



UNIVERSAL LICENSING AGREEMENT (ULA)

THIS UNIVERSAL LICENSING AGREEMENT ("AGREEMENT") DATED _____ IS MADE AND ENTERED INTO BY AND BETWEEN BY AND BETWEEN PROMO ONLY, INC., A FLORIDA CORPORATION ("PROMO ONLY"), THROUGH ITS DIVISION PROMO ONLY NETWORKS ("PON") (PROMO ONLY AND PON ARE COLLECTIVELY REFERRED TO HEREIN AS PON), AND

(AUTHORIZED NAME) _____

(NAME OF COMPANY) _____

(ADDRESS OF COMPANY) _____

(PHONE# OF COMPANY) _____

(EMAIL OF COMPANY) _____

(HEREINAFTER REFERRED TO AS THE "CUSTOMER"). THIS AGREEMENT DEFINES THE TERMS AND CONDITIONS UPON WHICH CUSTOMER SHALL BE AUTHORIZED TO USE THE PRODUCTS AND SERVICES PROVIDED BY PON AND THE RESPECTIVE RIGHTS, DUTIES AND OBLIGATIONS OF PON AND CUSTOMER IN CONNECTION THEREWITH. IN CONSIDERATION OF THE MUTUAL PROMISES AND COVENANTS CONTAINED HEREIN, AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH IS HEREBY ACKNOWLEDGED, THE PARTIES HEREBY AGREE AS FOLLOWS:

1. PON SERVICE; DVDs. (a) PON currently provides products (the "Products") that consist of computer hardware and computer software, and also provides content for display on the Products. The Products are described on attached Exhibit A. Content, including music video content (known as the "Content"), is displayed on the Products. The Products and the Content are collectively referred to herein as the "PON Service." So long as Customer is not in default of any of the terms of this Agreement, PON will provide Customer with the PON Service during the term of the Agreement. The Products may be revised, modified (including deletion of features) and/or updated by PON, in its exclusive discretion, at any time during the term of this Agreement. PON may, but is not obligated to, develop new products and/or services which may be ordered by Customer; provided, however, that PON may first require Customer to sign an addendum to this Agreement that describes such new product(s) and/or service(s) and that contains any additional terms and conditions required by PON. Further, PON may, at any time, add or delete Products from this Agreement or revise Product descriptions by (a) providing Customer with written notice thereof, or (b) providing Customer with a revised Exhibit A.

(b) At Customer's request, PON shall include graphical or video Marketing Elements (defined below) within the Content displayed on the Products or within the DVDs. The term "Marketing Elements" includes advertisements, static logo overlays, ProMotion™ overlays, and text overlays. Customer shall provide to PON the source materials for the Marketing Elements in as high a quality as possible. PON shall have the right to refuse to accept any source materials that PON, in its discretion, determines are not of sufficient quality.

(c) PON also provides stock and custom DVDs (the "DVDs") containing media content consisting of music video and, at Customer's request, advertising or promotion elements.

2. THE PRODUCTS AND THE CONTENT; DVDs. (a) Subject to the terms and conditions of this Agreement, PON hereby grants to Customer the right to display the Content ordered by Customer on the Products and/or DVDs. The Products and/or DVDs shall be used for Customer's own use at the locations (the 'Locations') designated in Exhibit B attached to this Agreement. Exhibit B may be updated from time to time with the prior written consent of PON. Customer shall use the Products and/or DVDs only for the purpose provided in the Agreement, and Customer shall not transmit the Content or use the Products and/or DVDs outside the Locations. Customer acknowledges and agrees that PON does not own the Content, but has been granted the right to allow third parties to display the Content by the major record labels and owners of the music video content (collectively, the 'Labels'). Nothing in this Agreement will be interpreted or construed as a grant to Customer of any rights in the Products, DVDs or the Content other than as expressly set forth herein. Customer acknowledges that it has no rights to the Products and/or DVDs except those expressly granted by this Agreement. PON retains all rights not expressly granted herein.

