# SORA™ STANDARD TERMS AND CONDITIONS FOR SERVICES

These standard terms, conditions, warranties, representations and covenants (collectively, the "Service Terms") apply only to the specific SORA System (defined below) products, features and services (collectively, the "Services") which Company has explicitly selected and purchased, subscribed to or licensed from SONIFI Solutions, Inc. ("SONIFI") pursuant to a binding SONIFI SORA<sup>™</sup> Agreement by and between Company and SONIFI, including without limitation all terms and conditions, exhibits, schedules, addenda and appendices attached thereto or incorporated therein (collectively, the "Agreement"). These Service Terms are incorporated into Company's Agreement with SONIFI and form an integral part of the Agreement. In the event of a conflict between these Service Terms and the body of the Agreement, the Service Terms shall prevail in all instances, but only to the extent of such conflict. Capitalized terms used but not defined herein shall have the meanings set forth in the body of the Agreement (or in attachments, exhibits, appendices, schedules, addenda, amendments or documents incorporated therein), and if not defined therein, words shall be given the meaning accorded to them in applicable laws and regulations, and if not defined therein, words shall be given their common and ordinary meaning.

## Section 1. Universal Service Terms (Applicable to All SONIFI Services).

1.1 Payment of Fees. Company shall pay SONIFI the one-time fees and recurring fees identified on the Products & Fee Schedule set forth in the Agreement as follows: (i) all one-time fees and charges, plus all applicable taxes, surcharges and fees thereon, shall be paid to SONIFI within thirty (30) days of the date of invoice; (ii) recurring monthly fees, plus all applicable taxes, surcharges and fees thereon, shall be paid on a monthly basis (in advance) on the first day of each calendar month, pro-rated for the first month, if applicable, commencing on the Commencement Date; and (iii) all other fees and charges not otherwise specified above shall be due and payable within thirty (30) days from the date of invoice. Notwithstanding the foregoing, Company's payment of each installment of the Purchase Price (defined below) for the Equipment set forth in a financing agreement by and between Company and a third-party financing company approved by SONIFI (an "Approved Third-Party Financing Company"), and upon terms approved by SONIFI in its sole discretion, is due in accordance with the terms of such agreement. All payments are subject to applicable taxes, shipping, handling and freight costs. Late payments shall accrue interest until paid at the lower of 1.5% per month or the highest lawful rate. Recurring charges and fees may include discounts, credits, incentives, rebates and/or other adjustments. SONIFI reserves the right to modify or adjust such recurring fees and charges at the end of the Initial Term and as otherwise required or permitted by the Agreement, by SONIFI's contracts with third-party service, programming and content providers, and by applicable laws, regulations, government orders or government directives. For purposes of the Agreement, "Purchase Price" means the total price Company pays to SONIFI or, if applicable, an Approved Third-Party Financing Company, for the Equipment and the initial installation, configuration, set-up and activation of the Equipment at the Premises, including all applicable and related fees, costs, surcharges, taxes and interest, as specifically described in the Products & Fee Schedule set forth in the Agreement and in any Approved Third-Party Financing Company agreement. The Purchase Price includes the provision of the following basic Services, which are defined in Section 5 of these Service Terms: Branded Interactive; Customer Portal; Interactive Channel List; Guest Entertainment On Demand; Hotel Directory; and Main Menu Capability.

1.2 Equipment Purchase and Ownership. Company shall purchase from SONIFI or, if applicable, an Approved Third-Party Financing Company for the Purchase Price set forth in the Products & Fee Schedule in the Agreement: (a) the hardware (excluding Licensed Software) that delivers (i) the specific Services delineated in the Agreement as of the Effective Date, as further described or defined in these Service Terms, and (ii) any subsequent functions, features, content or channels added to the Agreement via an amendment or addendum signed by both Parties (collectively, the "Equipment" or the "SORA System"); and (b) the installation, configuration, customization and set-up services necessary to install and activate the Equipment at the Premises as described (i) in the SONIFI SORATM Statement of Work ("SOW") located at www.sonifi.com/sorasow usa and incorporated in this Agreement by reference, and (ii) in any additional exhibits, amendments, schedules, appendices or addenda attached to and incorporated in the Agreement. For purposes of clarity, Equipment does not include televisions, television mounting hardware or any Internet router, Internet access points, Ethernet adapters (unless installed with a Chromecast device) and related software, cabling and enclosures. Company shall timely perform all of its obligations under the Agreement, including but not limited to completing all necessary paperwork, in a timely manner. Company is solely responsible for any delay it, its employees or its contractors cause to the installation, configuration, customization and set-up of the SORA System at the Premises, and Company shall pay all reasonable costs and fees incurred or charged by SONIFI as a result of any such delay, including without limitation all applicable fees and charges set forth on SONIFI's then-current Rate Card, available upon request to SONIFI or as made available at www.sonifi.com. Notwithstanding anything to the contrary in the Agreement, including these Service Terms, SONIFI shall not be liable to Company, the Premises or their respective owners, shareholders, members, partners, officers, employees, contractors or agents for any inability to perform caused by Company, the Premises or their respective officers, employees, contractors or agents.

