

## EXCLUSIVE LICENSE AGREEMENT

This Agreement is entered into by and between Pandit Sanjay Rath, whose principal place of business is located at 15B Gangaram Hospital Road, New Delhi, India (hereinafter "LICENSOR"), and JAGANNATH INSTITUTE OF VEDIC ASTROLOGY, whose principal place of business is located at 337 Bardue Street, Aromas, California, USA (hereinafter "LICENSEE").

WHEREAS, LICENSOR is the creator, author, and owner of all right, titles, and interest in certain written and audio visual educational materials relating to Vedic Astrology as well as any relevant associated updates, writings, instructions and teachings (more particularly described in Exhibit "A" if necessary); and

WHEREAS, LICENSEE desires to secure the exclusive rights to market, distribute and sell the educational materials and any and all improvements and updates to them throughout the English speaking world.

NOW, THEREFORE, in consideration of the mutual covenants and premises hereinafter set forth and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. DEFINITIONS. For purposes hereof:

(a) "EDUCATIONAL MATERIALS" shall mean the process, design, product, material, instructions, or teachings, relating thereto in which LICENSOR is listed as or creator or author in which it has or hereafter acquires any interest for purposes of providing a Diploma Programs in Vedic Astrology consisting of materials, instructions, writings and teachings in the English language.

(b) "TERRITORY" shall mean territories: Countries where English is spoken as the primary language, including but not limited to the United States, Canada, Australia, New Zealand, and the United Kingdom in which LICENSEE conducts business. This TERRITORY does not include the Indian sub-continent as Sanjay Rath may develop a separate program not using the materials exclusively developed for JIVA in any language. It is also understood that a separate program which does not use the exclusive JIVA materials is being developed for Serbia, Russia and other Eastern European countries. None of these programs will compete with JIVA for enrollments as they are offered in languages other than English. TERRITORY shall also mean any other modified territories in which LICENSOR and LICENSEE mutually agree in writing to conduct business with the recover its reasonable attorney's fees and costs, whether a lawsuit is instituted or not.

(c) Governing Law: This Agreement shall be interpreted and construed according to, and governed by, the laws of the State of California in the United States of America, excluding any such laws that might direct the application of the laws of another jurisdiction. The federal or state courts located in the Santa Cruz County, California, USA shall have jurisdiction to hear any dispute under this Agreement. The parties agree that jurisdiction & venue are vested solely in the courts of Santa Cruz County, California and waive any other jurisdiction and venue to which they may have otherwise been entitled including by citizenship or domicile; and, the parties agree and understand that LICENSEE would not have entered into this Agreement without this material provision.

2. GRANT OF LICENSE. Subject to the terms and conditions of this Agreement, LICENSOR hereby grants to LICENSEE the exclusive license to use, market, distribute and sell the EDUCATIONAL MATERIALS in the TERRITORY and the exclusive right to sublicense others to market, distribute and sell the EDUCATIONAL MATERIALS in the TERRITORY. This grant is to the exclusion of others, including the LICENSOR.

3. PAYMENTS.

(a) It is agreed and understood that even though the EDUCATIONAL MATERIALS may be covered by one or more domestic or foreign copyrights or trademarks, LICENSEE shall retain an exclusive Licensing Agreement as to the TERRITORY for a period of not less than twenty years from the execution date of this Agreement (hereinafter referred to as "Licensing Term"),

(b) LICENSOR further agrees to appoint LICENSEE as the exclusive representative for the TERRITORY for an additional period of twenty years following the expiration of the Licensing Term of this Agreement, unless modified by mutual written agreement between the parties, subject to the terms and conditions of this Agreement. Any modification of territories proposed and adopted by LICENSEE shall require mutual written agreement of the parties.

(c) Any fees paid to the LICENSEE involving the EDUCATIONAL MATERIALS pursuant to this Agreement shall be reported to the LICENSOR on a quarterly calendar basis within thirty (30) days of the end of each calendar quarter accompanied by a remittance of the percentage amount shown by the report to be due and a summary of the percentage paid and number of students enrolled in that quarter. The parties agree that beginning with the report for the first calendar quarter and for all corresponding reports during the life of this Agreement and for all subsequent quarters, the accompanying remittance of 20% royalties and summary will reflect what was paid to the LICENSOR for that calendar quarter based on tuition revenues for materials created in previous years.

4. PATENT'S, TRADEMARKS AND COPYRIGHTS AND PROTECTION. LICENSEE may file or cause to be filed with and prosecuted at its own expense, such patent, trademark or copyright applications as, in its sole discretion, shall be deemed reasonably necessary to protect the rights granted to LICENSEE for the MATERIALS pursuant to this Agreement, so long as LICENSOR retains all ownership and authorship of the EDUCATIONAL MATERIALS.

