

Please fill out the following information and mail to The Meritage Association, 9010 Franz Valley Road, Calistoga, CA 94515. Please include a check for your dues, which is \$1 per case, with a maximum payment of \$500. Also include a copy of your label. We will notify you when your membership has been approved.

Date

Name

Address

City/State/Zip

Phone Number

FAX

E-mail

Re: use of the certification mark MERITAGE®

THE MERITAGE® ASSOCIATION has adopted and is exercising legitimate control over the use of the certification mark MERITAGE® (hereinafter the "Mark") which you wish to use.

THE MERITAGE® ASSOCIATION grants you permission in the form of a non-exclusive, nontransferable license, without right of sublicense, to use our Mark as a certification mark for wines and you accept this license subject to the following terms and conditions set forth in this letter and its attachment.

Our Mark is and shall remain our sole property and no right, title or interest in it is transferred to you by this Agreement, except for the right to use our Mark as a certification mark on wine that meets the following criteria.

You agree to limit your use of our Mark as a certification mark to red or white wine which shall meet the following standards and quality controls which we have developed, described, and approved:

- ❖ Red wine may be designated as Meritage® if it is made from a blend of two or more of the following varieties: Cabernet Sauvignon, Merlot, Cabernet Franc, Malbec, Petit Verdot, and Carmenere. No single variety may make up more than 90 percent of the blend.
- ❖ White wine may be designated as Meritage® if it is made from a blend of two or more of the following varieties: Sauvignon Blanc, Semillon and Muscadelle du Bordelais. No single variety may make up more than 90 percent of the blend.

In consideration for the granting you this License, you agree to compensate us by paying us an initial fee of one dollar per case based on annual production up to five hundred dollars (\$500.00) for the first license year this Agreement.

In addition and as a condition of this grant, you further agree to be subject to the Terms and Conditions contained in the attachment to this letter.

AGREED:

AGREED:

THE MERITAGE® ASSOCIATION, LICENSOR

_____, LICENSEE

By: _____ Date: _____
[name], Chairman

By: _____ Date: _____
[Name], [Title]

Use of Certification Mark MERITAGE ®

Terms and Conditions

You agree to permit us, or our appointed agent, to inspect and determine, at any time, the quality and nature of the goods and to inspect your winery records to determine whether or not you are maintaining the above-mentioned standards.

You shall provide in writing a list of all wines you intend to promote as Meritage® blended wines produced prior to entering into this agreement along with copies of the labels of such wines. You shall also submit copies of labels and materials using our Mark at the time the labels or materials are released to the public.

You agree that your use of our Mark shall be on behalf of and shall inure to our benefit, and that you will not in any way dispute or impugn the validity of our Mark, our registration of the Mark or our right thereto, or contest our right to license the use of the Mark to other licensees who meet our standards, both during the period of the Agreement and thereafter.

We shall set fees for years following but shall not increase fees without the approval of our Board of Directors at its annual meeting.

Your fee shall be due and owing at the beginning of a license year. The first license year begins when you execute this Agreement. Each following license year shall begin on the anniversary of the date of execution of this Agreement. If this Agreement ends for any reason before the expiration of the full year, your fee for that year shall not be prorated.

This Agreement shall continue in force and effect for a period of one (1) year and will be renewed automatically for an additional one (1) year period upon your payment of the annual fee as set by our Board of Directors at its annual meeting, unless we notify you or you notify us in writing at least thirty (30) days in advance of the anniversary date of this Agreement that we or you do not wish to continue with the Agreement the following year. If proper notice is timely given, then this Agreement shall terminate at the conclusion of the then existing license year.

You will notify us, at the time of execution of this license and at the time of its annual renewal, which wines you intend to bottle during the annual term of the license.

We shall not revoke nor fail to renew our LICENSE without cause.

We shall have the right to terminate this Agreement at any time by giving thirty (30) days' written notice to you to that effect if you act in bad faith and/or violate any terms and conditions of this Agreement.

When this Agreement or any renewal of it ends, you agree immediately to:

1. Discontinue use of the Mark in any manner and not to use thereafter the Mark or any notation, symbol, or any mark that is confusingly similar; and
2. If you have acted in bad faith and/or violated any terms of this Agreement, you shall deliver to us or to our appointed agent all advertisements, promotional materials, labels and other printed materials, and all or other items whatsoever bearing the Mark.

This Agreement shall not be assignable by you without our express prior written consent.

You shall promptly notify us in writing of any infringements or unauthorized use of the Mark which may come to your attention.

You shall not use or adopt the Mark as your business name and you shall not use or adopt the Mark in combination with your business name.

Our relationship shall be as Licensor and Licensee, respectively. This Agreement shall not be construed to constitute either party as the agent, partner or legal representative of the other. This Agreement shall not be deemed to establish a joint venture or partnership.

This Agreement is construed according to the laws of the State of California, and is subject to the venue of Napa County. Any controversy between the parties hereto involving the construction or application of any of the term, covenants, or conditions of this Agreement, on written request of one party served on the other, shall be submitted to arbitration, and such arbitration shall comply with and be governed by the provisions of the California Arbitration Act, or any similar successor act.

This Agreement constitutes the entire agreement and understanding between the parties and cancels, terminates and supersedes any prior agreement or understanding between the parties relating to the Mark and shall not be altered, modified, or varied except in writing signed by the parties.

Read and Agreed: THE MERITAGE® ASSOCIATION, LICENSOR _____
(initials)

Read and Agreed: _____, LICENSEE _____
(initials)