Guest-Tek Free-To-Guest Systems and Services Terms and Conditions

This web page represents a legal document that serves the Guest-Tek Interactive Entertainment Inc. ("Guest-Tek") Free-To-Guest Systems and Services Terms and Conditions ("Terms and Conditions") and it governs the legal terms of the Guest-Tek Free-To-Guest Solution Short-Form Subscription Agreement ("Short-Form Agreement").

Capitalized terms, unless otherwise defined, have the meaning specified within the Definitions section below. These Terms and Conditions, along with the Short-Form Agreement (Collectively, "Free To Guest Agreement") constitute the entire and only agreement between you, as a subscribing party ("Owner"), and Guest-Tek and supersedes all other agreements, representations, warranties and understandings with respect to the Free To Guest Agreement.

WHEREAS, Guest-Tek provides and/or facilitates the provision of free-to-guest digital television programming to the hospitality, healthcare, and similar short-term stay industries, and supplies equipment and software and other intellectual property to receive and manage such programming (together, the "FTG System") and provides related support services; and

WHEREAS, Owner has or will execute the Short-Form Agreement for the installation and operation of a FTG System at the facility (hereinafter, the "Property") identified on the Short-Form Agreement and Guest-Tek provides the same on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the foregoing and the mutual promises set forth below, the parties, intending to be legally bound hereby, agree as follows:

1. DEFINITIONS

"Acceptance Certificate" means the Exhibit A form certificate that upon execution by authorized representatives of Owner and Guest-Tek evidences that installation of a FTG System has been completed.

"Activation Date" means the FTG System activation date set forth in the Acceptance Certificate.

"Commissionable FTG Programming" means programming provided to Owner by DIRECTV, LLC ("DIRECTV") and/or other Independent Programming Providers.

"FTG" or "Free-To-Guest" has the meaning set forth in Article 5.1 hereof.

"FTG Equipment" means the signal receiving equipment and related hardware necessary to receive and process the FTG Programming.

"FTG System Purchase Price" or **"Purchase Price"** means the amount payable by Owner in the **Exhibit A** Price Schedule for purchase of FTG Equipment, licenses to Software, and installation of the FTG System.

"FTG Programming Fee" means the monthly fee payable by Owner in accordance with the *Exhibit A Price Schedule* and *Articles 8* and 9 hereof.

"FTG Programming" means the FTG programming selected by Owner as set forth on the attached *Exhibit A Price Schedule*, and includes Commissionable FTG Programming and any Guest-Tek FTG Programming.

"Guest" means a person who makes an overnight or otherwise short-term stay at a Property.

"Guest-Tek FTG Programming" means FTG Programming provided by Guest-Tek under license from third-party providers.

"Independent Programming Provider" means an independent third party programming provider for which Guest-Tek provides marketing, administrative, and accounts receivable services.

"Guest-Tek Licensed Products" or "Licensed Products" means all Intellectual Property developed by and proprietary to Guest-Tek, including without limitation Guest-Tek's OneView TM software (OneView Internet, OneView Media, OneView FTG) and Guest-Tek Interactive TV products and associated documentation.

"Intellectual Property" includes without limitation any and all rights, title and interest existing under patent law, copyright law, trade secret law, semi-conductor chip law, trademark law, and all other similar rights.

"FTG Infrastructure" means the Property's physical plant and wiring/cabling or coax infrastructure (as applicable) which shall be adequate for use with the FTG System to receive and transmit programming within the Property to individual television sets, and includes without limitation wiring/cabling, environmentally conditioned and secure installation space free of interference, and power supply.

"Receiver" means a receiver and related components packaged therewith for Owner's reception of FTG Programming delivered to the Property.

"Room" "means: (i) solely in the case of hospitals and other healthcare facilities, each television on the premises; and (ii) solely in the case of all guest Properties other than hospitals and other healthcare facilities, each guest room, suite or other single-billed accommodation in the Property.

"Software" means third-party software provided for use on the FTG System during the Term.

"Software Maintenance Fee" means the monthly fee payable by Owner for ongoing Software maintenance programs, fixes, updates, and upgrades in accordance with *Article 9* and *Short-Form Agreement* hereof.

"Support Services" means the FTG System Support Services as set forth in Exhibit B.

"Support Services Fee" means the monthly fee payable by Owner for Support Services in accordance with *Article 9* and *Short-Form Agreement* hereof.

2. EXHIBITS

Exhibit A – Form of Acceptance Certificate
Exhibit B – FTG System Support Services
Exhibit C – Form of DirecTV Commitment Agreement

3. ENGAGEMENT

- **3.1** Guest-Tek will install the FTG System on the Property as soon as practicable after receipt of this signed Agreement and the completion of the site technical inspection. If Guest-Tek is replacing an existing FTG vendor at the Property, Owner shall provide written notice to such vendor, and Guest-Tek agrees to coordinate and cooperate with Owner and said vendor to minimize any disruptions to Owner's operations.
- 3.2 <u>Guest-Tek FTG Programming.</u> Guest-Tek grants to Owner a non-exclusive right and license to receive and exhibit the Guest-Tek FTG Programming by means of the FTG System on television sets at the Property in accordance with the terms of this Agreement.
- Commissionable FTG Programming. As of the Effective Date, the FTG Programming includes Commissionable FTG Programming provided by DIRECTV, an Independent Programming Provider. Guest-Tek is an "Authorized Integrator" of DIRECTV only for the purposes of marketing and accepting orders for DIRECTV programming and for providing billing and collection services, with Owner's payment for DIRECTV programming to be accepted by Guest-Tek on DIRECTV's behalf. Guest-Tek and DIRECTV are independent contractors of one another. DIRECTV programming is licensed to Owner solely by DIRECTV, who is responsible for delivery of such programming to the Property and who, among other things, may activate and deactivate Receivers in respect of its programming and change or discontinue its programming services and packages and change the pricing thereof in its sole determination at any time and without prior notice. All purchases of DIRECTV programming are transactions between DIRECTV and Owner. DIRECTV programming is provided subject to the terms and conditions of **EXHIBIT C** attached hereto (the "DIRECTV Commitment Agreement"), as supplemented by the DIRECTV LODGING AND INSTITUTIONS GENERAL TERMS AND CONDITIONS (the "L&I CUSTOMER available Owner http://www.directv.com/cms3/commercial/pdf/Lodging-Institutions-General-Terms-and-Conditions.pdf.
- **3.4** In the event Guest-Tek's relationship with DIRECTV terminates, pursuant to the DIRECTV Commitment Agreement, Owner's agreement with DIRECTV to pay for DIRECTV Service will continue and DIRECTV may continue to use the FTG Equipment to provide DIRECTV Service. In the event of such termination, Owner as its sole remedy may elect to terminate this *Agreement*; provided, however, any such termination shall not terminate Owner's obligation to DIRECTV.
- **3. 5** Owner acknowledges and agrees that Guest-Tek may insert advertising and similar promotional material into FTG Programming provided that such material does not interrupt, delay, or otherwise interfere with Owner's exhibition of FTG Programming and provided further that the subject matter of such advertising and promotional material does not directly compete with Owner's offerings of goods and services at the Property.
- 3.6 <u>Trademarks.</u> Owner acknowledges that all rights in any trademarks or similar designations associated with the business of Guest-Tek and its programming providers (i.e., trademarks, service marks, domain names, slogans,

