# Partnership Agreement for the Non-Exclusive Distribution of Content

Between neXva, Inc., a Delaware corporation, located at 7660 Fay Avenue, Suite 340, La Jolla, CA 92037 USA ("Aggregator")

- and -

Happy Tube s.r.o., a limited company incorporated under the law of Czech Republic, having its registered office located at Tachovske nam. 90, 130 02 Praha, Czech ("Content Partner")

## CONTENT DISTRIBUTION AGREEMENT SUMMARY

Agreement Date: 27th of December 2010

Summary -

The Content Partner grants the Aggregator the non-exclusive license to distribute the Content Partner's titles and content through the following portals: www.nexva.com, www.nexva.mobi and through white label variations of these sites.

Content:

The following titles shall be subject to this Distribution

Agreement:

Duration:

This Agreement shall be effective from the date when signed by the Parties and shall be valid for a period of one (1) year. The term of this Agreement shall further automatically renew for one or more additional one (1) year period each time unless any Party notifies the other Party in writing that it is not willing to renew the term of the Agreement not later than 30 days prior to the expiry of then current Agreement term.

Territory:

Content Partner Name:

Contact Name:

Contact Email:

Website URL:

Phone:

www.nexva.com and www.nexva.mobi

« Happy Tube s.r.o. »

« Nadia Bilous »

« nadia.bilous@happytube.biz »

« www.happytube.biz »

«+38 044 360 72 75 »

#### **DISTRIBUTION AGREEMENT - TERMS AND CONDITIONS**

1.

Interpretation

This is a licensing agreement between neXva, Inc., a Delaware corporation, (the Aggregator) and Happy Tube s.r.o. (Content Partner), whereby Content Partner grants to Aggregator in the Territory and during the Term, a non-exclusive license for the Content within guidelines outlined in this Agreement and to the extent incorporated for the Content, the Underlying Rights to distribute the Content by Electronic Means including, but without limitation, by browsing, streaming, downloading, playback, storage and purchase.

It is accordingly agreed as follows:

OPERATIVE

CLAUSES

1.1 - The following expressions have the following meanings:

this

Agreement

In

"Agreement" - This document which is a binding contract between Aggregator and the Content

Partner.

"Device" – Digital computation equipment or computer including but not limited to Personal Digital Assistants (PDAs), Desktop Computers and Mobile Phones.

"Mobile Content" – Work or part thereof, adapted to be used (browsed) in Mobile Terminals in the form of Logos, Animations, JAVA-games, Literary works, Ring-tones, Real-tones, Ring-backtones, Logos, Animations, Videos, Literary Works, JAVA-games, Themes and (or) in other forms.

«Ring-tone» - piece of music / part thereof in specific format, without text, to be used in Mobile Terminals as a ringing signal (ring).

«Real-tone» - phonogram / part of phonogram containing record of Work to be used in Mobile Terminals as a ringing (ring), call control signal.

«Ring-back-tone» - phonogram/ part of phonogram containing record of Work to be used as a waiting signal for Mobile Terminals. "Executable" means a piece of software (e.g. game, utility, computer application) in the form of an executable file (e.g., .exe or .bat files), including class libraries, images and melodies that are required by the device concerned in order to use the full range of content functions; also including screenshots, FAQs (frequently asked questions) and other documentation that the Content Partner is obliged to deliver to Aggregator under this

"Image" means any visual representation that is stored in digital format – this term also includes, without restrictions, a series of such representations that can be played in combination as an animation or a video clip.

- The s

"Digital Literature" means any form of literature which has been digitised including but not limited to e-books and so forth. "Video Content" refers to the video clips of movies, dramas, plays, and any form of video, along with their individual titles. "MMS Content" means a content package that consists of one or more images, melodies and/or items of text data and is transmitted via the MMS gateway, if necessary, together with program instructions (or codes) needed for the proper display and execution of the content package concerned. "SMS Text" means any text to be transmitted to a user in the form of an SMS message. "Business Day" - Working hours between 9AM and 5PM local time on a day other than Saturday, Sunday or a public bank holiday in the UK, USA and Canada. "Transaction" - The sale of the Content to a customer through the Aggregator or affiliated Aggregator or branded portal. "Commission" - The agreed amount paid to Aggregator for handling the sale of Content Partner's "Royalty" - The agreed amount paid to Content Partner for the sale of Content at the or Aggregator affiliated or branded "Aggregator's Marks/Brands" - Such trade names, trade marks, service marks or logo(s) owned by Aggregator as may be in use in connection with the sale and marketing of the Content. "Content Partner's Marks/Brands" - Such trade names, trade marks, service marks or logo(s) owned by Content Partner as may be in use in connection with the sales and marketing the Content. "Commencement Date" - As agreed between the Parties being the date on which the provisions hereunder of the Agreement will commence. "Data" - All data relating to marketing collateral, customers and prospects of Content sold through Aggregator portals. "Intellectual Property Rights" - Patents, trademarks, servicemarks, design rights (whether registerable or otherwise), copyright, know-how and other similar rights or obligations

"Proprietary Information" - All information which relates to the business affairs, product development, trade secrets, know-how, personnel, customers and suppliers of either Party (whether or not designated as "proprietary information" by either party) together with all information derived from the foregoing or any other information which is by its nature confidential.

not

in

any

country.

or

whether

registerable

"Territory" - means the following channels: www.nexva.com and www.nexva.mobi.

