

100% USA MARK LICENSE AGREEMENT

This Agreement is effective as of _____ ("Effective Date"), by and between 100% U.S.A., LLC, a Delaware limited liability company, with its principal offices located at 3187 Red Hill Ave, STE 110, Costa Mesa, CA 92626 ("Licensor"), and _____ located at _____ ("Licensee").

RECITALS

WHEREAS, Licensor owns and maintains trademark rights in the United States in the mark 100% USA as depicted on attached Exhibit "A" (U.S. Trademark Application Serial no. 85329155) (The "100% USA Mark" or the "Mark") and has established minimum standards for use of the Mark, as set forth in section 2;

WHEREAS, Licensee desires to secure the right to use the 100% USA Mark in connection with its production and sale of the milk and milk products specifically authorized and identified on Schedule "A" hereto (Licensed Products);

WHEREAS, Licensee hereby represents and warrants that said products meet the minimum standards established for use of the Mark in connection therewith;

NOW, THEREFORE, in consideration of the foregoing, and in reliance on the mutual agreements contained herein, the parties agree as follows:

1. LICENSE GRANT

Licensor hereby grants to Licensee the non-exclusive, non-transferable right to use the 100% USA Mark on Licensee's own labels, packaging, promotional materials, and products for the Licensed Products, pursuant to the terms set forth below, until the expiration or cancellation of this Agreement. Licensee has no sub-license rights granted hereunder.

2. MINIMUM STANDARDS

2.1 The 100% USA Mark may be used by Licensee only in connection with products wherein all milk-based ingredients contained therein are from milk produced in the USA. The term "milk-based ingredients" include all chemical components naturally found in cow's milk.

2.2 For each licensed product listed on Schedule "A" Licensee will sign a verification document that states all products displaying the Mark (a) will contain only milk-based ingredients made from milk produced in the USA and (b) that the product contains no imported milk-based ingredients.

2.3 Licensee agrees to permit any and all manufacturing facility inspections and to provide any and all documentation requested, at any time necessary, to authenticate and prove the verification documents to the sole and exclusive satisfaction of the Licensor.

3. ROYALTY/INSPECTION RIGHTS

In consideration of the license granted, Licensee agrees to pay to Licensor for all Licensed Products the following royalties:

3.1 Rate The royalty rate shall be one-half of the one percent (.5%) of all Gross Sales for Licensed Products that are sold during the term of this License. "Gross Sales" means the arm-length price charged for "Licensed Products" as invoiced by Licensee (or its distributors) to its customers, less sales taxes, shipping costs, cash discounts, and returns actually made and allowed. In computing Gross Sales, no costs incurred in manufacturing, selling, advertising or distributing the Licensed Products shall be deducted, nor shall any deduction be made for uncollectible accounts. A sale for the purpose of calculating Gross Sales and payment of royalties is considered to be made when the Licensed Articles are invoiced, shipped, or paid for, whichever occurs first.

3.2 Minimum Royalty Licensee agrees to pay Licensor a non-refundable annual minimum royalty of _____. The Minimum Royalty shall be credited against royalties which may be due for the ensuing year. The Minimum Royalty shall be due and payable upon execution of this License.

3.3 Statement and Payment During the term of this Agreement, within one month after each calendar quarter, Licensee shall submit a statement showing the quantity, description, sales price, and all other information required to establish Gross Sales of all Licensed Products sold during the preceding calendar quarter and calculating the royalty amount due for that quarter. Simultaneously, Licensee shall make payment for the royalty applicable to the reporting period (if any, after crediting the Minimum Royalty payment).

3.4 Books and Records/Inspection/ Maintenance Licensee shall keep and maintain true and complete books and records sufficient to substantiate all information reported to Licensor, including compliance with Minimum Standards under section 2. Licensee shall make such books and records available, upon request, at a reasonable time during regular business hours for inspection by Licensor, or its designated representatives, at Licensor's expense, and supply Licensor or its representative with the details and supporting data necessary to verify compliance with Minimum Standards and the reports and payments required by this License. Licensee shall maintain all books and records relevant to this License for at least three years. In the event that it is determined by such review that Licensee has under reported Gross Sales, then Licensee shall remit further royalties owing within ten business days of demand. In the event that it is determined by such review that Licensee has over reported Gross Sales, then such over reported royalties shall be held on Licensor's books as a credit against future royalties. In the event that it is determined by such review that Licensee has under reported Gross Sales by at least ten percent (measured from adjusted Gross Sales), then Licensee shall also remit to Licensor the reasonable costs of the review. In the event

that it is determined by such review that Licensee is not in compliance with Minimum Standards, then Licensee shall promptly: (a) cure such deficiencies; and (b) remit to Licensor the reasonable costs of the review. Failure to timely pay under reported royalties, cure minimum standard violations, or pay related costs shall subject Licensee to termination under section 8 below.