logos, designs, and other similar means of distinction) (together, the "Marks"), including all good will pertaining thereto, shall be the sole property of Guest-Tek or its programming providers. Marks shall include without limitation any and all DIRECTV Marks. Owner may use and display such Marks: (i) only in the manner and for the

purpose authorized in writing by Guest-Tek and with written approval of programming providers as required, and only for the purposes of this Agreement; (ii) shall refrain from using Marks in any manner that may be construed as representing Guest-Tek or its programming providers without their written consent; and (iii) shall cease all further use of the Marks at any time upon Guest-Tek's written notice or otherwise upon the termination of this Agreement.

- **3.7** Subject to Section 3.6 above, the Parties agree to cooperate in marketing campaigns targeted at Property's guests for the purpose of promoting the FTG Programming.
- 3.8 Owner shall provide complimentary hotel rooms for each of Guest-Tek's installation and training personnel and space for equipment storage during installation of the FTG System. Thereafter, Owner shall provide complimentary rooms for Guest-Tek service personnel actively working on the FTG System at the Property. If no rooms are available onsite, Owner will bear the costs of accommodation at a similar property elsewhere.
- **3.9** Owner grants Guest-Tek access to the FTG Infrastructure and areas of the Property as reasonably necessary for the installation, servicing, maintaining and removal of the FTG System. When Guest-Tek personnel are on the Property for the purpose of installing, servicing, maintaining or removing the FTG System, Guest-Tek represents that they will perform their duties in a workmanlike and efficient manner and with a minimum of interference and disruption of the operations of Owner.
- 3.10 <u>Use of Owner's Name.</u> Owner agrees that Guest-Tek may use Owner's name and may disclose that Owner is a purchaser of Guest-Tek products and services in Guest-Tek advertising, press, promotion and similar public disclosures; provided, however, that such advertising, promotion or similar public disclosures shall not indicate that Owner in any way endorses any Guest-Tek products, without prior written permission from Owner. Notwithstanding the foregoing, Owner may at any time by written notice issue guidelines for usage or withdraw authorization for such use of Owner's name or disclosures.

4. INSTALLATION

- 4.1 Owner shall permit Guest-Tek to conduct a technical inspection of the Property to determine its adequacy for a standard installation of the FTG System, with such inspection to occur, at Guest-Tek's election, prior to installation. Such inspection shall relate solely to the installation of the FTG System, and Guest-Tek assumes no responsibility for any inspection, repair or maintenance of Owner's FTG Infrastructure. If Guest-Tek determines that the condition of the Property is acceptable, Guest-Tek will perform a standard installation of the FTG System at such price as included in **Short-Form Agreement** Price Schedule. In the event Guest-Tek determines that the condition of the Property is inadequate, Guest-Tek will so notify Owner specifying the deficiencies. If Owner elects not to make the necessary repairs to the Property according to Guest-Tek's recommendations, then either party may terminate this Agreement with no further liability to the other. The Parties acknowledge and agree that the FTG Infrastructure cannot be completely tested until the FTG System is fully installed. In the event of deficiencies in the FTG Infrastructure determined upon initial installation and test, Guest-Tek shall advise Owner of such deficiencies and Owner shall promptly make the necessary repairs.
- **4.2** Owner shall provide a mutually satisfactory exterior location for the installation of the satellite dish and related equipment, and any obtain necessary building permits or licenses. Owner will make available a secure, non-public area on the Property suitable for the installation of the FTG Equipment. Owner shall provide such area with electrical power necessary to operate the FTG Equipment and sufficient HVAC to maintain a temperature range of between fifty degrees (50°) and eighty degrees (80°) Fahrenheit while the FTG Equipment is in operation.

5. FTG PROGRAMMING

5.1 All programming provided hereunder shall be furnished on a "free-to-guest" basis. Without limitation to the foregoing, Owner agrees not to charge an admission fee to the Property or any part thereof for the privilege of viewing the FTG Programming, or to impose any special charge or fee for the privilege of viewing the FTG Programming in any private guest room or any other location including, without limitation, any incremental charge in addition to the usual fee or charge attributable to the Room. Owner represents and warrants that it will exhibit and distribute the FTG Programming as received without any delay, addition, deletion, alteration or editing (including without limitation of advertisements or promotional spots) and will not resell, rebroadcast, or retransmit any FTG Programming or allow others to do so.