"Musical Publishing Rights" - In the case of music, the rights in underlying literary and/or musical copyright works embodied in the Content.

"Underlying Rights" – Any and all rights that may be embodied in the Content including without limitation copyright, in the case of music; any performer's rights, copyright, and any other intellectual Property Right including the Musical Publishing Rights.

# 2. Parties' Contribution

- 2.1 Aggregator will promote and distribute the Content through the Aggregator portals (including but not limited to www.nexva.com) and/or Aggregator affiliated or branded portals. From time to time, Aggregator will expand the list of portals through which it distributes content, by previous consent of Content Partner. A list will be specified in the Annex to this Agreement, maintained and updated on the Content Provider portion of Aggregator's website.
- 2.2 Aggregator will manage the payment and collection process of all transactions through the Aggregator or Aggregator-affiliated branded portals.
- 2.3 Aggregator shall on a monthly basis, not later than on 10<sup>th</sup> (tenth) day of the month following the Reporting Period (a calendar month), provide a Report to Content Partner with the following information:
- name of the Work;
- author(s) of the Work,
- Territory, including distribution channels;
- the quantity of copies (downloads) of each Work (Mobile content), distributed during the Reporting Period,
- End User Price for each copy of Mobile content, distributed to the Subscriber during the Reporting Period;
- Content Partner's reward for the Reporting Period;
- Aggregator's reward for the Reporting Period;
- total amount of reward payable to Content Partner.

Content partner, within 5 (five) working days after receipt of the Report from the Aggragator shall provide the latter with the the invoice for reward payment.

Reward for rights provided to the Aggregato under this Agreement shall be paid by the Content Partner not later than 10 (ten) working days after the Content Partner issues the invoice.

Content Partner and Aggragator hereby agree that Aggragator shall bear all fees for wiring money to Content Partner as invoice payment.

3. Royalty Agreement

3.1 - For all Partner Content sold via Credit/Debit Card, PayPal, or other payment

methods, royalties paid to the Content Partner are according to the following revenue share:

10 % for neXva 90% for Content Partner

4. Licence to Use Brands

- 4.1 Content Partner hereby authorizes Aggregator to use Content Partner's Brands in the form provided by Content Partner when it uploads its Content and materials to Aggregator. Content Partner understands and agrees that Aggregator will use said brand(s) on Aggregator's portal, Aggregator's affiliated portals and branded for the purpose of promoting Content Partner's Content and for no other purpose.
- 4.3 Both Content Partner and Aggregator recognize the others' proprietary rights in its trade names, trade marks or service marks including the Aggregator's or Content Partner's Marks and undertakes not to do any act either alone or jointly with others which may jeopardize or in any way infringe the others title to its trade names, trade marks or service marks or which might invalidate any registration of such marks. The Content Partner and Aggregator acknowledge that its use of the others' Marks shall not create for itself any rights in such marks and if any such rights are created the party to which such right is created shall undertake to assign such rights to the other or as it shall otherwise direct.
- 4.4. Aggregator and Content Partner warrants and undertakes to the other that the use of the others' Marks for the purposes of and in accordance with this Agreement will not infringe the Intellectual Property Rights of any third party.
- 4.5 Upon termination of this Agreement for any reason whatsoever, each party shall immediately cease to make use of other's Marks and shall do and execute all such acts, deeds and things that the other party shall require for the purpose of cancellation of the permission granted hereunder.

5. Confidentiality

- 5.1 The Content Partner and Aggregator will keep confidential any Proprietary Information and/or any information obtained from the other in pursuance of this Agreement and neither will divulge the same to any third party, except such of its employees, contractors and agents as may need to know the same for the purposes of the implementation of this Agreement and who agree to be bound by the provisions of this clause, or use the same, except as is reasonably necessary for the performance of obligations arising under this Agreement without the consent in writing of the other.
- 5.2 The obligations aforesaid shall not apply to any material or information which:
- 5.2.1 is in the public domain (other than as a result of a breach of this Agreement);
- 5.2.2 the receiving party can clearly demonstrate was already known to him;
- 5.2.3 is lawfully disclosed to him by a third party (without breach of any obligation of confidentiality on the part of the disclosing party );
- 5.2.4 is ordered to be disclosed by any court or other tribunal of competent jurisdiction.