(b) Customer shall not duplicate, alter, edit, modify or damage the Products, the Content, or the DVDs. Customer will not reverse engineer, reverse compile, or disassemble the software component of the Products for purposes of determining or accessing the source code for such software. Customer further agrees not to change, conceal or remove any lettering, insignia or other labels on the Products, the Content, or

the DVDs which indicate the contents or the ownership of the Products, the Content, or the DVDs. All respective copyrights are retained by the artists, producers and/or participating Labels and all applicable laws pertaining to the original copyright owners continue to apply. Customer shall not have access to the Content until the Content is activated by PON following Customer's payment of all applicable fees. Customer acknowledges that PON shall have access to the Content and may remove Content from the Products if required by a Label. Customer shall not, and shall not allow others to, open, alter, misuse (as defined below), tamper with or remove the Products as and where installed by PON, Distributor (defined below) or their authorized representatives, or use the Products contrary to the terms of this Agreement. Customer shall safeguard the Products from loss or damage of any kind, including accidents, breakage or fire, and shall not permit anyone other than an authorized representative of PON or Distributor to perform any work on the Products. Customer shall promptly notify PON if Customer or anyone else has misused the Products. PON shall have the right to terminate this Agreement immediately if such misuse occurs and is not cured by Customer within ten (10) business days notice by PON to Customer of such misuse. 'Misuse' shall include the aforementioned items in this paragraph as well as any attempt by anyone to copy or remove the Content. Customer shall not charge its patrons a separate fee for the opportunity to view the Content; provided that fees for admission to the applicable Location are permitted. Notwithstanding anything in this Agreement to the contrary, if PON is required by any Label or anyone else to cease using any music, video, or any other portion of the Content, Customer agrees to cooperate with PON in PON's compliance with such requirement (including, without limitation, Customer shall stop using the Content until the Content is modified to comply with such requirement). If such compliance requires the termination of this Agreement, in the discretion of PON, PON shall have the right to terminate this Agreement upon notice to Customer. In no event will PON be liable to Customer for any damages caused by any termination pursuant to this Section 2.

(c) Customer acknowledges and agrees that PON has the right to add to, modify, or delete any aspect, feature or requirement of the PON Service (including Content, price, and system requirements).

(d) The territory where the Products, Content and DVDs shall be limited to the United States.

3. LEASE PROVISIONS. (a) Customer hereby agrees to lease from PON and PON agrees to lease to Customer, the Products and/or DVDs ordered by Customer as set forth on the order form accepted by PON. Customer shall maintain insurance during the term of this Agreement covering the Products against any damage. Customer shall provide PON with a certificate of insurance upon PON's request. PON shall have the right to file UCC Financing Statements in the appropriate jurisdictions with respect to all Products leased to Customer hereunder.

(b) At all times, the Products and/or DVDs leased to Customer shall remain the exclusive property of PON and may not be rented, leased, sold or otherwise transferred by Customer. Customer is not permitted to duplicate, alter, edit, or modify any of the Products and/or DVDs; notwithstanding the foregoing, title to any such duplication, alteration, edit, or modification shall vest automatically in the name of PON. Customer further acknowledges and agrees that Customer does not have any ownership interest in the Products and/or DVDs and that Customer has only the rights provided in this Agreement. Customer agrees to keep the Products and/or DVDs free and clear of all liens, claims and encumbrances and shall permit no act whereby PON's title or rights therein may be encumbered or impaired in any manner. Upon expiration or termination of the Distribution Agreement or this Agreement for any reason, Customer shall arrange for the return of all Products and/or DVDs to PON, in the same condition as when received (excepting ordinary wear and tear), and the display of any Products and/or DVDs at all Locations shall cease immediately. Customer agrees to pay PON One Thousand Dollars (\$1,000.00) for each lost, stolen, damaged, or unreturned Product within ten (10) days following the written request for such payment by PON. Customer agrees to pay PON Fifty dollars (\$50.00) for each lost, stolen, damaged, or unreturned DVD within ten (10) days following the written request for such payment by PON. If Customer does not promptly return the Products and/or DVDs following the expiration or termination of the Distribution Agreement or this Agreement, PON, Distributor or their authorized representatives may enter any premises where the Products and/or DVDs may be located for the purpose of disconnecting and retrieving the Products and/or DVDs. Customer shall be responsible for paying any expenses incurred by PON, Distributor or their authorized representatives in any retrieval of the unreturned Products and/or DVDs. PON may charge Customer a continuing monthly fee until any outstanding Products and/or DVDs are returned or collected by PON or Distributor. All fees and charges owed by Customer pursuant to this Agreement shall continue to be due and payable until such time as the Products and/or DVDs are received by PON at its place of business.

(c) PON warrants that the Products shall be free from defects in design, materials and workmanship for the term of this Agreement (the 'Warranty Period'). Any of the Products found to have a material defect shall be replaced or repaired by PON or its authorized representatives, without charge to Customer for parts or labor, provided that Customer promptly gives notice to PON of any such defect during the Warranty Period. PON's obligations under this warranty shall not apply to Product and/or DVD failures resulting from acts of God, fire, flood, lightning or other catastrophe, accident, neglect, theft, intentional act, misuse or negligence. Further, PON's obligations under this warranty shall not cover Product failures resulting from modification or misuse of the Products and/or DVD by Customer or any third party.