- **5.2** Owner agrees not to exhibit or permit the exhibition of any FTG Programming in any building or portion of a building that: (i) is a common area, waiting area, or lobby accessible to multiple Guests residing in more than one private guest room; (ii) charges an admission or other fee to enter, other than the fee charged for the rental or use of any private guest room; (iii) is accessible to member of the general public; (iv) is a commercial establishment, including, without limitation, a restaurant or bar; or (v) is a private office or other room used to conduct business on a regular basis, except with respect to one or more of the aforementioned areas that are located completely within a Property and operated by or on behalf of the Property principally for the use of Property staff or Guests, and which DIRECTV expressly authorizes for delivery.
- 5.3 Guest-Tek, its third party FTG Programming providers, Independent Programming Providers, and all licensors thereof retain all Intellectual Property in, and any and all rights of any kind to copy, reproduce, exhibit, transmit, distribute, broadcast or otherwise exploit or use the FTG Programming, except Owner's limited right to receive and exhibit the FTG Programming on television sets on the Property by means of the FTG System as provided herein. Owner agrees to use its best efforts not to allow any recording or copying of the FTG Programming of any kind by any means. If Owner becomes aware that a guest or any other third party is recording or copying any part of such programming, Owner will immediately take all appropriate measures to prevent such unauthorized use and promptly notify Guest-Tek of the measures taken. Owner agrees to indemnify, defend and hold harmless Guest-Tek against all third-party claims and damages to the extent arising from Owner's failure to stop such unauthorized use of which it becomes aware.
- **5.4** Owner acknowledges and agrees that certain programming may be required to be blacked-out or otherwise deleted by third-party programming suppliers (e.g. live sporting events and pay-per-view attractions), which shall not constitute a violation of this Agreement. Owner acknowledges that this Agreement is subject to the applicable rules, regulations and policies of such programming suppliers regarding distribution and that Guest-Tek is obligated to comply with any required "black-out." Owner agrees not to distribute or show any programming required to be blacked-out at the Property.
- **5.5** Owner acknowledges that Guest-Tek does not have any responsibility for or control over the content of the FTG Programming. Neither of the Parties hereto intends that any Programming would violate any law or regulation of any governing authority in any jurisdiction, or international law or regulation, community standards, or otherwise. The Parties acknowledge and agree that Guest-Tek shall have no liability whatsoever related to Owner, the Property, or guests or any other third party related to the offering, provision, viewing, or use of any FTG Programming, in any way or form, and Owner agrees to indemnify, defend and hold harmless Guest-Tek against all third party claims and damages to the extent arising from the use of FTG Programming hereunder.
- 5.6 Guest-Tek shall not be responsible for the loss, interruption or poor quality of the FTG signal or any programming for any reason beyond the reasonable control of Guest-Tek, including, but not limited to, deficiencies in Owner's FTG Infrastructure or the loss of use of any required satellite or transponder or other transmission deficiencies of Guest-Tek's programming or satellite transport providers or for such deficiencies of Independent Programming Providers. Should Guest-Tek determine that poor picture quality is due to a fault in Owner's FTG Infrastructure, Guest-Tek will advise Owner and Owner shall promptly make the necessary repairs.

6. INTELLECTUAL PROPERTY INFRINGEMENT

- **6.1** Guest-Tek will indemnify and defend at its expense (including payment of reasonable attorney's fees) Owner, against any and all damages finally awarded or any settlement in any suit brought against Owner insofar as such suit is based upon a claim that any Guest-Tek Licensed Product as provided to Owner infringes any United States or Canadian patent, copyright or trademark, provided that (i) Guest-Tek is notified promptly of such claim within thirty (30) days of owner becoming aware of the claim; (ii) Guest-Tek is given full and complete authority (including settlement authority), information and assistance by Owner for such defense; (iii) The United States or Canadian patent, copyright or trademark, for which the infringement claim is based was enforceable on the effective date; and (iv) The Owner is not in breach of any of its obligations under this agreement.
- 6.2 In the event that the Guest-Tek Licensed Product is held in any such suit to infringe such a right and its use is enjoined, or if in the opinion of Guest-Tek the Guest-Tek Licensed Product is likely to become the subject of such a claim, Guest-Tek at its own election and expense will either (i) procure for Owner the right to continue using the Guest-Tek Licensed Product or (ii) modify or replace the Guest-Tek Licensed Product so that it becomes non-infringing. In the event that (i) or (ii) above are not, in Guest-Tek's sole, reasonable determination, obtainable using reasonable commercial efforts, then Guest-Tek may terminate this Agreement or partially terminate in regard to a IP System Attachment hereto, and refund amount Owner paid Guest-Tek under this Agreement for the license

to use the Guest-Tek Licensed Product which is the subject of such claim, less a reasonable charge for Owner's past beneficial use based the portion of the Initial Term between the Effective Date and the date of such termination.

- 6.3 The indemnification obligation shall not apply to infringement actions or claims to the extent that such actions or claims are based on or result from: (i) modifications made by a party other than Guest-Tek; (ii) combination with items not supplied by Guest-Tek; (iii) Intellectual Property developed by Guest-Tek according to Owner's specifications; (iv) misuse or unauthorized use by a party other than Guest-Tek; and (v) Owner's failure to use the most recent version of the Guest-Tek Licensed Product provided by Guest-Tek. Guest-Tek's total cumulative liability for indemnification of intellectual property infringement is limited to the purchase price paid by owner to Guest-Tek pursuant to this agreement. THIS ARTICLE STATES OWNER'S EXCLUSIVE REMEDY AND GUEST-TEK'S ENTIRE LIABILITY FOR ANY CLAIM OF INFRINGEMENT.
- **6.4** Owner shall defend, indemnify and hold harmless Guest-Tek against any and all claims or liabilities to the extent based upon a claim that any Owner's Marks or other Intellectual Property as provided to Guest-Tek infringes the rights of a third party.

7. EFFECTIVE DATE; TERM

- **7.1** This Agreement shall be effective on the earlier of: 1.) the execution date of the Short Form Agreement; or 2.) the Activation Date in the event the Agreement is not executed prior to such date (the "**Effective Date**").
- 7.2 This Agreement shall continue for an initial term as specified in the Short Form Agreement, from after the first day of the calendar month following the Activation Date (the "Initial Term"). This Agreement shall automatically renew for successive one (1) year terms following the Initial Term (each a "Renewal Term") unless written notice of intent not to renew is received by either party from the other sixty (60) days prior to end of the Initial Term or any successive Renewal Term. The Initial Term and any Renewal Term(s) may be collectively referred to as the "Term".

