

LICENSE AGREEMENT

THIS LICENSE AGREEMENT made June 27, 1986 By and between PRENA TOY CO., INC., Post Office Box 707, Topanga, California 90290 (hereinafter referred to as "Licensor"), and TAG VENTURES, INC., of 15 SW 2nd Street, Gainesville, Florida 32601 (hereinafter referred to as "Licensee").

The specific details of this license to which the language in succeeding numbered paragraphs hereof refer, and which said language embellishes and explains, is set forth in the immediately following Schedules A through F which are hereby made a part of this Agreement.

SCHEDULE A: SUBJECT MATTER OF LICENSE AGREEMENT: GUMBY and POKEY are characters derived from the television series produced by Clokey Productions, Inc. entitled "The Adventures of Gumby." Licensor is the proprietor of the name and characters so derived, including registered trademarks, symbols, designs, likenesses, logos, and visual representations. The subject matter of this License Agreement, as outlined above, shall be referred to as "Name and Character."

SCHEDULE B: EXTENT OF LICENSE AGREEMENT: Licensee's grant of rights to use the Name and Character as delineated in Schedule A shall include the following:

1. As the name of restaurants either owned by Licensee or under a franchise agreement with Licensee.
2. In connection with restaurant names, promotional advertising materials, packaging of products sold by the restaurants, and product names used by the restaurants.
3. In connection with Licensee's or Licensee's franchisees restaurants' sale and promotion of food and beverage products whether such food and beverage products are served in, carried out, or delivered from said restaurants. This license shall extend only to food

and beverage products sold in the course of the restaurant business. This license shall not extend to the sale or promotion of items, food or otherwise, which are for general distribution outside the restaurant context, whether sold in the Licensee's restaurants or not.

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D.C.

~~Notwithstanding the above, Licensee shall have all rights delineated with respect to the use of the Name and Character in connection with the sale of pizzas, whether such sales are connected with Licensee's restaurant business or not, including the right to use the Name and Character in connection with the sale of frozen pizzas.~~

D.C.

SCHEDULE C: LICENSED TERRITORY. The United States of America only.

SCHEDULE D: LICENSED PERIOD. For a period of twenty years from the date of the execution of this Agreement. Licensee shall have the right in his sole discretion to renew this license for an additional period of twenty years by giving notice thereof to Licensor 30 days before the expiration of this license. Licensee shall have the same right of renewal for three additional twenty-year periods, after the initial twenty-year renewal period.

SCHEDULE E: FIXED COMPENSATION. Upon the initial opening for business of each restaurant owned by Licensee, Licensee shall pay to Licensor \$300.00. Upon the initial opening for business of each restaurant franchised by Licensee, Licensee shall pay to Licensor \$750.00.

PERCENTAGE COMPENSATION. For those restaurants owned by Licensee, the percentage compensation shall be 3/4 of one (1) percent of gross sales as defined in Paragraph 4B. For those restaurants franchised by Licensee, the percentage compensation shall be 3/4 of one (1) percent of gross sales as defined in Paragraph 4B.

SCHEDULE F: COPYRIGHT AND TRADEMARK NOTICES. "© 1985 Puma Toy Co., Inc." shall be legibly printed adjacent to all images of the Characters; "TM" shall be printed adjacent to all printed Names.

AGREEMENT

1. GRANT OF LICENSE: Licensor grants to Licensee for the term of this Agreement, as outlined in Schedule D, subject to the terms and conditions hereinafter contained, the exclusive license to utilize the Name and Character as delineated in Schedule A, to the extent as specified in Schedule B.

2. TERRITORY: Licensee shall be entitled to use the license granted hereunder only in the territory described in Schedule C as shown above (herein such territory is called "Licensed Territory"). Licensee will not make or make use of or authorize any use of the license or licensed products outside the Licensed Territory.

3. LICENSE PERIOD: The license granted hereunder shall be effective and terminate as of the dates specified in Schedule D, as shown above, unless sooner terminated or renewed in accordance with the terms and conditions hereof.

4. PAYMENT: (a) FIXED COMPENSATION: Licensee agrees to pay Licensor the sums specified in Schedule E, as shown above, as fixed compensation. Such fixed compensation shall become payable only upon the opening of a new restaurant either owned or franchised by Licensee. No part of such Fixed compensation shall be refundable.

(b) PERCENTAGE COMPENSATION: Licensee agrees to pay Licensor a sum equal to the percentage specified in Schedule E of all gross sales by Licensee, Licensee's franchisees, or any affiliated, associated, or subsidiary company of Licensee engaged in the restaurant business. (Such percentage of gross sales is herein called "Percentage Compensation"). Percentage Compensation shall be payable concurrently with the periodic

statements required in the following paragraph. For purposes of this Agreement, the term "gross sales" means the entire amount of sales and receipts, not including federal or state sales taxes or gross receipt taxes.

5. For each restaurant owned by Licensee or by Licensee's franchisees, Licensee shall submit to Licensor promptly on the 28th day following each calendar quarter complete and accurate statements, certified to be accurate by an officer of Licensee showing the gross sales of each unit of Licensee or Licensee's franchisee. Receipt or acceptance by Licensor of any of the statements furnished pursuant to this Agreement or of any sums paid hereunder shall not preclude Licensor from questioning the correctness thereof at any time, and in the event that any inconsistencies or mistakes are discovered in such statements or payments, they shall immediately be rectified and the appropriate payments made by Licensee.