1.2.1 In the event Company elects to utilize an Approved Third-Party Financing Company, Company understands the Approved Third-Party Financing Company will purchase the Equipment directly from SONIFI, and Company will then purchase the Equipment from the Approved Third-Party Financing Company. Company agrees that SONIFI will invoice the Approved Third-Party Financing Company for the financed amount specified in the applicable financing agreement between Company and the Approved Third-Party Financing Company, unless specifically notified otherwise by Company or the Approved Third-Party Financing Company or the Approved Third-Party Financing Company, unless that invoicing the Approved Third-Party Financing Company for the Equipment in no way binds or obligates SONIFI to any Company obligations or Company liabilities to the Approved Third-Party Financing Company. Additionally, in the event the Approved Third-Party Financing Company does not timely and fully pay SONIFI for the Equipment, Company agrees it is responsible for payment and SONIFI will invoice Company for the Equipment and Company shall remit all amounts due to SONIFI within thirty (30) days of receipt of an invoice from SONIFI.

1.2.2 If before the Effective Date there is pre-existing equipment owned by SONIFI installed or otherwise located at the Premises, then upon the Effective Date, all right, title and interest in and to such pre-existing equipment is hereby assigned and transferred to Company; provided, however, that (a) such assignment and transfer shall not include any software and/or technology owned by SONIFI or third parties installed on, embedded into, incorporated within or used in connection with the pre-existing equipment, and (b) use of any and all such software and technology is subject to the terms of the Agreement, including these Service Terms, and all applicable software licenses.

1.3 <u>Site Evaluation and Modification</u>. In order to complete installation, configuration, set-up, customization and activation of the Equipment, the Premises must conform to SONIFI site requirements and Company must cooperate in the necessary site evaluation, installation



planning and site preparation, as such requirements are set forth and described (a) in the SOW available at www.sonifi.com/sorasow\_usa, if the Premises is located in the United States of America, its territories or the District of Columbia, or at www.sonifi.com/sorasow\_ca, if the Premises is located in Canada or its territories, and (b) in the Required Premises Information Form attached to the Agreement. The applicable SOW and the Required Premises Information Form are incorporated in the Agreement by reference. Company acknowledges that SONIFI relies upon Company-provided information, as described or requested in all exhibits, appendices, schedules, amendments, forms and addenda attached to or incorporated in the Agreement (including, without limitation, information regarding televisions, set-top boxes and set-back devices), as well as SONIFI's technical evaluation of the Premises and the Premises' master television antenna, cabling and amplifiers (collectively, the "MATV System") and related communications network systems and components, including but not limited to Internet Protocol ("IP")-based network infrastructure, Ethernet switches, IP equipment, core distribution network, Internet infrastructure and in-guest room equipment (collectively, the "Premises Network Infrastructure" and, together with the MATV System, the "CNS"), to accurately determine the composition of the Equipment for the Premises and to scope and price installation and site upgrade work necessary for interconnection and interoperability between the SORA System and the CNS.

1.3.1 Any modifications, upgrades or repairs to the Premises, the CNS or Company-provided equipment (collectively, "MATV Work") necessary for the proper operation of the Equipment or for the interconnection and interoperability of the Equipment and Company's CNS shall be completed by Company (or its designated contractor(s)) or by SONIFI, upon SONIFI's receipt of Company's written approval, for the fees set forth in the Products & Fee Schedule in the Agreement or for the fees and charges set forth in a separate customer order or statement of work signed by SONIFI and Company. All MATV Work performed by SONIFI will be described in and limited to the corresponding statement(s) of work set forth in the Agreement (including the SOW) or in a separate customer order signed by both Parties. Company must provide SONIFI with at least thirty (30) days' advance written notice of any MATV Work to be performed by Company or its contractor(s). All MATV Work undertaken by Company or its contractor(s) must comply with SONIFI's technical specifications and design requirements as described in the SOW and in SONIFI documentation that will be provided to Company, upon request, on a confidential basis. Except as otherwise specifically provided herein, approved MATV Work undertaken by SONIFI will be at additional cost to the Company. Any necessary or desired modifications, changes, updates, repairs or upgrades to or replacement of televisions (including without limitation television mounting and firmware updates) is the sole responsibility of Company. Company acknowledges and agrees that SONIFI is not responsible or liable for any damages, losses, costs or expenses Company incurs as a result of MATV Work performed by Company or its contractor(s). If Company elects not to perform recommended or identified MATV Work, Company acknowledges and agrees that SONIFI is not responsible or liable for any loss of or diminishment of (a) SORA System features and functions or (b) Services selected by Company.

