

TRADEMARK LICENSE AGREEMENT

THIS AGREEMENT dated as of the [__] day of [_____], 20[__]

BETWEEN:

the City of Pflugerville, a _____
organized and existing under the laws of the State of _____,
and having a principal place of business at _____,
("Licensor")

- and -

Walgreens _____, a
_____ organized and existing
under the laws of _____, and
having a principal place of business at _____,
(the "Licensee").

WHEREAS:

- A. Licensor is the owner of certain trademarks, including certain trademark registrations and/or applications, listed on Exhibit A, and the goodwill attached thereto, which trademarks Licensee wishes to license (the "Trademarks");
- B. Licensee is desirous of using the Trademarks as an authorized user in the Walgreens store on Pflugerville Parkway _____ (the "Territory");

NOW THEREFORE, in consideration of the mutual covenants made herein, the parties hereto agree as follows:

ARTICLE 1. **LICENSE**

- 1.1 Licensor hereby grants to Licensee a non-exclusive, non-transferable right to use the Trademarks in connection with Walgreens on Pflugerville Parkway, subject to the conditions and restrictions set out below (the "License").
- 1.2 From time to time Licensor may make application or obtain registration of additional trademarks in the Territory and elsewhere. Licensor may, in its sole discretion, extend the License to such additional trademarks as it advises Licensee in writing. Upon receipt by Licensee of such notice, those additional trademarks shall be deemed to constitute part of the Trademarks licensed under this Agreement and shall be subject to all of the terms and conditions of this Agreement.

- 1.3 Licensee expressly acknowledges and agrees that it shall not use the Trademarks outside the Territory except with the express prior written consent of Licensor.

ARTICLE 2.
USE OF TRADEMARKS

- 2.1 Licensee agrees to use the Trademarks only under and in compliance with the terms of this Agreement. Licensee shall conspicuously display the Trademarks as appropriate each time that it provides the aforementioned goods and services.

ARTICLE 3.
OWNERSHIP OF TRADEMARK

- 3.1 Licensee agrees that Licensor possesses the absolute and exclusive proprietary rights to the Trademarks in the Territory and elsewhere. The Trademarks shall remain the sole property of Licensor. Licensee agrees that upon expiration or termination of this Agreement, it will not thereafter use the Trademarks for any purpose whatsoever. This Agreement does not give Licensee any legal interest in the Trademarks except the right to use the Trademarks in accordance with the terms of this Agreement. Licensee shall not use the Trademarks in any manner calculated to represent that Licensee is the legal owner of the Trademarks.
- 3.2 Subject to the provisions of section 3.1 of this Agreement, Licensee shall be entitled to receive economic benefits during the term of this Agreement from use of the Trademarks in Licensee's area of interest in the Territory; *provided*, such use is in complete accordance with the terms and conditions of this Agreement.
- 3.3 Licensee agrees that during the term of this Agreement and thereafter, it will not dispute or contest, directly or indirectly, the validity or enforceability of the Trademarks, nor counsel, procure or assist anyone else to do the same, unless compelled by due process of law, nor directly or indirectly attempt to dilute the value of the goodwill attached to the Trademarks, nor counsel, procure or assist anyone else to do the same, unless compelled by due process of law.
- 3.4 Licensee will place on any and all goods, materials or goods and services used or offered in connection with the Trademarks and on signs and on advertising material displaying the Trademarks, such notice as Licensor may direct from time to time.

ARTICLE 4.
PROTECTION OF RIGHTS

- 4.1 It is the express purpose and a condition of this Agreement that none of the understandings and provisions contained herein prejudice in any fashion any legal ownership rights of Licensor relative to the Trademarks, and if any provision of this Agreement were to be or is interpreted by any court, or other administrative authority, in any manner which would prejudice, restrict or impede in any manner the ownership rights of Licensor to the Trademarks, whether or not said interpretation was made at the petition of Licensee or any

other person, such provision of this Agreement shall be considered as invalid, or if Licensor so elects, this Agreement shall be immediately terminated.

ARTICLE 5. **POLICING**

- 5.1 Licensor at its expense shall take all steps that in its opinion and sole discretion are necessary or desirable to protect the Trademarks against any infringement or dilution. Licensee agrees to cooperate fully with Licensor in the defense and conservation of the Trademarks as requested by Licensor.
- 5.2 Licensee shall report to Licensor any infringement or imitation of, or challenge to, the Trademarks, immediately upon becoming aware of same, and Licensor shall, at its sole discretion, determine whether or not any action shall be taken on account of such infringements, imitations or challenges, and its determination shall be final. Licensee shall not be entitled to bring, or compel Licensor to bring, any action or other legal proceedings on account of such infringements, imitations or challenges, without the written agreement of Licensor. Licensor shall not be liable for any loss, cost, damage or expense suffered or incurred by Licensee because of the failure or inability of Licensor to take or consent to the taking of any action on account of any such infringements, imitations or challenges or because of the failure of any such action or proceeding. In the event that Licensor shall commence any action or legal proceeding on account of such infringements, imitations or challenges, Licensee agrees to provide all reasonable assistance requested by Licensor in preparing for and prosecuting the same.

ARTICLE 6. **MAINTENANCE**

- 6.1 Licensor shall periodically take all steps that in its opinion and sole discretion are necessary or desirable to preserve and maintain the Trademarks in due force and duly registered (or to complete or obtain registration of any application) subject to the provisions of this Agreement. Licensee agrees to cooperate with Licensor in maintaining the Trademarks in due force and duly registered.
- 6.2 Licensee shall from time to time execute such agreements and furnish such declarations of use as may be required by Licensor in connection with the Trademarks, and their use and the registrations thereof by Licensor.