6. BOOKS AND RECORDS: Licensee shall keep, maintain and preserve (in Licensee's place of business) for at least two (2) years following termination or expiration of the license period or any renewal thereof, complete and accurate records of accounts including, without limitation, invoices, correspondence, banking and financial and other records pertaining to the various items required to be shown on the statements to be submitted by Licensee. Such records and accounts shall be available for inspection and audit at any time or times during or after the term or terms of the license period during reasonable business hours and reasonable notice by Licensor or its nominees. Licensee agrees not to cause or permit any interference with Licensor or nominees of Licensor in the performance of their duties of inspection and audit.

The exercise by Licensor in whole or in part, or at any time or times of the right to audit records and accounts or of any other right herein granted, the acceptance of Licensor of any

statement or statements or the receipt and deposit by Licensor of any payment tendered by or on behalf of Licensee shall be without prejudice to any rights or remedies of Licensor and shall not stop or prevent Licensor from thereafter disputing the accuracy of any such statement or payment.

7. COPYRIGHT AND TRADEMARK NOTICES: Licensee shall cause to be imprinted irremovably and legibly adjacent to every Name and Character as delineated in Schedule A used by Licensee either (i) the appropriate copyright notice, following an encircled "c"; (ii) the initials "TM"; or (iii) the letter "R" encircled, as directed by Licensor in Schedule F hereof. Any copyrights or trademarks procured by Licensee shall be for the benefit, and under the name of Licensor but at Licensee's expense.

8. APPROVALS: Licensee agrees to furnish Licensor copies of all advertising and promotions to be used by Licensee, by certified mail. Within 30 days after receipt of said materials, Licensor shall inform Licensee in writing of its approval or disapproval, as to the quality and style of the materials. Failure to notify Licensee within 30 days shall constitute approval by Licensor. Licensee shall have the right to prepare an advertising and promotional package, which when approved by Licensor, may be used by Licensee or its franchisees any time thereafter.

9. GOOD WILL: Licensee recognizes the great value of the publicity and good will associated with the Name and Character and, in such connection, acknowledges that such good will exclusively belongs to Licensor and its Grantors and that the Name and Character have acquired a secondary meaning in the mind of the purchasing public.

10. SPECIFIC UNDERTAKING OF LICENSEE: During the License Period, each Additional License Period if any and thereafter, Licensee agrees that:

(a) It will not attack the title of Licensor or its Grantors in and to the Name and Character or any copyright or trademark pertaining thereto, nor will it attack the validity of the license granted hereunder so long as the representations made within this Agreement are true and correct;

(b) It will not harm, misuse or bring into disrepute the Name and Character as outlined in Schedule A.

(c) It will protect the good name and reputation of the Name and Character as a wholesome symbol and not permit in any way its denigration.

(d) It will conduct business in an ethical manner and in accordance with the terms and intent of this Agreement.

(e) It will not create any expenses chargeable to Licensor without the prior written approval of Licensor.

(f) It will offer on the menu of each of its own units and those units of its franchisees: (1) "Gumby's Favorite Vegetarian Pizza" and (2) "Gumby's Favorite Vegetarian Submarine." (Except that for the word "Submarine", the word "Limousine" may be substituted.)

11. TERMINATION UPON OCCURRENCE OF EVENTS. This Agreement will terminate or may be terminated upon the occurrence of any of the events set out in this Paragraph.

(a) Licensee's Insolvency, Bankruptcy, Etc. If Licensee makes any assignment of its assets or business for the benefit of its creditors, or if a trustee or receiver is appointed to administer or conduct Licensee's business or affairs, or if Licensee is adjudged in any legal proceeding to be either a voluntary or involuntary bankrupt, then the rights granted by this Agreement to Licensee shall cease and terminate without prior notice or legal action by Licensor.

(b) Licensee's Failure to Comply with Terms of Agreement. Should Licensee fail to comply with any provision of this Agreement, Licensor may terminate this Agreement upon not

less than 30 days written notice to Licensee. However, if Licensee corrects the default during the notice period, the notice shall be of no further force or effect.

(c) Licensors Failure to Comply with Terms of Agreement. Should Licensor fail to comply with any provision of this Agreement, Licensee may terminate this Agreement upon not less than 90 days written notice to Licensor. However, if Licensor corrects the default during the notice period, the notice shall be of no further force or effect.

12. RESERVATION OF RIGHTS: Licensor retains all rights not expressly and exclusively conveyed herein.

13. NOTICES: All notices and statements provided for herein shall be in writing and together with all payments provided for herein shall be mailed to the addresses set forth above or such other address as may be designated in writing by Licensor or Licensee from time to time.

14. NO PARTNERSHIP, ETC.: This Agreement does not constitute and shall not be construed as constituting a partnership or joint venture between Licensor and Licensee. Licensee shall have no right to obligate or bind Licensor in any manner whatsoever, and nothing herein contained shall give or is intended to give any rights of any kind to any third persons.

15. SUCCESSORS AND ASSIGNS: This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their successors and assigns.

16. LAW UNDER WHICH TO BE CONSTRUED: This Agreement shall be construed in accordance with the laws of the State of Florida.

17. ATTORNEY'S FEES: In the event any action is filed in relation to this Agreement, the unsuccessful party in the action shall pay to the successful party, in addition to all of the sums that either party may be called upon to pay, a reasonable sum for the successful party's attorney's fees.

18. ASSIGNMENT: Notwithstanding anything herein to the

contrary, Licensee may assign this license or any interest therein without the prior consent of Licensor. Licensee does hereby agree to give written notice to Licensor within 30 days of any assignment of its interest.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

LICENSOR:  
PREMA TOY, INC.

BY: Arthur Clokey  
President

ATTEST: Marie [Signature]  
Secretary

LICENSEE:  
TAO VENTURES, INC.

BY: Jeff Owen  
President

ATTEST: Mark Andersen  
Secretary

Mark Andersen