1.3.2 SONIFI may prepare certain drawings, plans or other documents during the course of conducting a site evaluation, installing and configuring Equipment or performing MATV Work (collectively, "**Instruments of Service**"). To the extent that such Instruments of Service are prepared, SONIFI grants Company a limited, revocable, non-exclusive, non-sublicensable, non-transferable, royalty-free license to use such Instruments of Service solely for the purpose of documenting information about the Premises relevant to the SORA System and Services. Instruments of Service are not intended for use by Company for any other purpose and SONIFI explicitly disclaims sufficiency, fitness or suitability for any other purpose and assumes no obligation to maintain or update any Instruments of Service. **SONIFI DOES NOT GUARANTEE OR WARRANTY THE ACCURACY OR COMPLETENESS OF ANY INSTRUMENTS OF SERVICE.** 

1.4 Company Network, Integration and Connectivity. Company acknowledges and agrees that Company's access to and use of certain SONIFI or third-party products and services are contingent upon Company (a) having and maintaining sufficient Internet connectivity and CNS connectivity, (b) providing necessary access to the Premises and CNS, (c) granting or procuring all necessary rights and licenses to back office systems, (d) granting SONIFI exclusive access to and use of (i) the channels and bandwidth at the Premises used to deliver Services and (ii) the sub-frequency forward and return channel(s) identified on the Billing Commencement & Installation Completion Form ("CNS System Channels"), and (e) dedicating adequate space upon and within the Premises for the placement of Equipment in accordance with the SOW, all at Company's sole cost and expense. Company is responsible for purchasing, installing, updating, upgrading and maintaining the hardware and software for Company's or a third-party's computer equipment, and for enabling the requisite system interface for use of any such contingent products and services at the Premises. Company shall not add any In-Room Equipment (defined in the SONIFI Limited Warranty located at www.sonifi.com/systemsupport\_usa), including Chromecast devices (other than replacements, which are the responsibility of Company), at the Premises except with SONIFI's prior written permission.

1.5 <u>Premises Access and Licenses</u>. Company shall secure and maintain such licenses, permits and approvals required by governmental and regulatory authorities having jurisdiction over the installation, set-up, activation, operation and removal of Equipment on the Premises. Company shall consult with SONIFI before undertaking any project, on its own behalf or by granting of rights to a third-party, that may interfere with the operation or functionality of the Equipment or limit SONIFI's access to the Equipment.

Installation. SONIFI will install the Equipment on and in the Premises as soon as practicable following the Effective Date, completion 1.6 of any required site evaluation and MATV Work and receipt of any down payment described in the Products & Fee Schedule set forth in the Agreement. Installation planning and preparation will be in accordance with the SOW at a mutually agreed upon start date and schedule. During the Equipment installation period, Company either (a) shall provide (i) complimentary guest rooms and parking at the Premises to SONIFI for installation personnel and (ii) secure storage area(s) in the Premises for Equipment and tools, or (b) reimburse SONIFI, upon request and in addition to all other amounts payable to SONIFI under the Agreement, the actual cost of guest rooms, parking and storage area(s) at another lodging facility of comparable quality to the Premises within ten (10) miles of the Premises. If SONIFI is replacing an existing vendor at the Premises, Company shall provide written notice to such vendor and SONIFI will coordinate and cooperate with Company and said vendor to minimize any disruptions to Company's operations and its guests. Unless otherwise expressly stated in these Service Terms or in an addendum or amendment to the Agreement, SONIFI's standard installation process and pricing, as delineated in the Products & Fee Schedule and the SOW, include up to two (2) attempts to install and configure Equipment in Premises guest rooms. If after two (2) attempts SONIFI installation personnel have been unable to install and configure Equipment in a Premises guest room due to circumstances beyond SONIFI's control (e.g., guest rooms are occupied or Premises employees are unwilling or unable to provide SONIFI personnel or SONIFI contractors with necessary access to a guest room)(each such guest room a "Delayed Installation Room"), then SONIFI reserves the right to charge Company for all subsequent installation work and on-site visits to the Premises for each and every Delayed Installation Room at SONIFI's then-current Rate Card rates, which are available from SONIFI upon request or as made available at www.sonifi.com, plus all applicable taxes. Company is solely responsible for paying and all fees and charges imposed by third parties, such as Company's Internet service provider, associated with the installation of Equipment in the Premises. At the conclusion of SORA System installation in accordance with the SOW, Company shall affirm that installation has been completed by signing



