

This is the html version of the file http://www.hindunet.org/users/ajay/ghe.022701/hindunet_agreement.doc.

Google automatically generates html versions of documents as we crawl the web.

To link to or bookmark this page, use the following url:

http://www.google.com/search?q=cache:zReJONcu2BkJ:www.hindunet.org/users/ajay/ghe.022701/hindunet_agreement.doc+site:www.hindunet.org/users&

Google is neither affiliated with the authors of this page nor responsible for its content.

This Memorandum of Understanding executed this _____ day of February 2001

Between

1. WWWC Corp a California partnership located at 8914, Rotherham Ave, San Diego, CA 92129
2. Dr. Ajay Shah, resident of 8914, Rotherham Ave., San Diego, CA 92129 1/3 partner of WWWC Corp
3. Mr. Srinivas Bolisetty of 1901, Halford Ave., Appt #194, Santa Clara, CA 95051 1/3 partner of WWWC Corp
4. Mr. Rajiv Varma, of Houston, TX 1/3 partner of WWWC Corp

Of the First Part

5. Dr. Mahesh Mehta 43, Valley Road, Needham MA, 02492

Of the Second Part, and

6. Vest N Web, Inc. (VNW) a company incorporated under the laws of the State of Delaware having its offices at 30, Windsor Road, Edison, NJ 08817, thru Mr. Ajeet Barshikar, President

Of the Third Part.

WHEREAS:-

1. The party of the First Part is the owner of Global Hindu Electronic Networks (GHEN), which has developed several Hindu, and India related portals and owns Intellectual properties related to these sites, domain names, and operational assets and is operating many of these sites currently. As a part

of its business activity, GHEN has certain commitments and obligations. Details of these assets, sites, domain names, commitments and obligations are provided in Annexure 1, herein after described as The Business

2. Dr. Mahesh Mehta has been the advisor to the party of the First Part in respect to The Business
3. The party of the Third Part is desirous of investing in The Business, First round of funding, subject to certain terms and conditions to which all the Parties have agreed and recorded in this MoU

Now by this MoU the Parties agree as follows:

1. The party of the First Part will incorporate a new company under the laws of the state of Delaware under the name and style of HinduNet, Inc. (New Co.)
2. All the assets and obligations of The Business will be transferred to New Co. against which 50% of the share of the New Co. representing \$1.25 million will be allocated to the parties of the First Part. At the option of the party of the First Part, these shares may be allocated to WWWCorp or Ajay Shah, Srinivas Bolisetty and Rajiv Varma in equal shares. The parties of the First Part, out of their shares shall have further discretion to allot out of their shares up to a maximum of 20% of their shares to future employees of The Business who join The Business up to the first round of funding as envisaged in this MoU.
3. As a part of the transfer of The Business to New Co. 10% of the shares of the New Co. representing \$250,000 will be allocated to Dr. Mahesh Mehta who will hold these shares for the benefit of Vishwa Hindu Parishad of America, Inc. Upon New Co. going IPO as envisaged in this MoU the shares held by Dr. Mahesh Mehta may be liquidated at his discretion and the monies received will be credited to Vishwa Hindu Parishad of America Inc. Simultaneously, with the allocation of the aforementioned shares to Dr. Mahesh Mehta, Dr. Mehta will obtain cancellation/release of the prior agreement between WWWCorp and Vishwa Hindu Parishad of America, Inc. by which all obligations and responsibilities of WWWCorp (The Business) will stand discharged towards Vishwa Hindu Parishad of America, Inc. and thereafter, Vishwa Hindu Parishad of America Inc. will have no claim, lien, or charge of any nature whatsoever on or against the Parties of the First Part and/or The Business and/or New Co.
4. On completion of the above conditions (Effective Date), the Party of the Third Part having satisfied itself that, amongst others -
 - i. New Co. has been duly incorporated
 - ii. The Business stands fully owned by New Co.
 - iii. The shares of New Co. as envisaged in clauses (2) and (3) above have been allocated
 - iv. Appropriate letter of discharge has been obtained from Vishwa Hindu Parishad of America Inc.
 - v. Putting in place of a proper management structure and a business model for the New Co./The Business and approved by VNW

The Party of the Third Part will underwrite to New Co. an investment of \$1 million as a first round of investment against which New Co. will allocate 40% of its shares to the Party of the Third Part. The Party of the Third Part at its discretion may invite investors to fund the first round of investment. It is agreed and understood that the investors will participate in the Party of the Third Part and the Party of the Third Part will then invest in the New Co. The investment to be made by the Party of the Third Part will commence from July 1, 2001 and will be completed within a span of one year subject to the conditions above being met.

5. Immediately upon New Co. being incorporated the New Co. will be run as a joint venture between the party of the First Part and the Party of the Third Part on the following terms and conditions:

- i. Dr. B. K. Modi will be the Chairman of New Co. Board of Directors as nominee of VNW as one of the first directors.
- ii. Dr. Ajay Shah will be the President and CEO, and Director of New Co. as nominee of WWWCorp as one of the first directors.
- iii. Mr. Srinivas Bolisetty will be the Chief Technical Officer of the New Co.
- iv. Mr. Rajiv Varma will be VP of Operations of the New Co.
- v. The first directors shall jointly approve, the business plan of The Business, all funding requirements of the New Co. for The Business, the growth plan and the set the direction of the business.
- vi. Based on the requirements of New Co. for The Business, VNW will provide the necessary operational funds from the Effective Date till July 1, 2001 and thereafter up to one year, up to a maximum of \$1 million as first round of funding.
- vii. During the first round of funding New Co. will not invite any investment from any other source except VNW
- viii. The New Co. will only run and operate The Business. Dr. Modi and Dr. Shah may decide to commence any other business by taking a joint decision.
- ix. On completion of the first round of funding the New Co. will have a Board of Directors of six of which three members, including the Chairman (with casting vote) will be the nominees of VNW and two nominees including the President and CEO will be of WWWCorp and Dr. Mahesh Mehta will be the sixth director. On all business related and operational matters related to the New Co. The Business the Chairman and the President and CEO will have a veto right while participating at the meetings of the Board of Directors.
- x. After the first round of funding is complete as aforesaid, the New Co. will go for second and third round of funding during July 2002 to 2004. Dr. Modi and Dr. Shah will decide the terms of the second and third rounds of funding jointly.
- xi. After third round of funding is completed, the New Co. will go for an IPO listing at the earliest.

The parties will enter into a detailed agreement recording the above terms and conditions immediately after the effective date.

For WWWCorp Mahesh Mehta, Ph.D. For Vest N Web, Inc.

Ajeet Barshikar

Ajay Shah, Ph.D.

Srinivas Bolisetty

-

Rajiv Varma