

Edsoma Inc.

LICENSING AGREEMENT

(Edsoma-Author)

Dated as of [*Insert Effective Date*] “Effective Date”).

This Licensing Agreement (“Agreement”) is entered into as of the Effective Date by and between Edsoma Inc., a Nevada corporation (“Edsoma”), 7500 W.I 20, Suite #1, Weatherford, TX 76088, on one side, and the following author (“Author”), on the other side, and is based on the Recitals set forth below.

Author: [*Insert name and legal description of Author*]
[*Insert address and other contact information*]

RECITALS

- A. Edsoma is engaged in the business of, among other things, providing an interactive and adaptive online reading service for children and their parents through its proprietary software application and websites (collectively, the “Service”);
- B. Author is the author of and owner of rights in and to the works of authorship for children (collectively, the “Licensed Titles”) as set forth on the attached Schedule of Licensed Titles (“Schedule”), which is hereby incorporated by reference in this Agreement.
- C. Edsoma wishes to acquire from Author, and Author wishes to grant to Edsoma, the non-exclusive right to adapt, edit and use the Licensed Titles in connection with the Service on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, the parties agree as follows.

TERMS AND CONDITIONS

1. **License.** Author hereby licenses to Edsoma the non-exclusive right to edit, adapt, animate, reproduce, distribute and sell the Licensed Titles, alone and/or in conjunction with other content created and/or acquired by Edsoma, through the Service during the Term and in the Territory and the Language(s), as such terms are defined below, in any and all non-downloadable online media now known or hereafter devised. The rights licensed to Edsoma are restricted to the Service only and shall not include the right to prepare and publish any print editions, conventional audiobook editions and/or conventional e-book editions of the Licensed Titles.

1.1 **Term.** The term of this Agreement, as to each of the Licensed Titles, shall commence as of the Effective Date and shall expire on the fifth (5th) anniversary of the date when the Licensed Work is first made available to consumers through the Service, subject at all times to Author’s right of early termination pursuant to Section 13 (Termination) below (“Term”). The expiration or termination of the Term as to a Licensed Title as provided above shall not affect Edsoma’s rights in the other Licensed Titles.

1.2 **Territory.** The territory in which the rights in the Licensed Titles may be exploited by Edsoma is the world.

(JK 6-22a-21)

Edsoma Inc.
Licensing Agreement
(Edsoma-Author)

1.3 **Languages.** The rights licensed to Edsoma include the right to translate the Licensed Titles from its original language into any and all other languages (collectively, the “Language(s)”).

1.4 **Notices and Credits.** Edsoma shall display the name of Author and illustrator(s) of the Licensed Titles, and copyright and trademark notices for the Licensed Titles in connection with the Service as provided in writing by Author, all in a style, place and manner to be determined by Edsoma after consultation with Author and in a manner consistent with the notices and credits provided to other authors that license their titles to Edsoma.

2. Illustrative Examples.

2.1 Without limiting the scope of the features and functions of the Service, such features and functions may include any and all of the following, except that the contents of a Licensed Title shall always be displayed to the consumer only in a non-downloadable format consisting of one page or a two-page spread at a time.

(a) An avatar, whether created by Edsoma alone or by Edsoma with the participation of the consumer, may read the Licensed Title aloud to the user of the Service or guide the user in reading the Licensed Title aloud. The avatar may be entirely invented or may resemble a member of the user’s family but shall not resemble a character in the Licensed Title without the prior written permission of Author.

(b) A friend or a member of the user’s family may read aloud the Licensed Title during a user session.

(c) The Service may include live readings by the author and/or recordings of the author’s reading of her or his book as further described in Sections 2.3(d) and (e) below.

(d) The Service may be configured to permit multiple users (e.g., the members of a family or a class) to participate at the same time in reading a Licensed Title aloud or listening to the reading of a Licensed Title.

(e) The users may be afforded an opportunity to create illustrations and/or post stories of their own during a user session, and such illustrations and stories may be inspired by the Licensed Title.

(f) The Service may include a social media feature that allows users to communicate with each other, whether on the subject of a Licensed Title or otherwise.

(g) The Service may be marketed under the trademarks of Edsoma and/or the trademarks of Edsoma’s customers who make a private-label version of the Service available under license from Edsoma.

2.2 The Service may include all or any portion of the Licensed Titles, including text and/or illustrations, and such text and illustrations may be adapted by Edsoma for display to the users. Additional content such as art, text, and sounds may be displayed during a user session, but all such additional content shall be created or acquired by Edsoma (collectively, “Edsoma Content”) and shall not be derivative works based on the content of the Licensed Title.