#### SONIFI's standard "Billing Commencement & Installation Completion Form".

1.7 <u>CNS Changes</u>. Any modifications, additions or upgrades to the Equipment that are required due to a change in the CNS at the Premises, or the availability of the CNS System Channels, shall be made by SONIFI for the fees and charges set forth on SONIFI's then current Rate Card, available upon request to SONIFI or as made available at <u>www.sonifi.com</u>, plus all costs for parts and components and all applicable taxes, surcharges, shipping, handling and freight. Company is solely responsible for maintaining internal and external Internet connectivity, bandwidth and throughput at the Premises that is sufficient to enable the proper functioning of all Equipment and Services, and if Company adds products or services (whether delivered by SONIFI or a third-party) that require additional Internet connectivity, bandwidth or throughput, Company will acquire such additional Internet connectivity, bandwidth or throughput at its own expense as advised by SONIFI.

1.8 Software. SONIFI does not sell and non-exclusively licenses to Company the limited right to use the "Licensed Software" in accordance with the SORA<sup>TM</sup> and STAYCAST<sup>®</sup> Non-Exclusive Software License Terms which are available upon request to SONIFI or at www.sonifi.com (the "Licensed Software Terms"). The Licensed Software Terms are incorporated in the Agreement, including these Service Terms, by reference. Company acknowledges and agrees that it is only obtaining a limited license right to the Licensed Software and that no ownership rights are being conveyed to Company, expressly or implicitly, under this Agreement. In addition to the Licensed Software Terms, Company's use of all third party-owned or third party-licensed operating, application, digital rights management, encryption and/or other software and technology installed on, embedded into, incorporated within or used in connection with the Equipment and Services is subject to the terms of the non-exclusive third-party license agreement(s) for such software and/or technology, which agreement(s) are available directly from the third party, upon request, or accessible on the third party's website. Upon expiration or termination of the Agreement for any reason, or expiration or termination of any licenses granted hereunder, Company's limited license to use the Licensed Software under the Agreement terminates immediately.

1.9 <u>Pro:Idiom™ Source Function Devices</u>. Company acknowledges and agrees that if the Equipment Company purchases to provide Services at the Premises includes hardware and software which enables Pro:Idiom Source Function Devices, it is bound by all the obligations and other terms contained in the Zenith User Terms for Pro:Idiom Source Function Devices available at <u>www.sonifi.com/ZenithProIdiomTerms</u> (the "**Pro:Idiom Terms**"), which Pro:Idiom Terms are hereby incorporated by reference in the Agreement. Company understands that a violation of any of the terms, conditions, limitations or restrictions contained in the Pro:Idiom Terms is a material breach of the Agreement, including without limitation these Service Terms. In the event of such a material breach, SONIFI may (a) immediately terminate Company's Agreement without liability of any kind or amount by providing written notice to the Company and (b) invoke any other rights and remedies available under the Agreement and at law or equity. This Subsection 1.9 survives the termination or expiration of the Agreement.

#### 1.10 <u>Indemnification</u>.

1.10.1 <u>General Indemnification</u>. Excluding Infringement Claims, which are defined and addressed in Paragraph 1.10.2, and subject to Subsection 1.13, each Party (the **"Indemnifying Party**") shall indemnify, defend and hold harmless the other Party and its subsidiaries and affiliates and each such entity's officers, owners directors, shareholders, members, managers, partners, employees, contractors (excluding if Company is the Indemnifying Party, SONIFI and its contractors, or if SONIFI is the Indemnifying Party, Company and its contractors), agents, representatives, permitted successors and permitted assigns (collectively, as to each Party, the **"Indemnified Parties**" and, individually, an **"Indemnified Party**"), from and against: (a) any and all suits, proceedings, investigations and causes of action brought or asserted against an Indemnified Party by a third-party other than an Indemnified Party, including for purposes of this Subsection 1.10, a governmental authority (individually, a **"Claim"** and, collectively, **"Claims"**), to the extent arising out of, relating to or caused by (i) any breach of this Agreement by the Indemnifying Party (including a breach of any representation and warranty) and/or (ii) the Indemnifying Party's willful, reckless or grossly negligent acts or omissions by the Indemnifying Party's officers, employees, contractors (excluding if Company is the Indemnifying Party, SONIFI and its contractors, or if SONIFI is the Indemnifying Party. Company and its contractors) or agents; and (b) any and all Indemnifiable Losses (defined below), if permitted under Paragraph 1.10.4 and Paragraph 1.10.5.