4. PAYMENT; CHARGES. (a) All payments will be made to PON in advance of shipment of Products and/or DVDs.

(b) Customer shall pay PON (i) a one-time up-front Product preparation fee, (ii) a monthly fee for the PON Service ordered by Customer, (iii) a fee for installation and any repair or maintenance services, and (iv) a shipping fee, if the Products are shipped directly to Customer. Any shipments requiring re-shipment for any reason will incur a fifteen percent (15%) re-shipping fee above and beyond all shipping charges. Customer shall also pay PON all applicable fees for DVDs ordered by Customer. Customer acknowledges that PON or the Distributor or their authorized representatives have provided Customer with a separate price list showing PON's fees and charges for the PON Service, the Products, the DVDs, and other services offered to Customer. All fees and charges for the PON Service, the Products, DVDs, installation services, repair and maintenance service available with respect to the Products are as described in PON's price list. PON may, from time to time, revise its price list upon written notice to Customer and all price changes shall be applicable to Customer upon such notice. Customer will be billed monthly in

advance for recurring monthly charges. Other charges will be billed in the next practicable monthly billing cycle following use, or as otherwise specified in PON's price list.

(c) Customer agrees to pay PON, or its authorized Distributors, its then-current prices for any installation, repair and/or maintenance service provided to Customer by PON or any of its authorized representatives.

(d) In the event that Customer requests PON to include Marketing Elements in the Content displayed on the Products or on the DVDs, Customer shall pay PON a fee for preparing the Marketing Elements, as determined by PON (the 'Marketing Elements Fee'). Customer acknowledges and agrees that the Marketing Elements Fee will vary depending upon the complexity and duration of the Marketing Elements, and shall be billed separately from the fees set forth in paragraph 4(a) above. Customer shall not be entitled to a refund of Marketing Element Fees, including but not limited to in the event that the request for refund is based upon poor reproduction quality that is the result of an inferior source provided by Customer.

(e) All charges are payable by Customer on the due date specified, or as otherwise indicated, on Customer's invoice. To the extent that amounts due pursuant to this Agreement are not timely paid, interest shall accrue on such payments at the lesser of 1.5% per month or the highest lawful rate that may be charged. Customer's failure to deliver payment by the due date is a breach of this Agreement. Customer agrees that Customer will be responsible for all expenses (including reasonable attorneys' fees and costs) incurred by PON in collecting any amounts due under this Agreement and not paid by Customer.

(f) In the event that Customer's account with PON is past due, PON may terminate this Agreement or, at its option, may terminate Customer's access to the Content until payment in full is made. In the event that PON elects to terminate Customer's access to the Content, in order to reconnect such access, Customer may be required, in addition to payment of all outstanding balances on all accounts with PON, to pay a reconnect charge and/or a security deposit, determined by PON, before reconnection.

5. PERFORMANCE RIGHTS FEES. During the term of this Agreement, the Customer shall be responsible for the payment of any and all music performance fees with respect to the Content and the DVDs, including but not limited to all applicable fees payable to ASCAP, BMI, and SESAC. The payment of these fees is in addition to any fees charged by PON for the Products or DVDs.

6. DELIVERY OF CONTENT; INSTALLATION. (a) PON shall deliver the Content to Customer and may select, at its option, the method of delivery of such Content, which may include delivery via internet, compact disc, satellite or other means of delivery. Customer is required to ensure that, at all times during the term of this Agreement, the Products are connected to some form of broadband quality (i.e. not modem) internet.

(b) Customer agrees to provide PON, Distributor and their authorized representatives access to the Locations during regular business hours upon reasonable notice during the term of this Agreement and after its termination to install, connect, inspect, maintain, repair, replace, alter or disconnect or remove the Products and/or DVDs.

7. TERM AND TERMINATION; REMEDIES FOR BREACH. (a) The term of this Agreement shall commence on the Effective Date (defined below) and shall continue for a period of three (3) years thereafter (the 'Initial Term'), unless terminated earlier in accordance with the provisions hereof. After the Initial Term, the term of this Agreement shall automatically renew for additional consecutive periods of one (1) year each, unless either party gives the other party prior written notice of its intention not to renew this Agreement within thirty (30) days prior to the end of the Initial Term or any renewal term thereafter.

(b) PON will have the right to immediately terminate this Agreement upon written notice to Customer (i) if Customer violates or breaches any of the terms set forth in paragraph 2 above (the 'Restrictions'), or (ii) if required by one or more of the Labels.