8. PRICE AND PROGRAMMING CHANGES

- 8.1 The FTG Programming Fee is subject to change by Guest-Tek in the event of a change in its arrangements with any Guest-Tek programming provider or changes in fees by Independent Programming Providers. In such event, Guest-Tek will make commercially reasonable efforts to notify Owner of the change as soon as practicable but in any event will do so promptly upon receipt of such notice from any programming provider, and the FTG Programming Fee may be increased in proportion to the cost to Guest-Tek of any such change or, if so specified by DIRECTV or other Independent Programming Provider, in the amount such provider requires Guest-Tek to charge. For Guest-Tek FTG Programming, any price changes shall be effective twenty (20) days from notification by Guest-Tek, unless Guest-Tek notifies Owner of a later effective date, and for Commissionable FTG Programming, such price change shall be effective upon the date specified by the Independent Programming Provider. If said increase exceeds a cumulative ten percent (10%) in the FTG Programming Fee, Guest-Tek grants Owner the right to modify the selected FTG Programming as provided in Article 8.3, to the extent allowed by Independent or other third-party programming providers.
- 8.2 If Guest-Tek's ability to provide any FTG Programming is affected because Guest-Tek's relationship with any Guest-Tek programming supplier is modified or discontinued or any Independent Programming Provider makes a programming change, Guest-Tek will make commercially reasonable efforts to notify Owner of the change as soon as practicable but in any event will do so promptly upon receipt of notice from any programming provider. In respect of changes to available Guest-Tek FTG Programming, Guest-Tek will make commercially reasonable efforts to provide substitute FTG Programming acceptable to Owner if so requested by Owner. If acceptable substitute Guest-Tek FTG programming is requested and cannot be obtained, Owner shall have the right to an equitable price adjustment pursuant to Article 8.3 to the extent allowed by Guest-Tek's third-party programming providers.
- **8.3** If any of the events described in Articles 8.1 and 8.2 occur, to the extent allowed by Guest-Tek FTG Programming providers, Owner shall have the right to add or substitute Guest-Tek FTG Programming upon ninety (90) days written notice to the extent allowed by such providers; provided, however, that in any event Owner may not delete any initially selected services required by the Guest-Tek FTG Programming provided during the term of this agreement. The FTG Programming Fee will be equitably increased or decreased based on any allowed change to add or substitute Guest-Tek FTG Programming, and any required changes in the FTG Equipment.

Except for the restrictions on deleting service, rights to add or substitute programming provided by Independent Programming Providers are determined by such providers.

9. PAYMENT

- **9.1** Owner shall pay Guest-Tek the monthly FTG Programming Fee and Support Services fees as listed in **Short-Form Agreement** on a monthly basis, in advance, on or before the first day of each calendar month (prorated for any partial month). The FTG Programming Fee includes all amounts due for all FTG Programming exclusive of taxes, per Section 9.3 below. The FTG System Purchase Price shall be due and payable on the Effective Date of this Agreement, unless otherwise stated in **Exhibit A**.
- **9.2** The Software Maintenance Fee shall be based on actual payments made by Guest-Tek to third party suppliers for Software maintenance programs, fixes, updates, and upgrades. Guest-Tek will not apply any mark-up or other price increase to such third party costs. Charges for maintenance of Licensed Products are included in the Support Services Fee and no additional charge or fee is included in the Software Maintenance Fee. The Software Maintenance Fee is subject to change on a monthly basis as Guest-Tek payments made to such third-party suppliers' change.
- **9.3 Taxes and Duties.** Guest-Tek shall have no responsibility for the deduction, withholding, collection, or payment of any and all taxes and duties of any kind, anywhere, arising out of this Agreement, including but not limited to, sales, use, and import taxes, levies and charges by federal, state or local government authorities (collectively, "**Taxes**", except for corporate taxes on the income of Guest-Tek. The payment, deduction, withholding or collection of any and all Taxes applicable to any transaction under this Agreement is the sole responsibility of Owner. If applicable, Owner shall provide to Guest-Tek any sales/use tax exemption certificates or similar documents upon execution hereof. If Owner is required to withhold any Taxes on any payment due to Guest-Tek, then Owner shall automatically increase the amount of such payment to totally offset any Taxes withheld, so that the amount actually remitted, net of all Taxes, equals the amount invoiced or otherwise due to Guest-Tek.
- 9.3 On any amounts not paid when due, Guest-Tek shall be entitled to receive interest at the rate of one and one half percent (1.5%) per month or the maximum legal amount, whichever is less. Owner shall reimburse Guest-Tek for all costs of collection, including reasonable attorneys' fees and court costs. Time is of the essence in all payment terms.

10. LIMITED WARRANTIES

- 10.1 <u>Guest-Tek FTG System Support Services Limited Warranty.</u> Guest-Tek shall make commercially reasonable efforts to provide the FTG System Support Services which shall be performed in a good and workmanlike manner at no less than industry standards, and such Services shall conform in all material respects to Guest-Tek's applicable specifications and documentation. Owner acknowledges that Guest-Tek does not guarantee error-free or uninterrupted operation of FTG Systems or Services.
- 10.2 Exclusions to Guest-Tek FTG System Support Services Limited Warranty. Notwithstanding the provisions of Section 10.1 above, Guest-Tek's limited warranty does not cover, and Guest-Tek shall have no obligation to provide, FTG System Support Services in the event of damage or performance failures due to: (a) acts of God; (b) power failure, lightning or other induced power surge; (c) accident, misuse, abuse, negligence, or modifications to the FTG System by a party other than Guest-Tek; (d) improper or unauthorized testing, operation, maintenance or repair by a party other than Guest-Tek; (e) failures caused by non-System products or System's inability to operate in conjunction with Owner's other hardware or software unless included in the System specifications; (f) performance degradation or failures which are due to failures of Owner's FTG Infrastructure; or (g) performance failures resulting from services not performed or authorized by Guest-Tek.
- 10.3 Manufacturer's Warranty on FTG Equipment and Software. Guest-Tek will, upon receipt of payment from Owner, pass through the manufacturer's warranties to the extent allowed by the terms of such warranties on Equipment and in regard to Software licenses purchased by Owner, and provide Owner with the details of any such manufacturer's limited warranty upon request. Guest-Tek does not provide any warranty on FTG Equipment and Software. Owner is responsible for all effort and expenses in connection with Equipment and Software warranty service; provided that Guest-Tek shall administer such warranty services on Owner's behalf under the terms for Support Services as set forth *Exhibit B*.