1.10.2 Indemnification for Intellectual Property Infringement. Subject to Subsection 1.13, each Party agrees to indemnify, defend, and hold harmless the other Party and its Indemnified Parties from and against (a) all Claims brought or asserted against an Indemnified Party by a third-party that is not a Party's Indemnified Party and (b) all Indemnifiable Losses suffered or incurred by an Indemnified Party as the result of such third-party Claim, to the extent arising out of, relating to or caused by infringement or misappropriation of a third-party's Intellectual Property Rights in or to any of the following: (i) if Company is the Indemnifying Party, any Company-Customized Content (defined in Subsection 2.1), when used by SONIFI as expressly permitted in the Agreement; or (ii) if SONIFI is the Indemnifying Party, iTV Content and Services, Documentation or Licensed Software (excluding Third-Party Code), when used by Company as expressly permitted by this Agreement (each an "Infringement Claim"). If in the Indemnifying Party's opinion any of the foregoing content, software, documentation or services listed in this Paragraph 1.10.2 is likely to become the subject of an Infringement Claim, then without limitation to any of the Indemnifying Party's obligations under this Paragraph 1.10.2, or to any other remedy available to the Indemnified Parties under the Agreement or at law or equity, the Indemnified Parties shall permit the Indemnifying Party, at the Indemnifying Party's sole option and expense: (A) to procure for the Indemnified Parties the right to continue to use the affected content, Documentation, software or service on terms no less favorable to the Indemnified Parties than those set forth in this Agreement; or (B) to replace or modify the affected content, Documentation, software or service to become non-infringing with no material loss of function to the Indemnified Parties, and also reimburse the Indemnified Parties for all costs and expenses they actually incurred in connection with such conversion to the replacement or modification. The Indemnifiable Losses paid to the Indemnified Parties or a third-party by the Indemnifying Party or its insurer(s) under this Paragraph 1.10.2, if any, shall be reduced by any amount that Indemnified Parties receive from a joint infringer or joint defendant (other than the Indemnifying Party).

1.10.3 Exclusions. Company acknowledges and agrees that the indemnification obligations under Paragraph 1.10.1 and Paragraph 1.10.2 of the Agreement do not require SONIFI to indemnify, defend or hold harmless Company or any Indemnified Parties for any act or omission of any SONIFI shareholder, director, officer, employee, contractor or agent that occurs when such person's presence or stay at the Premises is not related to, connected with, or arising out of, the performance of any duties under the Agreement, including these Service Terms. In addition, any Indemnifying Party will be excused from its obligations under Paragraph 1.10.2 with regard to an Infringement Claim or portion thereof to the extent such Infringement Claim or portion thereof arises out of or in connection with (a) the Indemnified Party's breach of any licenses granted to it to the Services (including iTV Content and Services), Company-Customized Content, Documentation, or Licensed Software, the subject of the Infringement Claim, (b) any modification or misuse of the affected Documentation, Licensed Software, Company-Customized Content or



Services (including iTV Content and Services) not expressly authorized by the Indemnifying Party or expressly permitted under the Agreement, including these Service Terms, or (c) any combination of the affected Documentation, Licensed Software, Company-Customized Content or Services (including iTV Content and Services) with other content, products, services or software not expressly authorized by the Indemnifying Party or expressly permitted under the Agreement, including these Service Terms.

Indemnification Procedures. The Indemnified Party or Indemnified Parties shall notify the Indemnifying Party of a Claim 1 10 4 (including an Infringement Claim) or Indemnifiable Loss for which it is seeking indemnification in writing as soon as practicable, together with such further information as is necessary for the Indemnifying Party to evaluate the Claim (including an Infringement Claim) or Indemnifiable Loss to the extent that the Indemnified Party or Indemnified Parties are in possession or have knowledge of such information; provided that any delay in giving such notice shall not preclude the Indemnified Party or Indemnified Parties from seeking indemnification for an indemnified Claim (including an Infringement Claim) or an Indemnifiable Loss if: (a) such delay has not materially prejudiced the Indemnifying Party's ability to defend the Claim (including an Infringement Claim); and (b) such delay does not materially affect the amount of any Indemnifiable Losses awarded by a court or paid in settlement of the Claim (including an Infringement Claim). The Indemnifying Party shall control the defense of any Claim (including an Infringement Claim) qualifying for indemnification with counsel of its own choosing and shall regularly consult with the Indemnified Parties and their counsel (and the affected person or entity and its counsel) regarding such defense. However, the Indemnified Parties may participate in such defense through counsel of their own choosing at the Indemnified Parties' expense. The Indemnified Parties shall cooperate with the Indemnifying Party in the defense of any Claim (including an Infringement Claim) qualifying for indemnification, and shall furnish such records, information and testimony and attend such conferences, discovery proceedings, hearings, trials and appeals as may be reasonably requested in connection therewith, all at the Indemnifying Party's expense. Upon the Indemnifying Party's assumption of the defense of an indemnified Claim with counsel of its choosing, the Indemnifying Party will not be liable for the Litigation Expenses of the Indemnified Parties; provided, however, the Indemnifying Party shall pay any Litigation Expenses actually incurred and paid by an Indemnified Party prior to the Indemnifying Party's assumption of the defense of an indemnified Claim. In no event shall the Indemnifying Party consent to entry of judgment or enter into any settlement agreement without the Indemnified Parties' prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. The Parties acknowledge that if either Party agrees to pay a third party any fees or amounts pursuant to a contract and such contract is not the result of a settlement made pursuant to this Paragraph 1.10.4, then the Indemnifying Party is not obligated to indemnify the Indemnified Party or Indemnified Parties, as applicable, for such fees or amounts.