(c) Either party will have the right to terminate this Agreement if the other party: (i) breaches any material term or condition of this Agreement (other than the Restrictions) and fails to cure such breach within thirty (30) days after written notice; or (ii) becomes the subject of a voluntary petition in bankruptcy or any voluntary proceeding relating to insolvency, receivership, liquidation, or composition for the benefit of creditors, or an involuntary petition in bankruptcy or any involuntary proceeding relating to insolvency, receivership, liquidation, or composition for the benefit of creditors, if such involuntary petition or proceeding is not dismissed within sixty (60) days of filing.

(d) Either party shall the right to terminate this Agreement upon 30 days written notice to the other party. In the event the Customer terminates the Agreement prior to the end of the Term, the Customer agrees to pay PON a twenty five percent (25%) quantity adjustment fee of the total remaining valued balance due for the entire Term of the Agreement.

(e) In the event of a breach by Customer of any of the terms or conditions of this Agreement, PON shall have the right to: (i) require Customer to return any and all Products and/or DVDs then held by Customer to PON within thirty (30) days after written notice to Customer, all at the sole expense of Customer, and if Customer fails to return such Products and/or DVDs within that period, PON may enforce all of the rights it may be entitled to under law or equity for the purpose of verifying that such Products and/or DVDs have been removed or returned to PON; and/or (ii) terminate this Agreement without affecting any of the rights accrued up to the date of such termination and without prejudice to the rights of PON to enforce any of the terms of this Agreement; and without prejudice to the rights of PON to seek any legal action, including provisional or injunctive relief, necessary to enforce its rights herein.

(f) Notwithstanding any other provision in this Agreement, if PON has entered into a Distribution and Promotion Agreement (the 'Distribution Agreement') with a third party distributor (the 'Distributor') that relates to the sale of the PON Service to Customer, then PON shall have the right to terminate this Agreement with written notice to Customer upon the termination of the Distribution Agreement. References herein to the Distributor shall be applicable only if PON has entered into the Distribution Agreement.

8. REPRESENTATIONS AND WARRANTIES. Each person executing this Agreement on behalf of Customer and PON represents and warrants to the other party that: (a) such person has the full corporate right, power and authority to enter into this Agreement and to perform the acts required of the party hereunder; (b) the execution of this Agreement by such party, and the performance by such party of its obligations and duties hereunder, do not and will not violate any agreement to which such party is a party or by which it is otherwise bound; and (c) when executed and delivered by such party, this Agreement will constitute the legal, valid and binding obligation of such party, enforceable against such party in accordance with its terms. Customer, on behalf of itself, its agents and its employees agrees to indemnify, defend and hold PON harmless from all losses, expenses, costs, damages and liabilities, including attorneys' fees, that PON may suffer by reason of (a) the unauthorized distribution, theft, or duplication of the Products or the DVDs, or (b) any breach by Customer of any representation, warranty, or covenant of Customer in this Agreement. These indemnification provisions and the representations and warranties in this Agreement shall survive termination of this Agreement and of the Distribution Agreement.

9. COMPLIANCE. Customer shall comply with all laws (including, without limitation, statutes, regulations, ordinances, and agency orders and policies) regarding the possession and use of the Products, the Content and the DVDs, and shall be solely responsible for and agrees to pay when due all taxes, including state and local sales and/or use taxes levied against or imposed upon the Products, the Content, the DVDs, or the use thereof.

10. DISCLAIMER OF WARRANTY; LIMITATION OF LIABILITY. (a) CUSTOMER AGREES THAT THE PON SERVICE, THE DVDs, AND OTHER SERVICES ARE PROVIDED BY PON AND DISTRIBUTOR ON AN "AS IS" AND "AS AVAILABLE" BASIS WITHOUT WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF TITLE OR NONINFRINGEMENT OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OTHER THAN THOSE WARRANTIES THAT ARE IMPLIED BY, AND INCAPABLE OF EXCLUSION, RESTRICTION OR MODIFICATION UNDER, THE LAWS APPLICABLE TO THIS AGREEMENT. PON MAKES NO WARRANTY THAT THE PON SERVICE WILL BE UNINTERRUPTED OR ERROR FREE OR THAT THE PON SERVICE WILL OPERATE AS INTENDED.