5. FOREIGN PATENTS, TRADEMARKS AND COPYRIGHTS AND PROTECTION.

(a) LICENSEE may file or cause to be filed with and prosecuted before foreign patent, trademark or copyright offices at its own expense, such foreign applications as, in its sole discretion, shall be deemed reasonably necessary to protect the rights granted to LICENSEE for the MATERIALS pursuant to this Agreement, so long as LICENSOR retains all ownership and authorship of the MATERIALS.

(b) If LICENSOR determines, in its sole discretion, that foreign applications should be filed in foreign countries, other than those which LICENSEE shall identify, LICENSOR shall have the right to file or cause to be filed, at its expense, applications in such foreign countries after notifying LICENSEE in writing of its intent to do so and giving LICENSEE reasonable time to change its decision and file there.

6. **PROTECTION OF EDUCATIONAL MATERIALS.** LICENSEE may bring any action for patent, trademark, copyright or licensing infringement of the EDUCATIONAL MATERIALS during the term of this Agreement, in LICENSEE'S name or jointly with LICENSOR. If LICENSEE fails to initiate legal proceedings for such infringement, LICENSOR shall have the right to bring such legal action at its own expense, either in the name of LICENSOR alone or jointly in the names of LICENSOR and LICENSEE, as it shall deem necessary and proper to protect the rights to the EDUCATIONAL MATERIALS.

7. **WARRANTIES.** The parties warrant and represent to each other that each has the right to enter into this Agreement with the other. LICENSOR specifically warrants and represents that it is the owner of all right, title and interest in the MATERIALS and that it is not aware of any rights of a third party (including patent, trademark or copyrights) that would be infringed by LICENSEE'S marketing, distribution or sale of any Unit, MATERIALS licensed hereunder.

8. **RECORDS AND INSPECTION.**

(a) Both parties agree to keep and maintain suitable quarterly business records, in accordance with generally accepted accounting practices, of the EDUCATIONAL MATERIALS sold, distributed, or otherwise transferred by it to any third party, including, but not limited to monies received, dates of sales, quantity sold, and quantity returned.

(b) Both parties shall permit, during regular business hours and at the requesting party's expense, upon five (5) days prior, written notice to the other party, but not more than quarterly in any calendar year, the other or a firm of certified public accountants selected by the requesting party, to examine and take abstracts from relevant records of the other to such extent as may be reasonably necessary to determine compliance with this Agreement including the proper amount of percentages to be paid. Both parties shall only be required to keep such relevant records for five (5) years.

9. **TERM AND TERMINATION.** This Agreement shall continue in full force and effect for twenty (20) years, unless otherwise terminated by mutual written consent of each party.

(a) **MATERIAL BREACH AND CURE.** In the event either party breaches any of the material terms and conditions contained in this Agreement, the nonbreaching party shall provide thirty (30) days' written notice of such breach to the breaching party. After notice has been provided under this Section and if the breach has not been cured therein, the nonbreaching party may pursue any remedy available at law, including but not limited to termination of this Agreement.

(b) **Perpetual License:** Except for termination for cause, Licensor hereby grants to Licensee a nonexclusive, perpetual license to use any Licensed Materials that were accessible during the term of this Agreement. Such use shall be in accordance with the provisions of this Agreement, which provisions shall survive any termination of this Agreement. The means by which Licensee shall have access to such Licensed Materials shall be in a manner and form substantially equivalent to the means by which access is provided under this Agreement.

10. **PRODUCT AND EXPENSE COOPERATION.** Both parties agree to develop and maintain professional and complimentary "brand identity" as it applies to the EDUCATIONAL MATERIALS.

11. CONTINUED PRODUCT DEVELOPMENT AND SUPPORT. LICENSOR shall provide full and comprehensive product and educational support to LICENSEE. LICENSOR shall also create new course material and teachings for LICENSEE'S exclusive use and LICENSEE shall provide input as to new development ideas for the EDUCATIONAL MATERIALS and the TERRITORY. Pandit Sanjay Rath shall be the primary supervisor for all such courses, when and where practical. LICENSOR shall also certify and help maintain consistency and authenticity in the EDUCATIONAL MATERIALS.

(a) Specifically, LICENSOR agrees to create, develop and teach three (3) diploma courses in Vedic Astrology for LICENSEE as follows, said materials and courses to be created and developed at a rate of one academic year per calendar year.

- i) 4-year bachelors degree course in Vedic Astrology (Bachelor of Jyotish)
- ii) 2-year masters degree course in Vedic Astrology (Master of Jyotish)
- iii) 2-year doctoral degree course in Vedic Astrology (Doctor of Jyotish)

(b) LICENSOR shall also receive from LICENSEE an additional teaching fee of \$100 per actual teaching hour for teaching the courses referenced in this section, which shall be above and beyond the 20% licensing fee referencing in this Agreement. The teaching fee shall be paid for the materials that are being developed, with 20% royalty payments beginning the following year. If applicable, Licensor shall execute an Independent Contractor Agreement for this purpose.