1.10.5 <u>Definitions</u>. In these Service Terms, the following definitions apply:

1.10.5.1 "Loss" or "Losses" means any amount awarded in, or paid in settlement of, any Claim or Infringement Claim, including interest, but excluding Litigation Expenses (defined below);

1.10.5.2 "Litigation Expense" or "Litigation Expenses" means any reasonable out-of-pocket expense actually incurred in defending a Claim or Infringement Claim or in any related investigation or negotiation, including without limitation attorneys' fees, court costs, expert witness fees and other professionals' fees; and

1.10.5.3 "Indemnifiable Losse" or "Indemnifiable Losses" means the aggregate of Losses and Litigation Expenses.

1.10.6 <u>Survival</u>. This Subsection 1.10 survives termination or expiration of the Agreement.

#### 1.11 Termination, Transfer of Premises Ownership and Assumption of Agreement.

1.11.1 <u>Transfer/Assumption</u>. If Company intends to transfer ownership of the Premises, Company shall provide SONIFI with at least thirty (30) days' written notice in advance of the transfer date. If the transferee (a) assumes all of Company's obligations under the Agreement pursuant to an assumption agreement acceptable to SONIFI and (b) meets SONIFI's customary credit standards, Company shall have no further obligations hereunder after the effective date of such transfer. Company acknowledges and agrees that the assumption of the Agreement by any transferee does not assign, transfer, or otherwise affect any rights or obligations of Company under its agreements with an Approved Third-Party Financing Company or any other third party.

1.11.2 Effect of Termination. SONIFI is not responsible or in any way liable for any deinstallation, relocation, removal, disposal or use of any Equipment after the expiration or termination of the Agreement and Company hereby indemnifies, defends and holds harmless SONIFI and its shareholders, directors, officers, employees, contractors, agents and licensors from and against any and all damages, losses, fines, penalties, forfeitures, costs, and fees (including without limitation reasonable attorneys' fees and court costs) arising out of or in connection with any third-party demand, third-party claim, third-party suit, third-party cause of action, third-party investigation or third-party proceeding relating to or arising from Company's or its employees', contractors' or agents' deinstallation, relocation, removal, disposal or use of Equipment after the expiration or termination of the Agreement. This Paragraph 1.11.2 survives termination or expiration of the Agreement.

1.11.3 <u>Termination for Cause</u>. If any contract default is not remedied within thirty (30) days (or ten (10) days in the case of nonpayment or immediately in the case of a violation of the Pro:Idiom Terms) following receipt of notice thereof, the non-defaulting Party may terminate the Agreement upon notice to the defaulting Party. The non-defaulting Party shall be entitled to recover from the defaulting Party its reasonable attorneys' fees and costs, including collection agency fees and court costs. If Company is the defaulting Party, and SONIFI elects to terminate the Agreement during the Initial Term, SONIFI is entitled to the early termination fees for each Service as specified in these Service Terms. The Parties agree that (i) contractual damages incurred by SONIFI are not readily identifiable and that the formula(s) and calculation of early termination fees described in these Service Terms are reasonable considering the totality of the Agreement, and (ii) payment of early termination fees shall be considered liquidated damages. Notwithstanding any payment of early termination of the Agreement to the extent and in the amount specified in the Agreement, in any additional programming or content agreement entered into by the Parties, or in any agreement between the Company and a third party.