2.3 The Service may include the following revenue models, and Edsoma reserves the right to introduce additional revenue models during the Term. Royalties will be based on the royalty pool, if any, as described below.

Edsoma Inc.
Licensing Agreement
(Edsoma-Author)

(a) The entry-level subscription permits the user to access three titles without charge. Since no revenues are collected for the entry-level subscription, no royalties are paid into the royalty pool for the user's access to the three titles.

(b) The entry-level subscription may be converted by the user to an unlimited subscription by payment of an annual subscription fee as set by Edsoma. The payment for converting from an entry-level subscription to a one-year unlimited subscription is currently \$9.99, and a portion of the foregoing revenue will be paid into the revenue pool. The unlimited plan permits the user to access all titles in the Edsoma's online library.

(c) The unlimited-plus subscription is offered to users upon payment of an annual subscription fee as set by Edsoma. The unlimited-plus subscription fee is currently \$[TBD], and a portion of the foregoing revenue will be paid into the revenue pool. The unlimited-plus plan permits the user to access all titles in the Edsoma's online library and to purchase additional services on a fee-for service charge. Fee-for-service charges are not paid into the royalty pool for authors, publishers and other content-providers but a portion may be shared with authors who personally render services through unlimited-plus plan as described in Sections 2.3(d) and (e) below.

(d) By way of example, a subscriber may be offered an opportunity to arrange for a live reading or access to a recorded reading of a Licensed Title by its author. The subscriber is charged separately for such services, and the charge is shared with the author. The subscriber may also elect to give the author a tip, and the tip is shared by Edsoma and the author. None of the foregoing revenue is paid into the royalty pool.

(e) If Edsoma receives a request from a subscriber for services to be provided by Author, such as a live reading, a recorded reading, and/or other services that Edsoma may elect to make available to subscribers, Author will have the option (but not the obligation) to participate on the terms and conditions offered by Edsoma at the time of any such request. By way of example only, if Author participates in a live reading at the request of a subscriber, Edsoma currently pays Author sixty percent (60%) of the Net Revenues generated by each live reading, including the fee charged to the subscriber and any gratuity the subscriber may offer in addition to the fee.

3. **Deliverables.** Author, at its own cost, shall deliver to Edsoma digital files containing the entire contents of each Licensed Title in the format(s) specified in writing by Edsoma within fifteen (15) days after receipt of such request.

4. **Release of Licensed Titles.** Edsoma shall release each of the Licensed Titles through the Service not later than twelve (12) months after receipt of the digital files as specified in Section 3 (Deliverables) above except as the foregoing period may be extended by delays attributable to Author or any circumstances of force majeure. As to any of the Licensed Titles that are not released through the Service within the time allowed, this Agreement shall terminate without further obligation, and the rights for such Licensed Title shall revert to Author. This Agreement shall remain in effect as to the other Licensed Titles that are timely released.

5. **Compensation.** In consideration of the rights granted by Author to Edsoma, and in full and final satisfaction of its monetary obligations to Author, Edsoma shall pay Author a pro rata share of the Royalty Pool as defined in Section 6 (Royalties) below. The payment of royalties shall be in full and final satisfaction of Edsoma's monetary obligations to Author except as otherwise provided in Sections 2.3(d) and (e) above.

6. **Royalties.**

Edsoma Inc.
Licensing Agreement
(Edsoma-Author)

6.1 An amount equal to 30% of the Net Revenues from unlimited and unlimited-plus subscriptions to the Service shall be set aside and allocated to payment of royalties owing to all authors, publishers and other content-providers whose titles are licensed to Edsoma for use in connection with the Service (collectively, the “Royalty Pool”). Net Revenues is defined as gross revenues actually received by Edsoma from the sale of subscriptions to the Service excluding refunds on canceled subscriptions and amounts paid by a subscriber for additional services rather than access to the Licensed Titles.

6.2 Author’s right to receive a royalty as to any of the Licensed Titles shall arise only if a user has accessed and read at least fifty percent (50%) of the content of that Licensed Title in a single user session (collectively, the “Author’s Qualified Titles”). The same procedure shall apply to titles licensed to Edsoma by other authors, publishers, and content-providers. For purposes of royalty calculations, all licensed titles that have been accessed through the Service and read as described above in any quarterly accounting period are referred to as the “Library of Qualified Titles.”

