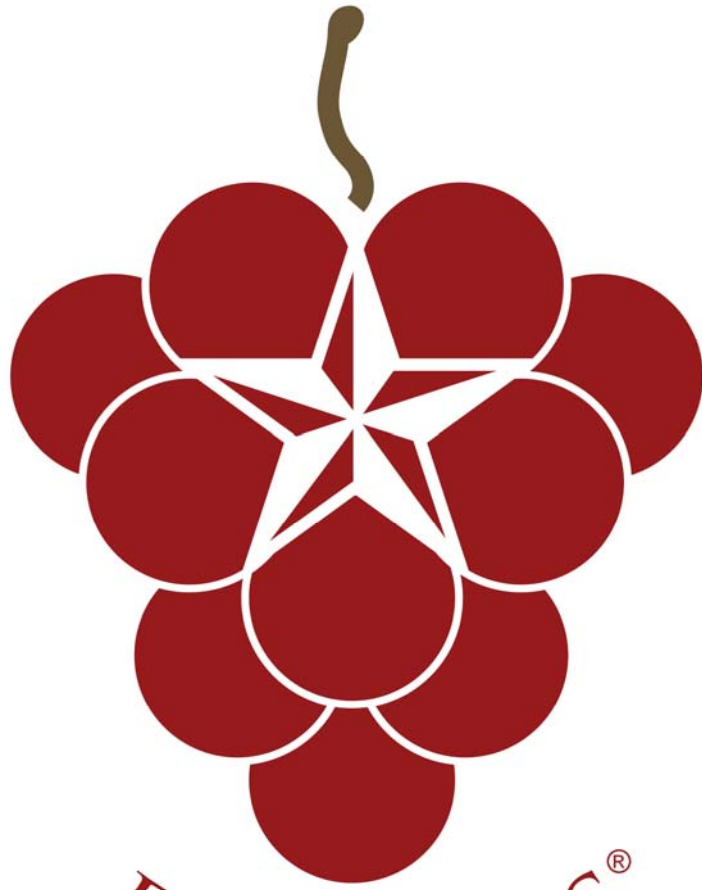
6.9 If either party to this Agreement files any legal action to enforce or interpret this Agreement, the party who substantially prevails in such action shall be entitled to its reasonable attorney's fees and court costs incurred in prosecuting or defending the action.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first set forth above.

Carol Kull, CAE CMP
Executive Director
Texas Wine and Grape Growers Association

Name, Title, Authorized Signature and Company of Licensee

Attachments: Portejas® Graphic



PORTEJAS®