DVDNow Kiosks Service Agreement

This agreement is made and entered into this _____day of _____, 2007 by and between:

_____, a DVDNow Kiosks Owner/Operator, hereinafter referred to as "Operator"

And:

_____, hereinafter referred to as "Location Provider."

IN CONSIDERATION of the mutual promises and covenants hereinafter set forth, and for other good and valuable consideration, the parties agree as follows:

A. Terms of Agreement:

1. Duration of Contract

Unless otherwise terminated pursuant to this Agreement, Agreement shall remain in force for a period of __ONE__ [1] years from the date of execution. Thereafter, this agreement may be renewed upon the same or different terms by mutual agreement of the parties in writing. This Agreement shall renew automatically on the anniversary date of execution of this Agreement on the same terms if no action to alter the terms is taken by the parties hereto. If any part of this Agreement is found to violate the rule against perpetuities, the Agreement shall be re-written to the extent necessary to avoid such a violation and shall otherwise remain in full force and effect.

2. Performance Obligations of Operator:

a) Service - Operator will install, operate and maintain a DVD Rental Kiosk(s) (hereinafter referred to as "Kiosk(s)") on the Location Provider's premises in order to provide DVD's (including but not limited to HD-DVD, Blue Ray DVD or any similar format), Video Games, CD's and any other similarly formatted products for rent and/or sale on Location Provider's Premises to Location Provider's guests, staff and visitors.

b) Training and Support - Operator shall provide support and training (if necessary) for the Location Provider's staff and shall respond in a timely manner to Location Provider's requests for support and service. Operator recognizes that Customer Service is an important part of this agreement and that both parties will benefit by having a clean, well stocked, functioning Kiosk(s) on Location Provider's premises and Operator will be responsive to Location Provider's requests for service and repair.

c) Payment - Operator shall provide a commission to the Location Provider as detailed in paragraph 4 of this agreement on a revenue sharing basis for utilizing the property, electricity, internet connection and any equipment or services pertaining to the Location Provider including but not limited to the items detailing in paragraph 3 of this agreement.

d) Damage to Premises - Operator shall be responsible for any damage or alteration to the Location Provider's premises due to installation, maintenance or removal of Kiosk(s), not approved in advance by the location provider, provided that said damage was not caused by action or neglect on the part of Location Provider, its agents, employees, visitors or guests.

3. Performance Obligations of Location Provider:

a) Space - The Location Provider shall provide at each location, acceptable to both Operator and Location Provider, sufficient space for the Kiosk's efficient and profitable operation, that is accessible to the public and that is clean and well-lit.

b) Electrical Power - The Location Provider shall provide, maintain and pay for electrical service to the Kiosk(s). The kiosk(s) run on 120V service and a standard three prong plug is sufficient for their operation.

c) Access - The Location Provider shall permit access to the Location Provider's premises for Operator, Operator's agents, designees, and/or employees, during normal business hours, for installation, maintenance or repair on the Kiosk(s).

d) Signage –

(i) The Location Provider shall not affix or permit to be affixed to the Kiosk(s),any signs brochures, flyers, papers or other material other than those expressly approved by Operator.

(ii) Operator and Location Provider will agree on what, if any, additional posters, flyers and similar advertising materials announcing the available services at Location Provider's premises, in a location and format agreeable to both Operator and Location Provider.

e) Broadband Internet Access – Operation of Kiosk(s) requires a Broadband internet connection. If such a connection is already available upon Location Provider's premises, Location Provider will allow Operator access to this signal for operation of the kiosk(s). If a Broadband connection is not available, Location Provider will install or allow Operator to have one installed by a local ISP (Internet Service Provider) mutually agreeable to both parties. If a DSL broadband connection is utilized, Location Provider will provide a phone line for access for this service if an acceptable line is currently available (i.e. A fax line). There will be no additional charge to the Operator for this provision nor will this provision interfere with existing phone service in any way, or an alternate line will be utilized or installed by Operator.

4. Payment:

a) As consideration for installing and operating Kiosk(s) on Location Provider's premises, Operator will pay a commission of **TEN** percent (**10%**) of net revenue generated on a monthly basis by the rental of DVD's (including but not limited to HD-DVD, Blue Ray DVD or any similar format), Video Games, CD's or other similarly formatted products at Location Provider's premises.

b) Operator shall pay any commission to the Location Provider no later than the last day of the month following the month of revenue generation. No interest will be calculated and owing on the outstanding

balance paid in a timely fashion. Interest at the annual simple rate of twelve percent (12%) will apply and be paid to Location Provider for any revenues not paid in a timely fashion. This interest will be calculated on the first day of the month following the month that those revenues were due and payable.

c) Operator will provide a detailed report of the activity and revenue of each Kiosk with payment of each monthly commission amount due Location Provider.

5. Status of Location Provider:

a) The relationship between the Operator and Location Provider is intended to and shall be that of lessor and lessee, and the Location Provider, its employees, agents and representatives shall under no circumstances be considered agents, partners, joint ventures or representatives of Operator. The Location Provider shall not act or attempt to act, or represent itself, directly or by implication, as agent, joint venture, partner or representative of Operator or in any manner assume or attempt to assume or create any obligation or liability of any kind, nature or sort, express or implied, on behalf of or in the name of Operator.

b) The relationship created by this Agreement does not constitute the granting of a franchise, license or agency to the Location Provider by Operator and no franchise or agency statute, law, regulation or rule is intended to, or has been enacted by the parties, nor shall any such franchise or agency, statute, law, regulation or rule be deemed or construed to apply to the formation, operation, administration or termination of this Agreement.

6. Termination:

a) Either party may terminate this Agreement without notice or other act if:

(i) either party is in default in any material respect in the performance of any of its

obligations under this Agreement or otherwise commits any material breach of this Agreement, and such default continues after thirty days' written notice from the non-defaulting party to the defaulting party stating the particulars of such default and requesting correction to come into compliance with this Agreement;

(ii) bankruptcy or insolvency proceedings are instituted by or against a party to this Agreement, or the party is adjudicated a bankrupt, becomes insolvent, makes an assignment for the benefit of creditors or proposes or makes any arrangements for the liquidation of its debts or a receiver or other manager is appointed with respect to all or any part of the assets of the party;

b) Operator may terminate this Agreement prior to expiration of the original term or any renewal term(s) upon giving thirty (30) days written notice to the Location Provider and, upon expiry of said notice, Operator is entitled to remove the Kiosk(s) immediately.

7. Non-Competition:

a) Operator shall be the only permissible renter or seller of DVD's (including, but not limited to, HD-DVD, Blue Ray DVD or any similar format) Video Games and any other similarly formatted products on Location Provider's premises for the term of this Agreement.

8. Legal Venue:

This agreement shall be interpreted and construed by and pursuant to the laws and courts of the State of Pennsylvania.

9. Assignment:

This agreement runs with the property, is freely assignable by both parties and is in full effect and enforceable by or against any subsequent purchaser, heirs or assigns of either party.

IN WITNESS WHEREOF the parties have duly executed this agreement as of the date above written.

Location Provider and Operator have read this Agreement in full, acknowledge a full understanding of its terms and mutually agree to be bound hereby.

Location Provider:

Name of Institution: _____

Address:_____

_____

_____

Authorized Signatory _____

Print _____

Witness _____

Print _____

Date _____

DVDNow Kiosks Owner/Operator:

Name: _____

Address: _____

_____

_____

Authorized Signatory _____

Print _____

Witness _____

Print _____

Date _____