
DVD and Gaming Kiosks

---------- places, manages and operates DVDNow Kiosks. These Kiosks are highly attractive, technologically superior machines offering your employees a superior rental experience.

OVERVIEW

We are an independently owned, local distributorship of DVDNow Kiosks, and as such benefit from DVDNow Kiosks' industry knowledge, industry-leading technology, patented intellectual property, established business relationships, and superb business tools and distributorship support.

We thank you for the opportunity to present to ------. We are cognizant of --------- reputation for fine employee benefits and perks. We also recognize --------desire to offer its employees an additional convenience, however, with the emphasis of offering a fair-valued convenience as well as a quality service. We believe we meet these criteria.

Further, we commit to working with ------ to attain its objectives, and we set ourselves apart from other self-serve kiosks by the quality of the product, rental experience, and service we would provide you and your employees, and notably attributable to an experience-enhancing website, sophisticated remote management tools, original packaging, and the selection of DVDs and games we would stock specifically for ------.

OUR KIOSKS AND SERVICE

Kiosks Features

- Large capacity (up to 250 DVDs or games)
- Optional top-mounted 27" LCD flat screen TV for viewing trailers
- Glass front display of up to 125 DVDs or games (full inventory assessable via kiosk interface or website), allowing for browsing of inventory while another person is using the kiosk interface. (Pre-determining selection(s) will shorten the rental process.)
- DVDs and Games are rented in its original packaging or similar

- 10 minute preview period (allows renters to return a DVD or game for another selection or refund)
- Coupons accepted (coupon discount codes)
- DVDNow Kiosks patented intellectual property allowing sophisticated remote management and monitoring in real time: instantaneous inventory updating[1], customizable rental configurations, generation of reports, and notification of errors or power loss
- Multiple Kiosks can be linked allowing rental from one kiosk and return to another
- Connections2 website (for kiosk locating, inventory viewing, movie and game synopses, trailer viewing (coming soon), reservation of DVDs and games, and receipt generation)
- Reloadable cards (gift cards, reward cards)
- Transactions and all communications are 128-bit encrypted
- Credit card information is not stored on the Kiosk computer system

Kiosk Requirements

- Standard 110v, 3 prong outlet
- Broadband internet connection
- Secure, interior location approx. 5 ft. wide, 2 feet deep, 7 feet high (6 feet high without optional top-mounted LCD TV.)

Inventory Options

- New Release DVDs
- Short-run films, foreign films, Indie films, classic films, older releases not previously available on DVD or Blu-ray
- "Enrichment DVDs" (Discovery Channel, PBS, documentaries, Blue Planet)
- "Special Interest DVDs" (xtreme sports, surfing, cycling, cooking)
- Games for Wii, Xbox360, PS3

[1] Each DVD or game disk will have a RFID tag affixed to it identifying that particular DVD or game. Whenever a DVD or game is dispensed or returned, it passes through a slot containing a RFID reader. The kiosk recognizes the DVD or game being rented or returned and instantaneously transmits this information to DVDNow Kiosks which automatically and remotely updates the kiosk's inventory and-------- Now's Connections2 website.

Proposed Pricing

Tier pricing and reduced second day pricing as follows:

- New Releases $1.49 first day; $1.29 second day
- Blu-ray, Enrichment or Special Interest DVDs; $1.99 first day; $1.49 second day
- Games $3.00 per day
- Friday to Sunday rentals as one-day rentals

Operation and Management of Kiosks

- We will add new releases weekly[2]
- We will stock inventory options as listed above (subject to ------- employees' interest)
- We will work with ---------- to customize inventory
- We offer --------- of our rental proceeds which------- may wish to contribute to a charitable organization or retain for the benefit or enjoyment of its employees
- ---------- may sell advertisement to supplement rental income and allow for lower rental pricing. Advertisement may be in the form of short video clips displayed intermittently between trailers and/or static ads (replacing 1-3 side panel movie art displays), or inclusion (once monthly) within the DVD case.
- ---------- - may offer free Coupon Codes to generate interest or reward frequent renters in the form of:
    1. One day free coupons (1st day is charged; 2nd day is free)
    2. Two-for-one coupons (1st rental charged; 2nd rental is free)
    3. Discount coupons i.e. $.50 discount coupons

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DVDNow Kiosks are superior to RedBox, DVDPlay, and MovieCube kiosks, and supported by a sophisticated website to complete and enhance the user experience. For more information about DVDNow Kiosks, go to http://dvdnowkiosks.com; to visit a Connections2 demo website, go to http://dvdnow.mydvdkiosks.net/member/home

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[2] New releases are added weekly, and available for rent every Tuesday, the National Release date.