11. EQUIPMENT OWNERSHIP; RISK OF LOSS

11.1 Unless otherwise set forth in the DIRECTV Commitment Agreement, title to FTG Equipment shall transfer to Owner upon Guest-Tek's receipt of full payment. Guest-Tek retains a purchase money security interest in each item of such purchased Equipment until Owner pays for it in full, and Owner appoints Guest-Tek as Owner's agent

to sign and file a financing statement to perfect Guest-Tek's security interest. Unless otherwise agreed to by Guest-Tek, Owner shall not enter into any contract, lease, financing or other third party obligation of any kind whereby FTG Equipment is encumbered until Owner has made full payment to Guest-Tek.

11.2 Guest-Tek shall bear the risk of loss for the FTG Equipment in transit to Owner. All risk of loss for such Equipment purchased by Owner shall pass from Guest-Tek to Owner upon delivery to Owner. Breach of this Agreement or cancellation or termination of the sale or license terms hereunder shall have no effect upon the risk of loss of goods hereunder. Shipping and insurance for the FTG Equipment shall be at Owner's expense

12. LIMITED USE LICENSE; RESERVATION OF RIGHTS

- 12.1 Licensed Products and Software provided hereunder is the Intellectual Property of Guest-Tek and its third party licensors respectively, who reserve all right, title and interest therein except as expressly provided this Agreement. Licensed Products and Software may be used only on the FTG Equipment on which it is installed by Guest-Tek, only during the Term and for the sole purpose of providing FTG Programming to Guests. DIRECTV software and other Intellectual Property licensed by DIRECTV, or any other of its operating entities, subsidiaries or affiliates, is subject to such restrictions of use, including but not limited to provisions for remote deactivation or removal, as the terms of the L&I Customer Terms and other applicable DIRECTV license agreements provide, including without limitation such Intellectual Property contained in any Receivers.
- **12.2 Reservation of FTG System Rights.** Guest-Tek reserves all rights not expressly granted herein. Owner acknowledges and agrees that Guest-Tek and its third party suppliers are the sole owner of and shall retain all right, title, and interest in and to the Intellectual Property relating to the FTG System and all localizations, modifications, improvements, and derivative works thereto. Owner shall not and shall not allow third parties to modify or adapt the FTG System, or disassemble, decompile, reverse engineer or attempt by any other means to discover the source code of, translate or create derivative works of any Software. Owner represents and warrants that it shall fully comply with terms of this license as set forth herein, and acknowledges and agrees that failure to comply with such license terms will be a material breach of this Agreement.

13. CONFIDENTIALITY

- 13.1 "Confidential Information" means any business, marketing, technical, or other information disclosed by any Party which, at the time of disclosure, is designated as confidential (or like designation) and is disclosed in circumstances of confidence, or which would be understood by the Parties, exercising reasonable business judgment, to be confidential, and includes without limitation Guest-Tek Licensed Products and Software and this Agreement. Any Confidential Information received by a Party (the "Recipient") shall be retained in confidence and shall be used, disclosed, and copied solely for the purposes of, and in accordance with, this Agreement. Recipient shall use the same degree of care as it uses to protect its own confidential information of a similar nature, but no less than reasonable care, to prevent the unauthorized use, disclosure or publication of Confidential Information. Placement of copyright notices on Confidential Information will not constitute publication or otherwise impair its confidential nature. This obligation shall continue for the Term and a period of three (3) years thereafter.
- 13.2 No Party shall be bound by obligations restricting disclosure and use set forth in this Agreement with respect to Confidential Information, or any part thereof, which: (i) is already known by the recipient, (ii) becomes, through no act or fault of recipient, publicly known, (iii) is received by recipient from a third party without a restriction on disclosure or use, or (iv) is independently developed by recipient without reference to the Confidential Information; or (v.) is disclosed when such disclosure is compelled pursuant to legal, judicial, or administrative proceedings, or otherwise required by law, subject to recipient providing prompt notice to disclosing Party to allow it to seek protective or other court orders.
- 13.3 Upon the expiration or termination of this Agreement, each Party, at the other Party's request, shall deliver to the other Party, or confirm destruction of, all of such other Party's Confidential Information that such party may have in its possession or control.

14. COMPLIANCE WITH LAWS

14.1 Each Party represents and warrants that it shall exercise due diligence to determine what is required and act reasonably in interpreting and complying with all applicable laws and regulations at all times, including without limitation those of the Federal Communications Commission and applicable safety regulations, with regard to performance hereunder.

15. INDEMNITY

15.1 Each Party (the "**Indemnifying Party**") shall indemnify and hold harmless the other party, including, but not limited to such party's officers, employees, directors, agents, successors and assigns, (the "**Indemnified Parties**")

against any liabilities, claims, and demands made by third parties (i) for injury to persons (including death), or loss or damage to property arising from and to the extent of the Indemnifying Party's negligent actions, negligent omissions or willful misconduct; or (ii) based on and to the extent of the Indemnifying Party's gross negligence or willful misconduct.

15.2 Each party's indemnification obligations hereunder are subject to the Indemnified party's obligation to: (i) give the Indemnifying party prompt written notice of any claim, (ii) grant the Indemnifying party control of the defense and settlement of such claim, and (iii) assist fully in the defense provided that the Indemnifying party reimburses its out-of pocket costs. Neither party has any liability for any settlement or compromise made without its prior written consent.