## 12. GENERAL PROVISIONS.

(a) The terms of this Agreement may be modified, in writing only, by the mutual consent of each party. This Agreement shall not convey any of LICENSOR'S ownership rights to any EDUCATIONAL MATERIALS and LICENSOR shall retain all ownership rights to any EDUCATIONAL MATERIALS.

(b) The parties agree that they shall carry out their obligations and duties under this Agreement with due diligence and in a timely fashion. Neither party shall be liable to the other for any loss, injury, delay, damages, or other casualties suffered or incurred by the other party due to strike, irregular industrial accident short of strike, riots, fires, storms, explosions, acts of God, war, supervening legislation, governmental or other regulations and directives, or any other similar cause beyond the reasonable control of either party, and any failure or delay by either party in performance of any of its obligations hereunder due to any of the foregoing causes shall not be considered a breach of this Agreement.

No waiver of a breach of any term or provision of this Agreement shall be construed or operate as a waiver of any other breach of the terms or provisions of this Agreement.

(c) This Agreement shall be governed and construed in accordance with the laws of the State of California and any action seeking to enforce the terms and conditions of this Agreement or any claim for damages arising from a material breach of this Agreement shall be filed in a court of competent jurisdiction in Santa Cruz County, California, USA only. If either party shall invoke legal proceedings, of any nature, to enforce the terms and conditions of this Agreement, or to impose a claim of damages against a breaching party, the prevailing party shall be entitled to recover its reasonable attorney's

fees and costs, whether a lawsuit is instituted or not. The parties agree that the jurisdiction and venue are vested solely in the courts of Santa Cruz County, California, and waive any other jurisdiction and venue to which they may have otherwise been entitled including by citizenship or domicile; and the parties agree and understand that LICENSEE would not have entered into this agreement without this material provision.

(d) All notices required to be sent under the terms of this Agreement, including all reports and payments, shall be sent by registered mail, return receipt requested, and any and all legal papers, including but not limited to service of process, shall be directed to the respective parties at the addresses set forth below unless notice of address change is given in writing.

(e) This Agreement contains the entire understanding between and among the parties and supersedes any prior understandings and agreements among them respecting the subject matter of this Agreement.

(f) This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the parties hereto.

(g) This Agreement or any section thereof shall not be construed against any party due to the fact that said Agreement or any section thereof was drafted by said party.

(h) The parties hereto shall execute and deliver all documents, provide all information and take or forbear from all such action as may be necessary or appropriate to achieve the purposes of the Agreement.

(i) Nothing herein shall be construed to be to the benefit of any third party, nor is it intended that any provision shall be for the benefit of any third party and nothing shall be construed herein to be considered a partnership or joint venture or employment between the parties.

(j) If any provision of this Agreement, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

In addition, the parties agree to the following:

1. The Licensor and Licensee agree to the automatic renewal of this agreement every twenty years, during which both shall cooperate to develop the educational materials for the Bachelors, Masters and any other Special programs associated with JIVA.

2. Licensee retains the exclusive right to offer Beginner, Bachelor and Masters level courses in Vedic Astrology in the English language in all parts of the world through the internet as distance-learning degree courses. The JIVA courses will not compete with non-English courses to be developed for SIVA (Slavic Institute of Vedic Astrology) in East Europe and any institute in Indian subcontinent, and Licensor agrees that he will do all in his power to keep the non-English programs from competing with JIVA. The JIVA courses shall be prepared under the direct authorization and personal supervision of the Licensor.

3. The following Vedic Astrology programs in English are also specifically exempt:

(a) Special advanced programs created by Licensor, including but not limited to the Jaimini course, are exempt from this agreement and may be offered by licensor independently of JIVA.

(b) SJCERC program with KKSU (Kavi Kulguru Kalidas Sanskrit Vishwavidyalaya) is also exempt from this agreement.

4. Since both Licensee and Licensor assume financial risk to develop the JIVA program, and since revenues are dependent on mutual performance of both Licensee and Licensor, there is no need for a penalty clause. Lack of good faith performance by either party will put the entire JIVA program at risk.

5. It is agreed that all students registered in any year of a JIVA degree program will be allowed to complete their degree studies with JIVA regardless of twenty year renewal or non-renewal of the contract.

IN WITNESS WHEREOF, the parties hereto have agreed and set their hands by proper persons duly authorized to become effective upon the date of the last party to sign.

**LICENSOR:**

BY: \_\_\_\_\_ DATE: \_\_\_\_\_

Signature of Authorized Signatory of Licensor

Name: Sanjay Rath

Title: Academic Director JIVA; Jyotish Guru, Sri Jagannath Center

Address: 15B Gangaram Hospital Road, New Delhi 110060, India

Telephone No.: +91 11 42430122

E-mail: srath@srath.com

**LICENSEE:**

BY: \_\_\_\_\_ DATE: \_\_\_\_\_

Signature of Authorized Signatory of Licensee

Print Name:

Title:

Address:

Telephone No.:

E-mail: