

LICENSE AGREEMENT

This License Agreement (the "Agreement") is made and entered this ___ day of _____, 2021 by and among Virginia City Tourism Commission, a _____ (hereinafter referred to as "Licensor"), and Comstock Distillers, LLC, a Nevada limited liability company (hereinafter referred to as "Licensee") with reference to the following facts and objectives:

R E C I T A L S

WHEREAS, Licensor owns the common law and Nevada trademarks and related logos for Cemetery Gin and Virginia City Cemetery Gin which were first used by Licensor's predecessors on May 1, 2004; and

WHEREAS, Licensor owns the common law and Nevada trademark for Step Back in Time Virginia City which was first used January 1, 2006 for promotional items and July 1, 2012 in connection with Cemetery Gin;

WHEREAS, Licensor owns the common law and Nevada trademarks for Guaranteed to Embalm You ...While You're Still Breathing which was first used __ May 1, 2004 _____;

WHEREAS, Licensor owns the recipe for Cemetery Gin which has been protected as a trade secret under Nevada law;

WHEREAS, Licensee is a distiller of gin and other spirits in Reno, Nevada;

WHEREAS, Licensor desires to license the above referenced trademarks (collectively referred to as the "Licensed Marks") and the Cemetery Gin recipe (the "Recipe") to Licensee in order for Licensee to make, market and sell Cemetery Gin; and

WHEREAS, Licensee desires to use the Licensed Marks and the Recipe in connection with distilling, marketing and selling Cemetery Gin.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the parties hereto agree as follows:

1. Grant of License. Licensor does hereby grant to Licensee a non-exclusive, nontransferable license to use the Licensed Marks in connection with the distilling, marketing and selling of Cemetery Gin in the Territory. Territory shall mean _____. Notwithstanding the above, Licensor hereby grants Licensee an exclusive license for use of the Cemetery Gin trademark and recipe so long as Licensee pays the minimum royalty set forth in Section 9.1 below. In addition, Licensor will not license the Cemetery Gin trademark to any other manufacturer of liquor; however, Virginia City wine will continue to be licensed and sold by Licensor and others. Licensor reserves all other rights including the right to make, sell and license any product other than gin utilizing or displaying the Licensed Marks.

2. Ownership of Licensed Marks. Licensee acknowledges the ownership of the Licensed Marks in Licensor and agrees that it will do nothing inconsistent with such ownership. Licensee agrees that nothing in this Agreement shall give Licensee any right, title or interest in the Licensed Marks or other intellectual property rights other than the right to use the Licensed Marks as set forth in this Agreement, and Licensee agrees that it will not attack the title of Licensor to the Licensed Marks or attack the validity of this Agreement.

3. Form of Use. Licensee agrees to use the Licensed Marks only in the form and manner set forth on Exhibit A of this Agreement. Licensee shall not change the bottle design or ingredients of Cemetery Gin in any way that would require TTB approval without the prior written approval of Licensor.

4. Licensor's Approvals. Licensee understands and appreciates that Licensor has generated substantial goodwill and has spent a substantial amount of time and money in developing the Licensed Marks, and that Licensor's reputation is dependent upon the maintenance of the high standards of quality which are associated with Licensor's business. Accordingly, Licensee will maintain the same high quality which is currently associated with the Licensed Marks and Cemetery Gin. After the first Cemetery Gin is made and upon reasonable request, the Licensee shall provide samples of any use of the Licensed Marks and the Cemetery Gin for a determination of quality to the Licensor for its approval, which shall not be unreasonably withheld or delayed.

5. Infringement Proceedings. Licensee agrees to notify Licensor of any unauthorized use of the Marks by others promptly as it comes to the Licensee's attention. Licensor shall have the sole right and discretion to bring infringement or unfair competition proceedings involving the Marks.

6. Term. The term of this Agreement shall commence on the effective date of this Agreement and continue in force and effect until terminated pursuant to Section 7 below.

7. Termination.

(a) Upon any material breach of Licensee's obligations and covenants in this Agreement, Licensor may terminate this Agreement upon written notice to Licensee of such breach and which breach is not cured within thirty (30) days following receipt of such notice by Licensor.

(b) A material breach of Licensee's obligations and covenants in this Agreement is defined to include the failure to comply with any provisions of this Agreement, including, but not limited to: (1) failure by Licensee to make timely consideration payments, as required pursuant to Paragraph 9 of this Agreement; (2) failure to comply with the quality standards, required pursuant to Section 4 of this Agreement; (3) failure to use the Licensed Mark as licensed pursuant to Sections 1 and 3 of this Agreement; (4) failure to provide public notice in

accordance with the requirements of Section 8 of this Agreement; and (5) any omission or act challenging Licensor's exclusive ownership of the Marks in violation of the requirements of this Agreement.

(c) Upon termination, Licensee agrees to immediately discontinue any and all use of the Licensed Mark.

8. Public Notice. Licensee will provide continual public notice in its business locations that the Licensee, through agreement, maintains a license to use the Licensed Mark, but that Licensee is not otherwise affiliated with Licensor or its business. The form and manner in which Licensee provides public notice is subject to prior approval by Licensor, but must include, in addition to the notice posted by Licensee at point of sale and notice on any other print advertisements using the Licensee's Logo.