16. TERMINATION

- 16.1 Either party may terminate this Agreement for Cause upon written notice to the other. "Cause" is: (i) a material breach of this Agreement, including any payment obligation, which remains uncured thirty (30) days after the breaching party is given notice of the breach [ten (10) days in the case of a payment default]; (ii) the prosecution of any case, proceeding or other action under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief with respect to the other party, or seeking reorganization, arrangement, adjustment, winding-up liquidation, dissolution, composition or other relief with respect to such party or such party's debts; or (iii) the making by the other party of any assignment or any other arrangement for the general benefit of creditors. Owner's obligation under the DIRECTV Commitment Agreement shall survive any termination of this Agreement.
- Suspension and Termination for Pending Removal of FTG Equipment. Owner acknowledges that use of Intellectual Property provided by Guest-Tek hereunder is, among other things, limited to use by Owner on the FTG Equipment on which it is installed by Guest-Tek while such Equipment is located at the Property. If Owner intends to enter into any contract, lease, financing or other third party obligation of any kind whereby Equipment is encumbered and potentially subject to removal, Owner shall notify Guest-Tek in advance. In the event Owner subsequently receives a notice of default from such third party or knowingly breaches any such obligation (including without limitation any payment obligation), Owner shall promptly notify Guest-Tek. If in Guest-Tek's reasonable belief, whether due to such notification by Owner or otherwise, Equipment is or is likely to become subject to removal by such third party, Guest-Tek shall so notify Owner. In the event Owner fails to promptly provide information reasonably sufficient for Guest-Tek to determine that FTG Equipment removal is not likely or that the cause of likely removal has been cured, Guest-Tek may immediately upon giving notice to Owner suspend the provision and use of Software, programming, and other Intellectual Property with respect to specific Properties affected until such time as Guest-Tek is able to determine that Equipment removal is not likely. In any event, if Guest-Tek is unable to make such determination within ten (10) days of providing such notice to Owner or otherwise reasonably believes that Equipment removal is imminent, Guest-Tek may terminate the Agreement immediately upon notice to Owner.
- 16.3 Subject to the DIRECTV Commitment Agreement, upon the termination of this Agreement, for any reason, Guest-Tek shall physically remove any FTG Equipment for which Owner has not made full payment. Owner agrees to grant Guest-Tek or Guest-Tek's representatives' reasonable access to perform such removal. During the period prior to such removal, no rental amount for storage shall be due and neither Owner nor any third party shall be entitled to use the FTG Equipment unless authorized by Guest-Tek in writing.
- **16.4** Upon termination of this Agreement, for any reason, Owner's license to use Software shall terminate on the termination date and Owner shall cease such use. Guest-Tek will remotely remove access to any of the Software to the extent possible. Owner agrees to assist Guest-Tek in disabling the Software wherever necessary, at Guest-Tek's request.
- 16.5 If Owner is the defaulting party, in addition to any other available remedies, Guest-Tek may elect to discontinue FTG service immediately and in such event shall be entitled to receive Equipment removal charge of fifteen hundred (\$1,500) dollars for any unpaid FTG Equipment, plus liquidated damages (which damages shall not be construed as a penalty) equal to the net present value of the FTG Programming Fee payable during the remaining term of this Agreement (discounted at the prime rate then in effect), each due and payable within thirty (30) days of the termination date.
- **16.6** Upon the termination of this Agreement, for any reason, all amounts owed to either party hereunder shall remain due and payable according to the terms hereof and Articles 12, 15, and 18 shall survive.

- **17.1** During the Term, Owner grants Guest-Tek the exclusive right to supply FTG telecasting services to the Property, including any additional FTG telecasting services desired (any such additional services to be provided at rates equal to or lower than those generally quoted in the hospitality industry). In addition, subject to channel availability, Guest-Tek may elect to supply additional programming to Owner without charge.
- 17.2 Owner agrees that any other video or non-video services added to Owner's FTG Infrastructure shall be system-compatible with the FTG System and that Owner shall provide Guest-Tek thirty (30) days prior written notice before adding such services.
- 17.3 In the event that Owner wishes to obtain other in-room video or video-related services, including, but not limited to, VOD or other guest-pay programming, interactive games and services, Internet access, tele-text or inhouse video channels, Owner hereby grants Guest-Tek a sixty (60) day right-of-first-offer to provide such services on an exclusive basis at a price, quality and on other terms, in all cases, competitive with those generally available to the hospitality industry. If Guest-Tek cannot provide the desired services, Owner is free to procure such services from a third party.

18. LIMITATIONS

- 18.1 EXCEPT AS EXPRESSLY WARRANTED HEREIN, THE FTG SYSTEM AND PROGRAMMING ARE PROVIDED ON AN AS IS BASIS, AND GUEST-TEK DOES NOT WARRANT THAT OPERATION OR SERVICE WILL BE ERROR-FREE OR UNINTERUPTED. EXCEPT AS SET FORTH IN THIS AGREEMENT, GUEST-TEK MAKES NO REPRESENTATIONS, WARRANTIES, CONDITIONS, GUARANTEES, UNDERTAKINGS OR TERMS OF ANY NATURE WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE FTG SYSTEM OR PROGRAMMING OR RELATED SERVICES OF ANY KIND PROVIDED HEREUNDER OR ANY PORTION THEREOF, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES AS TO PERFORMANCE, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.
- 18.2 NOTWITHSTANDING ANYTHING TO THE CONTRARY SET FORTH IN THIS AGREEMENT, NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR LOSS OF ANTICIPATED PROFITS, LOSS OF PRODUCTION, CLAIMS, ACTS OR OMISSIONS OF GUESTS, CLAIMS OF SUPPLIERS OR CONTRACTORS, OR OTHER INDIRECT, PUNITIVE, INCIDENTAL, EXEMPLARY, OR CONSEQUENTIAL DAMAGES ARISING AT ANY TIME FROM ANY CAUSE WHATSOEVER, WHETHER ARISING UNDER TORT (INCLUDING NEGLIGENCE), IMPLIED OR STATUTORY WARRANTIES, STRICT LIABILITY OR BREACH OF CONTRACT.
- 18.3 EXCEPT FOR CLAIMS ARISING UNDER ARTICLE 6. (INTELLECTUAL PROPERTY INFRINGEMENT), CLAIMS FOR DAMAGES FOR BODILY INJURY (INCLUDING DEATH) AND DAMAGE TO REAL PROPERTY AND TANGIBLE PERSONAL PROPERTY FOR WHICH EITHER PARTY IS LEGALLY LIABLE, OR ANY INDEMNIFICATION PROVISION CONTAINED HEREIN, EACH PARTY AGREES THAT THE OTHER'S TOTAL CUMULATIVE LIABILITY, IF ANY, FOR DAMAGES RELATED TO THIS AGREEMENT, FOR ANY CAUSE WHATSOEVER, INCLUDING DAMAGES ARISING DIRECTLY OR INDIRECTLY FROM A BREACH OF THIS AGREEMENT (INCLUDING A FUNDAMENTAL BREACH OR OTHERWISE), NEGLIGENCE, ANY ACT OR OMISSION BY THE OTHER OR ITS REPRESENTATIVES, OR UNDER ANY OTHER THEORY OF LAW OR EQUITY SHALL BE LIMITED TO THOSE DAMAGES ACTUALLY PROVEN AS DIRECTLY ATTRIBUTABLE TO THE OTHER'S FAULT, AND SHALL IN NO EVENT EXCEED FIFTY THOUSAND (\$50,000) DOLLARS.