6.3 Author will receive a percentage of the Royalty Pool equal to the percentage of the Library of Qualified Titles that represents user access to Author’s Qualified Titles during the applicable royalty accounting period. By way of example, if Author’s Qualified Titles represent seven percent (7%) of the total number of Library of Qualified Titles that were accessed by users in any quarterly accounting period, then Author shall receive seven percent (7%) of the Royalty Pool for that period.

7. **Accounting.** Edsoma shall render a statement of account, and pay any royalties then due, to Author within thirty (30) days after the end of each quarterly accounting period, that is, April 30 for the preceding period from January 1 through March 31; July 31 for the preceding period from April 1 through June 30; October 31 for the preceding period from July 1 through September 30; and January 31 for the preceding period from October 1 through December 31. The statement of account for each quarterly accounting period shall include (i) the total amount of the Royalty Pool, (ii) the percentage of the Library of Qualified Titles that is represented by Author’s Qualified Titles accessed during the accounting period, and (iii) the percentage of the Royalty Pool owing to Author.

8. **Audit.** Author shall have the right to inspect and copy the books and records of Edsoma relating to the calculation of royalties under this Agreement, no more frequently than once in any twelve (12) month period, on reasonable notice in writing at the place where such books and records are kept in the ordinary course of business.

9. **Confidentiality.** All communications and dealings between the parties, and the terms and conditions of this Agreement in its entirety, shall be held in trust and confidence by Author, both during the Term and thereafter. Author may disclose such confidential matters to its professional advisors, including accountants and attorneys, but only subject to a confidentiality agreement between the disclosing party and its advisor(s).

10. **Author’s Representations and Warranties.** As to each of the Licensed Titles, Author represents and warrants to Edsoma that: (i) Author is the sole author of the Licensed Titles and the proprietor of the rights in the entire contents of each of the Licensed Titles that are licensed to Edsoma under this Agreement and has full power and authority, free of any rights of any nature whatsoever of any other person, to enter and perform Author’s obligations under this Agreement without the knowledge, consent or ratification of any other person; (ii) the Licensed Titles do not, and if used by Edsoma as contemplated in this Agreement, will not infringe upon any copyright, trademark, or any other proprietary right of any third party; (iii) the Licensed Titles contain no matter whatsoever that is obscene, libelous, violative of any third party’s right of privacy or publicity, or otherwise in

(JK 6-22a-21)

Edsoma Inc.
Licensing Agreement
(Edsoma-Author)

contravention of law or the right of any third party; (iv) all statements of fact in the Licensed Titles are true and are based on diligent research; (v) all advice and instruction in the Licensed Titles is safe and sound, and is not negligent or defective in any manner; (vi) the Licensed Titles, if biographical or “as told to” the author, is authentic and accurate; and (vii) Author will not enter into any other contracts that would interfere with the rights of Edsoma under this Agreement during its Term,

11. **Indemnity.** Author shall indemnify, defend and hold harmless Edsoma, its subsidiaries and affiliates, and their respective shareholders, officers, directors, employees, partners, associates, affiliates, joint venturers, agents and representatives, from any and all claims, debts, demands, suits, actions, proceedings and/or prosecutions (“Claims”) based on allegations which, if true, would constitute a breach of any of the representations, warranties, and/or other obligations of Author under this Agreement, and any and all liabilities, losses, damages, expenses (including actual attorneys’ fees and costs) and damages in consequence thereof.

11.1 Each party to this Agreement shall give prompt notice in writing to the other party of any Claims, and the Indemnified Party shall cooperate fully with the Indemnifying Party in the defense of any Claims.

11.2 To the extent that any Claims are based on allegations which, if true, would constitute a breach of any of the representations, warranties, or other obligations of Author under this Agreement, Edsoma shall have the right to compromise and settle any such Claims at the expense of Author but only after reasonably consulting with Author’s on the terms and conditions of any such compromise or settlement.

11.3 Author’s representations, warranties and indemnities as set forth in Section 10 (Author’s Representations and Warranties) above and this Section 11 shall extend to any person or entity against whom any Claims are asserted by reason of the exploitation of the Licensed Titles, as if such representations, warranties and indemnities were originally made to such third parties.

11.4 Each party will add the other party as an additional insured on any policies of media risks insurance that such party may elect to secure during the term of this Agreement.

12. **Reservation of Rights.** Except as otherwise expressly provided in this Agreement, each party reserves all rights in its own copyrights, trademarks, and other intellectual property.