1.12 Limited Warranties. With respect to hardware, components, parts and products provided and installed by SONIFI pursuant to the Agreement which are not expressly covered by a specific SONIFI limited warranty set forth in the Agreement, including these Service Terms and the SONIFI Limited Warranty, SONIFI warrants to Company that such hardware, components, parts and products will be free from defects in materials and workmanship for a period of ninety (90) calendar days after installation. With respect to installation and professional services performed by SONIFI personnel or SONIFI contractors pursuant to the Agreement which are not expressly covered by a specific SONIFI limited warranty set forth in the Agreement, including these Service Terms and the SONIFI Limited Warranty, SONIFI warrants that such installation labor and/or professional services will be free from defects in workmanship for a period of ninety (90) calendar days of ninety (90) calendar days from the date of performance. THIRD-PARTY SOFTWARE OR FIRMWARE SOLD, LICENSED OR FURNISHED BY SONIFI (EXCLUDING THE LICENSED SOFTWARE) IS PROVIDED "AS IS" EXCEPT FOR ANY WARRANTY DIRECTLY PROVIDED TO COMPANY BY A THIRD-



PARTY SOFTWARE AUTHOR, DEVELOPER OR PUBLISHER. IN NO EVENT SHALL SONIFI HAVE ANY EXPRESS, STATUTORY OR IMPLIED WARRANTY OBLIGATIONS OF ANY KIND FOR OR RELATED TO THIRD-PARTY SOFTWARE OR THIRD-PARTY INTELLECTUAL PROPERTY (EXCEPT, IN EITHER CASE, AS OTHERWISE SPECIFIED IN THE AGREEMENT), AND COMPANY SHALL LOOK SOLELY TO A THIRD-PARTY SOFTWARE AUTHOR OR PUBLISHER FOR ANY WARRANTY COVERAGE, REMEDY, CAUSE OF ACTION OR CLAIM APPLICABLE WITH RESPECT THERETO, UNLESS OTHERWISE EXPRESSLY STATED IN THE AGREEMENT. SONIFI does not warrant that the Licensed Software, the Equipment, or any part or component thereof, will meet Company's requirements or that the Equipment and Licensed Software will operate in an error-free or uninterrupted manner. The limited warranties set forth herein do not apply to: (a) damage, loss or diminishment of features or functions, or inability to perform as a result of accident, misuse, abuse or neglect; (b) damage, loss or diminishment of features or functions, or inability to perform resulting from Company's failure to comply with its responsibilities set forth in the SOW, or later-provided instructions; (c) modifications to Equipment or Licensed Software if not performed or authorized by SONIFI; and (d) any other damage or failures to perform resulting from causes other than SORA System defects. EXCEPT FOR THE EXPRESS LIMITED WARRANTIES CONTAINED IN THIS SUBSECTION 1.12 OR ELSEWHERE IN THE AGREEMENT, INCLUDING THESE SERVICE TERMS AND THE SONIFI LIMITED WARRANTY, SONIFI DISCLAIMS ALL WARRANTIES, EXPRESS, STATUTORY OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY IMPLIED OR STATUTORY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT WITH REGARD TO THE PROVISION OF OR FAILURE TO PROVIDE SERVICES, LICENSED SOFTWARE, DOCUMENTATION AND EQUIPMENT SET FORTH IN THE AGREEMENT. Company's sole and exclusive remedy in the event of a non-conformity in the express limited warranties contained in this Subsection 1.12 is that SONIFI, in its sole discretion, will repair or replace the hardware, components, parts and products covered by the express warranty with new or refurbished hardware, components, parts and products and/or re-perform any required professional or installation service(s) to make them substantially conform with such limited warranty or, in the alternative, substitute a comparable part or component for the defective part or component to which the nonconformity is attributable.

Limitation of Liability. EXCEPT WITH RESPECT TO A PARTY'S BREACH OF SUBSECTION 1.18 (CONFIDENTIALITY), 1.13 INFRINGEMENT BY A PARTY OF THE OTHER PARTY'S INTELLECTUAL PROPERTY RIGHTS, A PARTY'S INDEMNIFICATION OBLIGATIONS, OR A PARTY'S WILLFUL MISCONDUCT OR FRAUD, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAWS: (A) IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY INCIDENTAL, CONSEQUENTIAL, INDIRECT, SPECIAL, EXEMPLARY OR PUNITIVE DAMAGES OR LOSSES, INCLUDING WITHOUT LIMITATION LOST PROFITS, LOST REVENUES, LOST DATA, LOSS OF GOODWILL, AND LOSS OF ANTICIPATED SAVINGS, WHETHER FORESEEABLE OR NOT AND REGARDLESS OF THE FORM, LEGAL THEORY OR BASIS OF RECOVERY OF ANY SUCH DAMAGES OR LOSSES; AND (B) EACH PARTY'S ENTIRE LIABILITY TO THE OTHER PARTY FOR ANY CLAIM, DEMAND, SUIT, INVESTIGATION, PROCEEDING OR CAUSE OF ACTION RELATED TO OR ARISING OUT OF THIS AGREEMENT SHALL NOT EXCEED THE AMOUNTS ACTUALLY PAID TO SONIFI BY COMPANY FOR SERVICES DURING THE TWELVE (12) MONTH PERIOD IMMEDIATELY PRECEDING THE EVENT OR CIRCUMSTANCE GIVING RISE TO A CLAIM, DEMAND, SUIT, INVESTIGATION, PROCEEDING OR CAUSE OF ACTION (THE "LIABILITY CAP"). FOR ALL CLAIMS, SUITS, PROCEEDINGS, INVESTIGATIONS, CAUSES OF ACTION, DAMAGES, LOSSES AND INDEMNIFICATION OBLIGATIONS EXCLUDED FROM THE LIABILITY CAP IN THIS SUBSECTION 1.13, EACH PARTY'S ENTIRE AGGREGATE LIABILITY TO THE OTHER PARTY AND ITS AFFILIATES AND SUBSIDIARIES SHALL NOT EXCEED USD \$250,000.00. This Subsection 1.13 survives termination or expiration of the Agreement, including these Service Terms.