19. GENERAL TERMS AND CONDITIONS:

- **19.1 Independent Contractor.** Each of the Parties acknowledges and agrees that they are independent contractors of one another and shall remain independent contractors. Each Party acknowledges and agrees that they are not and shall not become employees, partners, representatives or joint venture participants of the other.
- **19.2 Force Majeure.** Except for obligations of confidentiality and payment, neither Party shall be in default under this Agreement if such default arises, directly or indirectly, out of causes reasonably beyond the direct control or foreseeability of such Party, including without limitation default by subcontractors or suppliers or Software/hardware availability, acts of God or of the public enemy, governmental acts in either a sovereign or contractual capacity, labor, fire, flood, epidemic, restrictions, strikes, freight embargoes, the other Party's failure to furnish necessary information or provide access to the premises required to complete the task; sabotage; failure or delays in transportation or communication; failures or substitutions of equipment resulting from force majeure; accidents; shortages of labor resulting from force majeure; failure of any necessary satellite, transponder, transmission or other equipment or technical failures resulting from force majeure.
- **19.3 Notices**. All notices required by or relating to the Agreement shall be in writing and shall be sent to the Parties to this Agreement at their addresses set forth herein or to such other address as either Party may substitute by written notice to the other, delivered by international air express courier, or by facsimile or e-mail and confirmed

by international air express courier. All notices shall be deemed delivered upon the earlier of actual receipt (or if delivery is refused, the date of such refusal) as evidenced by delivery confirmation information obtained from such courier or three (3) days after deposit of such notice with the international air express courier, properly addressed, postage prepaid. All correspondence shall be in English.

- **19.4 Governing Law.** In the case of any dispute and legal action taken with respect to this Agreement, both Parties agree that this Agreement shall be interpreted and construed in accordance with the laws of the state of New York without regard to the principles of conflicts of laws, and with the same force and effect as if this Agreement had been fully executed and performed therein, and that the United Nations Convention on Contracts for the International Sale of Goods is specifically excluded from application to this Agreement.
- **19.5 Waiver**. The failure of either Party to require performance by the other Party of any provision hereof shall not affect the full right to require such performance at any time thereafter; nor shall the waiver by either Party of a breach of any provision hereof be taken or held to be a waiver of the provision itself.
- **19.6 Severability.** If any provision herein is declared invalid or unenforceable, the other provisions shall remain in full force and effect, and this Agreement shall be deemed to be amended to replace, to the extent legally possible, the rights and obligations contained in the invalid or unenforceable provision. Invalidity or unenforceability of any provision is not a failure of consideration hereunder.
- **19.7 Assignment.** Neither Party may transfer or assign any rights or delegate any obligations hereunder, in whole or in part, whether voluntarily or by operation of law, without the prior written consent of the other. Notwithstanding the foregoing, either Party may assign this Agreement to a (i) Party that acquires all or substantially all of the transferring Party's assets, (ii) parent, (iii) subsidiary, (iv) affiliate, (v) successor in interest or (vi) successor corporation at any time upon written notice to the other Party provided that such successor agrees in writing to be bound by all the terms and conditions of this Agreement and the non-assigning party reasonably determines the assuming entity to be creditworthy and to be in compliance with any eligibility criteria applicable in the ordinary course of business of the non-assigning party.
- **19.8 Counterparts; Facsimiles.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document. Delivery by facsimile or e-mail of a PDF copy, of a counterpart of this Agreement executed by a party shall constitute delivery by such party of such party's executed counterpart of this Agreement.
- **19.9 Dispute Resolution.** The Parties agree that in the event any dispute, controversy or claim arising out of or relating to this Agreement or to a breach hereof that cannot be resolved by the Parties within thirty (30) days of such notice being served by one Party to the other, either Party shall be entitled to refer such dispute to arbitration in accordance with the provisions of this Article. If the matter is referred to arbitration, it shall be conducted pursuant to the international dispute resolution procedures of the American Arbitration Association ("AAA"), and the following procedures shall apply:
 - (i) any hearing in the course of the arbitration shall be held in New York, New York, unless another location is mutually agreed to by the Parties;
 - (ii) there shall be one arbitrator, mutually agreed to by the Parties, and the Parties shall share the costs of such arbitrator. Such arbitrator shall be knowledgeable in legal procedures and the rules of evidence and shall have commercial experience with Internet services and intellectual property, including, but not limited to, patents, copyrights, trademarks, and trade secrets. Additionally, the Parties hereto express their preference that such arbitrator be (i) proficient in the English and Owner's native languages, (ii) experienced in dispute resolution, and (iii) familiar with commercial business practices in the United States and Owner's jurisdiction. If the Parties, acting in good faith, cannot agree on a single arbitrator, then each Party shall select its own arbitrator and the arbitrators so chosen shall mutually agree on one arbitrator to comprise a panel of three arbitrators in total, and the cost of each Party's arbitrator shall be borne by the selecting Party, and the costs of the third arbitrator shall be shared equally by the Parties;
 - (iii) any award or determination of the arbitrator(s) shall be final and binding on the Parties; provided that either Party may refer a question of law to a court of competent jurisdiction for final and binding determination notwithstanding that it may be part of a dispute before the board of arbitrators.
 - (iv) the arbitrator(s) shall not, without the written consent of the Parties, retain any expert;
 - (v) all awards for the payment of money shall include pre-judgment and post-judgment interest.

Exceptions - The above procedures regarding dispute resolution shall not apply to:

- (i) Any dispute concerning or arising out of:
 - (a.) obligations of confidentiality;

- (b.) ownership of or breach of any Mark of the other Party; or
- (c.) ownership or breach of Intellectual Property Rights in any Guest-Tek products or Software; and
- (ii) Any dispute involving any application for any form of injunctive relief.

The procedures specified in this Section 18.9 shall be the sole and exclusive procedure for the resolution of disputes between the Parties arising out or related to this Agreement, other than those exceptions noted above.