4. COLOR AND MARK

The 100% USA Mark must be displayed clearly and distinctly on the Licensed Products as depicted on attached Exhibit "A", or if color is not used, the Mark shall be featured either in reverse white or in the darkest color employed on the specific label and package. Products, labels, or promotional materials bearing the 100% USA Mark must incorporate the trademark symbol TM or ® as specified by Licensor. Licensee shall not use the Mark or any portion thereof in its business name.

5. SAMPLES, ADVERTISING AND CERTIFICATION

5.1 Licensee agrees to submit to Licensor a specimen of each label, package, sales promotion and merchandising material featuring the 100% USA Mark prior to use of such items in commerce. Licensee shall also submit to Licensor for approval samples of advertising, sales promotion and merchandising materials which contain the 100% USA Mark at least 30 days prior to use of such items in commerce. Licensee shall not use the 100% USA Mark prior to receiving written approval from Licensor.

5.2 Licensee shall deliver to Licensor whenever requested a written certification in form specified by Licensor, signed by an executive officer or principal of Licensee certifying full compliance with this Agreement, including the minimum standards for use set forth in section 2 for each product identified on Schedule A hereto (Licensed Products).

6. GOODWILL

Licensee agrees that the Mark, all goodwill pertaining there to including goodwill arising from Licensee's use of the Mark, and all rights, applications, registrations, and entitlement thereto and all extension thereof, shall remain the sole and exclusive property of Licensor.

7. INDEMNIFICATION

Licensee shall fully defend, indemnify and hold harmless, Licensor, its officers, directors, agents and assigns from and against all claims, actions, damages, costs, expense (including without limitation, reasonable attorney's fees) and liability whatever arising out of, or in connection with this Agreement, or any use of Licensee's product(s). Licensee shall maintain product liability insurance in the minimum amount of \$1,000,000.00 and shall name Licensor as an additional insured. Licensee shall provide proof of current insurance upon request.

8. TERMS AND TERMINATION

8.1 The term of this Agreement commences as of the Effective Date and shall continue until terminated:

(a) Upon receipt of written notice by Licensee from Licensor of Licensee's failure, in Licensor's sole judgement, to comply with any provision of this Agreement, including compliance with the minimum standards set forth in paragraph 2; or

(b) By Licensor, upon 30 days' notice to Licensee for any reason; or

(c) Automatically, on the anniversary of this Agreement, unless renewed by both parties.

8.2 In the event that this Agreement is terminated, Licensee shall immediately cease use of the Mark and shall submit to Licensor any and all payments owing under this Agreement.

9. MISCELLANEOUS

9.1 The right to use the 100% USA Mark herein granted is personal to Licensee, and may not be assigned, sub-licensed, or shared without prior written consent of Licensor.

9.2 Any notices required to be sent pursuant to this Agreement shall be in writing and delivered by personal delivery or by registered or certified mail, postage and charges prepaid, addressed to the Party's principle office.

9.3 Licensee must notify Licensor in writing, within 30 days of any change of ownership (majority of stock or assets), merger, acquisition or other material change in the Licensee's ownership structure. Licensee shall advise Licensor in writing within 30 days of such a change.

9.4 Integration/Amendment as of the Effective Date hereof, this Agreement contains the full and complete understanding of the Parties and replaces any prior understanding or arrangement between the Parties, whether oral or written. The provisions of this Agreement may only be amended by a subsequent instrument in writing clearly purporting to effect such amendment and signed by both Parties.

9.5 Waiver The failure of a Party hereto to enforce, or the delay by a Party hereto to enforce, any of its rights under this Agreement shall not be deemed a continuing waiver or a modification by such Party of any of its rights under this Agreement.

IN WITNESS WHEREOF, the Parties hereto have each caused this License Agreement to be duly executed as of the date first above written.

Licensor, 100% USA, LLC

Licensee, _____

By: _____

(Signature)

By: _____

(Signature)

Name: _____

Name: _____

SCHEDULE A

LIST OF LICENSED PRODUCTS- 100% USA MARK

Identify below each product by category, brand name, size(s) on which you intend to use the Mark.

CATEGORY

BRAND NAME

SIZE(S)

EXHIBIT A