13. **Termination.** As to each of the Licensed Titles, and starting three (3) years after the release date of each such Licensed Title by Edsoma, Author shall have the right to terminate this Agreement if (i) the Licensed Title is no longer available for purchase from Edsoma or one of its licensees through the Service or a comparable online service and (ii) Edsoma fails or neglects to make such Licensed Title available for purchase within six (6) months after actual receipt of notice in writing from Author. Termination as to any of the Licensed Titles under this Section 13 shall not affect Edsoma’s rights in the other Licensed Titles that remain available for purchase.

14. **General Provisions.**

14.1 **Applicable Law.** Regardless of the place of its physical execution, this Agreement shall be interpreted, construed and governed in all respects by the laws of the State of Texas and the United States of America.

Edsoma Inc.
Licensing Agreement
(Edsoma-Author)

14.2 **Modification and Waiver.** This Agreement may not be modified, amended and/or otherwise altered except by a formal amendment in writing signed by both parties. No waiver of any term or condition of this Agreement, or of any breach of this Agreement or any portion thereof, shall be deemed a waiver of any other term, condition or breach of this Agreement or any portion thereof.

14.3 **Severability.** If any term or provision of this Agreement is found to be unenforceable for any reason, this Agreement shall remain in full force and effect and shall be fully enforceable on its remaining terms and conditions.

14.4 **Notices.** Any written notice or delivery under any of the provisions of this Agreement shall be deemed to have been properly made by delivery in person by one party to the other party, or by mailing via traceable mail (including, by way of example only, FedEx, UPS and the like) to the address(es) set forth above, except as the address(es) may be changed by notice in writing. Author and Edsoma agree to accept service of process at such addresses.

14.5 **Right to Withdraw Offer.** Edsoma shall have the right to withdraw its offer of agreement at any time prior to execution of this Agreement by Edsoma.

14.6 **Headings.** Headings and footers are for convenience only and are not to be deemed part of this Agreement.

14.7 **Binding on Successors.** This Agreement shall be binding on and inure to the benefit of the heirs, executors, administrators, successors or assigns of the parties.

14.8 **Dispute Resolution, Jurisdiction and Venue.**

(a) In the event of any dispute arising under this Agreement, the parties agree to first participate in direct settlement negotiations between the principals of each party for a period of not less than thirty (30) days before filing a lawsuit.

(b) Any such lawsuit shall be subject to the jurisdiction of the courts of the State of Texas and the United States of America, and venue shall be in Dallas County, Texas, and the parties hereby irrevocably consent to such jurisdiction and venue.

14.9 **Attorneys' Fees.** In any action on this Agreement, each party shall bear its own attorneys' fees and costs.

14.10 **Entire Agreement.** Edsoma and Author acknowledge that they have communicated with each other by letter, telephone and/or in person in negotiating this Agreement. However, the parties acknowledge and agree that this Agreement, including any exhibits, riders and amendments hereto, supersedes and replaces all other communications between the parties, and represents the complete and entire agreement of the parties, regarding the Licensed Titles and the other subject matter hereof.

14.11 **No Employment, Partnership or Other Relationship.** The parties acknowledge and agree that this Agreement is an arm's length transaction between independently contracting parties for the disposition of rights in intellectual property, and not for the provision of services, and no employment, partnership, joint venture, joint

(JK 6-22a-21)

Edsoma Inc.
Licensing Agreement
(Edsoma-Author)

authorship, trustee, fiduciary (except as to the duty of non-disclosure under Section 9 above), or other legal relationship is created between them.

14.12 **Counterparts.** This Agreement may be executed in any number of counterparts, and all such counterparts as executed by the parties shall together constitute one complete document. A facsimile, a photocopy and/or a digital copy of the fully executed document may be used in place of the original document and/or any original counterpart for all purposes.

(Remainder of Page Intentionally Blank – Signature Page Follows)

**Edsoma Inc.
Licensing Agreement
(Edsoma-Author)**

15. **Advice of Counsel.** Author acknowledges that Edsoma has advised Author of his or her right to obtain advice of counsel before signing this Agreement. If Author elects to sign this Agreement without the advice of counsel, it is because Author has knowingly and willfully elected to do so.

Agreed and confirmed:

“Author”

“Edsoma”

[Insert name of Author here in ALL CAPS]

EDSOMA INC.

By: _____
Its Authorized Signatory

By: _____
Its Authorized Signatory

Name: _____

Name: _____

Title: _____

Title: _____

**Edsoma Inc.
Licensing Agreement
(Edsoma-Author)**

Schedule of Licensed Titles

[Insert list of Licensed Titles]