9. License Fee and Marketing Support.

9.1 License Fee. In consideration of the License granted to the Licensee under this Agreement, the Licensee will pay the Licensor a license fee of \$2.00 per bottle for the first 2,000 cases and \$3.00 per bottle for any cases above 2,000 (the "License Fee"). In order to maintain the exclusivity set forth in Section 1, Licensee must pay a minimum Licensee fee of \$2,400 per year (equivalent of 200 6pk cases).

9.2 Agreement to Assist with Marketing. Licensor will provide continued marketing and promotional support including the use of the Cemetery Gin Hearse when applicable, as determined in the sole and absolute discretion of Licensor.

10. Waiver. The waiver by either party of any of the covenants herein contained shall not be deemed a waiver of such party's right to enforce the same, or other covenants herein. The rights and remedies given to the parties hereunder shall be in addition to and not in lieu of any other right or remedy provided by law.

11. Licensor's Rights. Except as set forth in this Agreement, Licensor shall not be restricted in any way in the future licensing of the Marks to other Licensees.

12. Audit Rights. Licensee shall maintain complete and accurate books of account and records in accordance with generally accepted accounting principles consistently applied. Licensor or an authorized representative shall have the right, upon reasonable notice, to inspect the books and records. If any audit conducted by Licensor determines that Licensee has underpaid the License Fee for the period covered by the audit, then Licensee shall make payment to Licensor of the unpaid sums within five business days after delivery by Licensor to Licensee of the results of the audit, plus interest on the unpaid sums accrued at the rate of ten percent (10%) per annum from the date such sums should have been paid by Licensee to Licensor through the date of payment. In addition, if an audit conducted by Licensor determines that Licensee has understated its Gross Sales in excess of six percent (6%) of the actual Gross Sales during any month, or if the audit determines that Licensee has failed to maintain the books of

account and records as required by this Agreement, then in either such event Licensee shall in addition reimburse Licensor for the reasonable expenses incurred by Licensor in connection with the audit.

13. Notices. Any and all notices required hereunder shall be sent by certified mail, postage prepaid, by messenger, or by personal delivery to the respective parties at the address hereinafter designated:

Licensor: Virginia City Tourism Commission
PO Box 920
Virginia City, NV 89440

With copy to: Bonnie Drinkwater, Esq.
Drinkwater Law Offices
5421 Kietzke Lane, Suite 100
Reno, Nevada 89511

Licensee: Comstock Distillers
140 Inventors Place
Sparks, NV 89441

or at such address as the parties hereto may from time to time designate in writing.

14. Relationship Between the Parties. It is understood and agreed that Licensee is engaged in an independent business and has the full liberty to use free and uncontrolled will, judgment and discretion as to the method and manner of performance of his obligations. The relationship between the parties is not that of joint venturer, partner, or employer and employee, but rather Licensee and Licensor. This Agreement does not make either party or constitute either party as the agent or representative of the other for any purpose whatsoever. Neither party has the power, express or implied, to act on behalf of the other, or to bind the other directly or indirectly in any manner whatsoever. It is understood and agreed that the undersigned have not been influenced to any extent in making this Agreement by any representative, agent, or employee of the other, or by any attorney or person(s) representing the undersigned, and that this Agreement is entered into freely and voluntarily.

15. Binding Agreement. This Agreement is binding upon the heirs, successors, and assigns of the parties hereto.

16. Interpretation. It is agreed that this Agreement shall be governed and construed according to the laws of the State of Nevada. It is further agreed that Licensee consents to the exercise of jurisdiction over it by the courts of Nevada. It is further agreed that each party participated in drafting this Agreement. It is further agreed that a court's holding any provision of this Agreement to be illegal, invalid or unenforceable will not nullify the entire Agreement; in such circumstances, this Agreement should be deemed modified to the extent necessary to render it enforceable.

17. Paragraph Headings. The subject headings of the sections of this Agreement are included for the convenience of reference only and shall not affect the construction or interpretation of any of the terms or provisions of this Agreement.

18. Enforcement. Licensee acknowledges that a breach of this Agreement may cause irreparable injury. Licensee therefore agrees and stipulates that Licensor may obtain an injunction to prevent the unauthorized use of the Mark or Logo. If any legal action is necessary to enforce the terms and conditions of this Agreement, Licensor shall be entitled to an award of reasonable attorney's fees and costs incurred therefor.

19. Entire Agreement. This Agreement contains the entire agreement and understanding of the parties hereto with respect to the subject matter contained herein, and all prior agreements or understandings of the parties hereto are hereby revoked. This Agreement may be amended or terminated only by written instrument executed by the parties. There are no agreements, restrictions, promises, warranties, covenants or other undertakings other than those expressly set forth herein.

20. Acknowledgement. The terms of this Agreement are contractual and not a mere recital. The undersigned further declare that this Agreement has been carefully read, that the contents are fully known, and that the Agreement is signed as a free and voluntary act.

21. Counterparts. This Agreement may be executed in counterparts, each of which shall constitute an original.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year hereinabove set forth.

LICENSOR:
Virginia City Tourism Commission, a

LICENSEE:
Comstock Distillers, LLC,
a Nevada limited liability

By: _____

By: _____

Its: _____

Its: _____

EXHIBIT A
PERMITTED USE OF LICENSED MARKS