6.1 - All customer data and any other Proprietary Information relating to the direct sale of the Partner Content through the Aggregator or Aggregator affiliated or branded portals is owned by Aggregator and the Content Partner.

7. Term

7.1 - This Agreement shall remain in effect for an initial period of twelve (12) months from the date of execution by both parties. This Agreement shall automatically renew for successive twelve (12) month periods unless either party notifies the other party, in writing, no less than thirty (30) days prior to the end of any term or renewal term of this Agreement of its election not to renew.

8. Exclusion of all Damages

- 8.1 To the maximum extent permitted by applicable law, in no event shall either party be liable for any consequential, incidental, direct, indirect, special, punitive or other damages whatsoever, including, without limitation: damages for any injury to person or property, damages for loss of profits, business interruption, loss of business information, loss of privacy for failure to meet any duty including of good faith or of reasonable care, negligence, and for any pecuniary or other loss whatsoever, arising out of or in any way related to the use of or inability to use the Partner Content, whether based on contract, tort, negligence, strict liability or otherwise, even if Aggregator has been advised of the possibility of such damages. The exclusion of damages shall be effective even if any remedy fails of its essential purpose.
- 8.2 In no event shall either party be liable to the other for any indirect, special, consequential or incidental damages, including, but not limited to loss of anticipated profits, even if such party has been advised of the possibility of such potential loss or damage, in connections with or arising out of this Agreement.

9. Entire Agreement

9.1 - This Agreement contains all the terms which the Parties have agreed in relation to the transactions provided for by this Agreement. Neither of the parties has been induced to enter this Agreement by a statement or promise which it does not contain. This shall not exclude any liability which a party would otherwise have to the other party in respect of any statement made fraudulently by that party prior to the date of this Agreement.

10. Operative Law

10.1 - This Agreement shall be construed under the laws of the State of California, USA, without reference to its conflicts of laws provisions and any claim or controversy concerning this Agreement shall be heard in the Superior Court of the State of California located in San Diego County, California, USA.

11.1 - Ownership by Content Partner. The parties agree that the Content Partner owns all proprietary rights, including copyrights, patents, trademarks, and trade secrets, in and to the Partner Content and that this Agreement does not transfer ownership of any of these rights.

## 12. Representations

and

Warranties

12.1 Content Partner hereby represents and warrants that: (a) Content Partner is the sole and exclusive owner of all right, title and interest in and to the Content, and/or has full distribution rights of the Content, in the Territory during the Term of this Agreement, including and not limited to copyright, patent, trade secret and trademark rights. (b) none of the Content infringes upon or otherwise violates any rights, including without limitation, copyright, patent, trade secret or trademark rights, of any person or entity (c) Content Partner has full power to enter into this Agreement and to grant all rights herein granted; and (d) there is not now any outstanding litigation or threat of litigation or claim or threats of claims that affect or are concerned with or any way touch upon the Content or any of the rights granted by Content Partner pursuant to this Agreement. Should any of these representations prove to be incorrect or untrue, Aggregator retains all rights afforded to it under this Agreement including, but not limited to, Aggregator's right to terminate this Agreement immediately and without cause.

Shaun Zelber – COO

Aggregator

neXva, Inc.

7660 Fay Avenue, Suite 340

La Jolla, CA 92037

USA

partners@neXva.com

01st March 2011

Amendment

Content Partner
Happy Tube s.r.o

Tachovske/nam

90, 130 02

Czech

Aggregator may, from time to time, modify the terms of this Agreement by posting the revised agreement on Aggregator's website and notifying Content Partner of the change by e-mail.

11.1 - Ownership by Content Partner. The parties agree that the Content Partner owns all proprietary rights, including copyrights, patents, trademarks, and trade secrets, in and to the Partner Content and that this Agreement does not transfer ownership of any of these rights.

### 12.

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Shaun Zelber - COO

Aggregator neXva, Inc.

7660 Fay Avenue, Suite 340 La Jolla, CA 92037

**USA** 

partners@neXva.com 01st March 2011 Content Partner Happy Pube s.r.o.,

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Czech

tners@neXva.com

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HAPRY TUBE s.r.o. 130 02 pro 193, Tachovské nám. 90 IČ: 27/16457, DIČ: CZ27616657 ORMS Pro 10, Oddii C. vloško 119145

#### Amendment

Aggregator may, from time to time, modify the terms of this Agreement by posting the revised agreement on Aggregator's website and notifying Content Partner of the change by e-mail.