- **19.10 Non-Common Carrier**. The parties hereto acknowledge that the services offered hereunder have been privately offered and will be privately furnished on a non-common carrier basis. Neither Guest-Tek nor Owner regard any representations, offers or undertakings made by the other in connection with this Agreement as being in the nature of offers of common carriage, all of which are disclaimed. Neither Party will attempt, now or in the future, to assert, through legal process, directly or indirectly, any questions of common carriage regarding the relationship between the parties.
- **19.11 Entire Agreement.** This Agreement together with the attached Exhibits represents the entire agreement of the Parties and supersedes all prior and/or contemporaneous agreements and understandings, written or oral between the Parties with respect to the subject matter hereof. This Agreement may not be amended or modified except by a written agreement signed by authorized representatives of each Party: provided, however, that no provision appearing in solicitation, price quote or any standard form document originated by Owner, including but not limited to any purchase order or confirmation order, shall be applicable, even if signed by both Parties, unless the Parties also execute a separate instrument expressly modifying this Agreement to include such provisions. In the event of an inconsistency or conflict between the terms of this Agreement and the terms of an Exhibit, the Agreement shall control.

EXHIBIT A – FORM OF FTG SYSTEM ACCEPTANCE CERTIFICATE

ACCEPTANCE TEST CHECKLIST - FTG							
Hotel Name:		Room #	Room #	Room #	Room #	Room #	
Dishes and Antennas							
Are the dishes and antennas labeled?	s properly						
Are the dishes and antennas mounted?	s properly						
Are the dishes and antennas grounded?	s properly						
Head End							
Is the back wall neatly dress	sed out?						
Are the devices on the back grounded?	wall						
Are the devices labeled on t	he back wall?						
Is the rack grounded?							
Is the equipment in the rack easy identification?	labeled for						
In Room Programming							
Does the channel match the Display (OSD)?	On-Screen						
Are the pictures on the TVs	clear?						
Is there audio on all the char	nnels?						
Training							
System walkthrough conduc	eted.						
System training provided.							

Guest-Tek Free-To-Guest Systems and Services Terms and Conditions

	Room #	Room #	Room #	Room #	Room #				
Additional Items – Enter any additional information about the hotel rooms here.									
Non Service Affecting Deficiencies – Name and describe. Attach additional sheet if necessary.									
Schedule for Resolution of Non-Service Affecting Deficiencies									
-									
ACCEPTED BY									
Hotel Name:									
			<u> </u>						
Activation date: / /		Sugat Tal	k Danwaa						
Hotel Representative		Juest-Te	k Repres	entative					
Name:	Name:								
Signature:	Signature:								
Title:	Title:								
Date:	Date:								

EXHIBIT B - FTG SYSTEM SUPPORT SERVICES

Guest-Tek shall provide support to Owner for the use of the FTG System installed at the Property(s) as described below during the Term. Owner agrees to maintain on its staff not less than two (2) technicians trained by Guest-Tek to be able to provide support for the FTG System on an on-going basis, and to make available such technicians and other staff at Guest-Tek's request to assist with the diagnosis and resolution of problems. Owner further agrees that Property staff will perform routine maintenance and repair activities which do not require the services of a Guest-Tek representative, such as the replacement of cables, return shipment of damaged or inoperable equipment etc. and Guest-Tek agrees to provide assistance and direction at staff's request through the Helpdesk to support such routine activities.

Support Services

<u>Toll Free Help Desk.</u> Guest-Tek will provide Owner's employees a toll-free Helpdesk phone number to provide assistance in the use and maintenance of the FTG System and FTG Services. Guest-Tek will staff the Helpdesk (24x7x365). Owner acknowledges that Guest-Tek's Helpdesk may require the assistance of Owner's staff, including engineering and technical staff, on Property and agrees to make available to Guest-Tek such staff for diagnosis and problem resolution efforts at Guest-Tek's direction prior to the escalation of any issue.

Monitoring. Guest-Tek's 24x7x365 Network Operations Center ('NOC") will maintain a secure network connection to enable monitoring and check of certain FTG equipment and processes. Owner acknowledges that Guest-Tek's NOC may require assistance of Owner's staff, including technical staff, on Property and agrees to make such staff available to Guest-Tek for diagnosis and problem resolution efforts at Guest-Tek's direction prior to the escalation of any issue.

<u>Escalation to Independent Programming Provider.</u> In the event Guest-Tek determines that problems or deficiencies are due to failures of the Independent Programming Provider, Guest-Tek shall notify Owner for Owner's escalation to such Provider for resolution.

<u>Field Service</u>. If Guest-Tek is not able to resolve the problem remotely and has obtained all reasonably requested assistance from Owner's staff, Guest-Tek will dispatch a field service technician if required to at no additional cost to Owner for problem diagnosis and resolution in the first ninety (90) days after the Acceptance Date. After ninety (90) days, all field service technician visits shall be billed on a time and materials basis at Owner's expense. If at any time after the Acceptance Date field service support determines a problem is due to the events or causes listed in Section 10.2 of the *Agreement*, Owner shall be billed on a time and materials basis, even if the visit is within ninety (90) days of the Acceptance Date. In the event of failures of Equipment or third party Software, Guest-Tek shall administer any warranties on Owner's behalf to the extent applicable. All costs of repair and/or replacement of Equipment and third party Software shall be the responsibility of Owner. In the event of problems due to failures or deficiencies of Owner's FTG Infrastructure, Guest-Tek shall advise Owner of such deficiencies and Owner shall be responsible for repair or replacement.

Upgrades to Software

Guest-Tek shall provide and install all updates, corrections, enhancements, upgrades or releases of the FTG Software, and related information and documentation that Guest-Tek may from time to time publish.

Service Level Commitments

Guest-Tek shall make all commercially reasonable efforts to meet the following service commitments:

- 24x7 (24 hours a day, 7 days a week) toll-free phone access to the Guest-Tek Helpdesk.
- Six (6) hour on-site response for emergencies, after attempts to solve such emergencies through remote diagnosis and repair, as well as, Property engineering and technical repair attempts fail. Remote locations (3 hours+ drive time out of major cities) may have a varied on site response time.

Guest-Tek Free-To-Guest Systems and Services Terms and Conditions

• Twenty four (24) hour/next business day on-site response for non-emergencies, after attempts to solve such emergencies through remote diagnosis and repair, as well as, Property engineering and technical repair attempts fail.

EXHIBIT C

FORM OF DIRECTV COMMITMENT AGREEMENT

(to be inserted)