(b) IN NO EVENT (INCLUDING NEGLIGENCE) WILL PON OR DISTRIBUTOR OR ANY PERSON OR ENTITY INVOLVED IN CREATING, PRODUCING OR DISTRIBUTING THE DVDs OR THE PON SERVICE BE LIABLE FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF THIS AGREEMENT, THE PON SERVICES OR THE DVDs. PON'S TOTAL LIABILITY TO CUSTOMER FOR DAMAGES OF ANY KIND, WHETHER BASED ON BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), PRODUCT LIABILITY, OR OTHERWISE UNDER THIS AGREEMENT WILL BE LIMITED TO THE PAYMENTS RECEIVED FROM CUSTOMER UNDER THIS AGREEMENT.

11. INDEMNIFICATION. Customer agrees to defend, indemnify and hold harmless PON and its shareholders, officers, directors, employees and agents (the 'indemnified parties') from and against any and all losses, damages, expenses, costs and liabilities (including reasonable attorneys' fees and expenses through all levels of appeal) arising out of or related in any way to Customer's use of the PON Service or the DVDs, or the breach of any representation, warranty or covenant of Customer contained herein.

12. SERVICE INTERRUPTIONS; FORCE MAJEURE. Customer acknowledges that PON, Distributor or their authorized representatives may conduct maintenance from time to time that may interrupt the display of the Content on the Products. PON shall have no liability for any such interruption or for any delay or interruption of the performance of obligations under this Agreement due to circumstances beyond their reasonable control, including acts of God, flood, natural disaster, vandalism, terrorism, regulation or governmental acts, fire, civil disturbance, electrical power outage, computer viruses or worms, strike or weather.

13. ASSIGNMENT. Customer shall not assign any of Customer's rights hereunder without the prior written consent of PON, which consent PON may grant, condition or withhold at its sole discretion. In the event of any such permitted assignment, all of the terms and conditions hereof shall be binding upon any such permitted assignee. PON shall have the right to assign its interest in this Agreement and any assignee thereof shall succeed to and be granted all of its rights as are specified herein.

14. ENFORCEMENT. Both parties hereto agree to the application of the laws of the State of Florida to any and all disputes arising directly or indirectly under this Agreement. The forum for all disputes shall be in Orange County, Florida, which shall have jurisdiction over the parties to and subject matter of this Agreement, unless otherwise agreed to by the parties in writing. The prevailing party in any such action shall be entitled to an award of reasonable attorney's fees. All of the agreements, terms and conditions contained in this Agreement shall apply to and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns, and may only be modified in a writing signed by all parties hereto.

15. MISCELLANEOUS. Severability. In the event that a court of competent jurisdiction enters a final judgment holding invalid any material provision of this Agreement, the remainder of this Agreement shall be fully enforceable; Integration. This Agreement contains the entire agreement of the parties relating to the subject matter hereto and Customer is not entitled to rely on any oral or written statements by PON, Distributor or their

representatives relating to the subject matter covered by this Agreement; Waiver or Modification. No waiver or modification of this Agreement or of any covenant, condition, or limitation herein contained shall be valid unless in writing and duly executed by the party to be charged therewith; Headings. The headings of Sections herein are intended solely for the convenience of reference and shall not control the meaning or interpretation of any of the provisions of this Agreement; Counterparts. This Agreement may be executed and delivered in two or more counterparts, each of which, when so executed and delivered, shall be an original, but such counterparts together shall constitute but one and the same instrument; Notices. All notices and communications required or permitted to be given hereunder shall be given by hand delivery; electronic mail; certified or registered mail return receipt requested; or by overnight delivery, to the last known address of the addressee (or to such other addresses and facsimile numbers as a party may designate by notice to the other party). Notices shall be effective as of the date of receipt.

16. EFFECTIVE DATE. The effective date of this Agreement shall be the date on which the Agreement is signed by PON, as set forth below (the 'Effective Date').

AGREED TO AND ACCEPTED BY:

PROMO ONLY

COMPANY: (Authorized Company Agent)

Promo Only Networks

Company: _____

By: _____

By: _____

Michael C. Nelson

Name: _____

Director

Title: _____

Date: _____

Date: _____

EXHIBIT A

The Products

- (1) The MUSE, a product that consists of computer hardware and computer software and that delivers media content including music video and programming such as advertising, weather, sports scores and other similar features, with television broadcast quality.
- (2) Apollo DMDS system, a product that consists of computer hardware and computer software and that delivers media content including music video and programming such as advertising and other similar features, with television broadcast quality.
- (3) uPlay, a product that consists of computer hardware and computer software and that delivers media content including music video and programming such as advertising and other similar features, with television broadcast quality.

The effective date of this Exhibit A is _____, 200__.

EXHIBIT B

The Locations

(insert store locations list here)