ARTICLE 7. **QUALITY CONTROL**

- 7.1 The goods and services provided by Licensee in conjunction with the Trademarks shall be of a quality, form and nature equivalent to those normally supplied by Licensor or on its behalf. Licensee agrees to forward to Licensor upon Licensor's written demand, samples of advertising which refer to the Trademarks. Licensee shall at its own expense send to Licensor random samples of materials displaying the Trademarks and reports of details of the manner of use thereof and details of the goods and services offered by Licensee both

pursuant to this Agreement and otherwise, from time to time, upon the request of Licensor, Licensee shall permit an authorized representative of Licensor to inspect at all reasonable times locations in which these goods and services are provided in connection with the Trademarks in order to permit Licensor to verify the quality of the goods and services associated with the Trademarks. Licensee, at its own expense, shall correct any deficiencies in the goods and services which are brought to Licensee's attention by Licensor, and to refrain from providing any goods and services which in the reasonable opinion of Licensor do not meet its standard of quality.

ARTICLE 8.
LAWS

- 8.1 This Agreement shall be governed by, subject to and interpreted in accordance with the laws of Texas and, insofar as they are applicable, the United States.

ARTICLE 9.
ROYALTIES

- 9.1 The parties agree that in consideration of the promises and obligations (both financial and otherwise) undertaken by Licensee under this Agreement; Licensee's use of the Trademarks pursuant to the terms of this Agreement shall not be subject to the payment of any royalties.

ARTICLE 10.
TERM OF THIS AGREEMENT

- 10.1 Unless otherwise terminated pursuant to the provisions of this Agreement, this Agreement and the license granted hereunder shall be in force for a period of one year following the date of this Agreement. Unless either Licensee or Licensor gives notice in writing to the other more than thirty days prior to the end of the then existing term, the then existing term will be automatically renewed for an additional one year term on the same terms and conditions as set out herein, except for the initial term, but including this renewal provision.

ARTICLE 11.
TERMINATION AND EXPIRATION

- 11.1 Licensor shall be entitled to terminate this Agreement immediately on written notice to Licensee if Licensee:
- (a) assigns or attempts to assign or transfers or attempts to transfer, by operation of law or otherwise, including by way of merger or amalgamation, this Agreement or any rights hereunder;
 - (b) commits any act which in the opinion of Licensor would tend to bring Licensor or its Trademarks to public disrepute, contempt, scandal, or ridicule or which, in the opinion of Licensor, would tend to shock, insult or offend the community, or any group or class thereof;

- (c) makes any use of the Trademarks in conflict with or not specifically provided for in this Agreement, or engages in any conduct or practice that is reasonably likely, in the opinion of Licensor, to adversely affect the Trademarks, the goodwill associated therewith, or Licensor's rights thereto; or
- (d) fails to fulfill any of the obligations to be fulfilled by it pursuant to the terms of this Agreement within fifteen days after written notice of such failure is given to Licensee by Licensor.

11.2 On expiration or termination of this Agreement:

- (a) This License shall revert to Licensor, and Licensee thereafter shall not use or refer to the Trademarks or in any way identify itself or associate itself with the same either directly or indirectly (including without limitation as part of the Licensee's corporate or business name). Licensee shall remove forthwith from public view all signs and advertising display materials, printed paper products, special advertising materials, business supplies, containers and wrapping material, and promotional material of any kind bearing the Trademarks then in its possession;
- (b) Notwithstanding any dispute whatsoever that may arise or exist between the parties hereto, Licensee shall immediately cease using the Trademarks or any confusingly similar tradename or mark;
- (c) Licensee shall execute all such documents and do all such things as Licensor may require to remove Licensee as a licensed user of, or as an applicant to be a licensed user of, the Trademarks and to transfer to Licensor all rights in the Trademarks and in the goodwill associated therewith, without payment therefor, and Licensee hereby irrevocably appoints Licensor as its duly authorized agent to execute all necessary documents and to do all necessary things to effect such transfer. Licensee agrees not to dispute, directly or indirectly, any application or action by Licensor to remove Licensee as a licensed user of the Trademarks; and
- (d) Licensee shall deliver to Licensor all signs, brochures, stationery, cards and materials of any kind bearing the Trademarks.

ARTICLE 12.
ASSIGNMENT

- 12.1 This Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective successors and permitted assigns. Licensee shall not assign or transfer this Agreement, or any part thereof, including by way of merger or amalgamation, without first obtaining the written consent of Licensor. Any such assignment or transfer without Licensor's consent shall be void. Licensee shall have no right to grant a sublicense to others to use the Trademarks.

ARTICLE 13.

NOTICES

13.1 All notices, requests, consents, demands, waivers or other communications hereunder shall be in writing in the English language and shall be sent by hand delivery to the addresses set forth below or by prepaid, first class mail to the addresses set forth below.

If to Licensor: [City of Pflugerville]
 [PO Box 589]
 [Pflugerville, TX 78691]

If to Licensee: [_____]
 [_____]
 [_____]

13.2 The parties may at any time designate by like notice hereunder other addresses to which notices or other communications should be transmitted.

IN WITNESS WHEREOF the parties have executed this Agreement by their duly authorized representatives as on the dates indicated below to be effective as of the date first set forth above.

LICENSOR

By: _____

Name: _____

Title: _____

LICENSEE

By: _____

Name: _____

Title: _____

EXHIBIT A

LIST OF TRADEMARKS

MARK	SERIAL NUMBER
Pf (oval)	85248299
Pflugerville... Between a Rock and a Weird place	85404072

US 1070782v.1