1.14 Notices. All notices shall be given in writing at the addresses or using other contact information set forth on the signature page of the Agreement and shall be deemed given (a) when deposited in the U.S. Mail with postage prepaid, certified or registered mail, with return receipt requested, (b) when delivered to a reputable national overnight delivery or courier service, or (c) by e-mail, provided that a hard copy is sent as described in clause (a) or (b) within 24-hours of the e-mail transmission. SONIFI may send and Company consents to receive communications or data regarding the Services, Licensed Software or Equipment that are the subject matter of the Agreement, including but not limited to (i) notices about Company's use of the Equipment, Licensed Software or Services, (ii) Updates or upgrades, and (iii) promotional information and materials regarding SONIFI's products and services, in each case, via e-mail.

1.15 <u>Complete Agreement</u>. The Agreement, including these Service Terms and all addenda, appendices, schedules, forms, exhibits and other documents attached to or incorporated in the Agreement, is the complete understanding of the Parties and no other statements, representations, discussions or communications, whether oral or written, with respect to the subject matter contained in the Agreement shall be binding upon the Parties. The Agreement and all rights, remedies, covenants and obligations thereunder cannot be modified, waived or amended except in a written instrument signed by both Parties. No handwritten or other changes, additions, or deletions made by a Party on any pages of the Agreement are valid or binding without the written consent of the other Party. If any part of the Agreement is found to be invalid or unenforceable, such invalidity or unenforceability shall not affect the remainder of the Agreement. The Parties will negotiate in good faith to replace an invalid or unenforceable provision to accomplish the original intent and economic agreement of the Parties.

1.16 <u>Independent Contractor</u>. Nothing contained in the Agreement shall be deemed to create a joint venture or partnership between the Parties and neither Party is authorized to act towards third parties in any manner that would indicate such a relationship. In performing their respective duties under the Agreement, each Party is operating as an independent contractor.

1.17 <u>Private Provision of Services; No Third-Party Beneficiaries</u>. The Equipment, Licensed Software and Services are privately offered and will be privately furnished on a non-common carrier basis. Neither Company nor SONIFI regards any warranties, representations, covenants, offers or undertakings made by the other as being in the nature of offers of common carriage. In addition, nothing contained in the Agreement, including these Service Terms, shall be deemed or construed by the Parties or any third-party to create any rights, obligations or interests in third parties.

# 1.18 <u>Confidential Information</u>.

1.18.1 <u>Definition</u>. "**Confidential Information**" means all of a Party's tangible and intangible information that does not meet the exceptions set forth at the end of this Paragraph 1.18.1, including without limitation, (a) Company's or SONIFI's trade secrets, business plans, business opportunities, customers, pricing, marketing plans, financial information, analyses, compilations, research, development, know-how, technology, designs, ideas, concepts, inventions, discoveries, methods, combinations, techniques, solutions, systems, specifications, software, code,



communications protocols, algorithms, prototypes, devices or other intellectual property, or third-party confidential information disclosed through dealings or discussions between the Parties, including derivations, revisions and improvements thereto, (b) information Company or SONIFI identifies from time to time as confidential, (c) information that should be treated as confidential under the circumstances surrounding its disclosure, and (d) the contents of this Agreement and any exhibits, addenda, amendments, schedules, appendices, forms, attachments or related agreements, which will be both Parties' Confidential Information. The Party disclosing Confidential Information is hereinafter referred to as the "**Disclosing Party**" and the Party receiving Confidential Information is hereinafter referred to as the "**Receiving Party**." Confidential Information does not include information which (i) is already in Receiving Party's possession (other than information provided by or on behalf of Disclosing Party), *provided* that such information is not subject to another confidentiality agreement with or other obligation of secrecy to Disclosing Party or another person or entity, or (ii) is independently developed or acquired by the Receiving Party without the use of or reference to the Disclosing Party's Confidential Information, or (iii) is or becomes generally available to the public other than a such of an unauthorized disclosure by Receiving Party or its representatives, *provided* that such source is not bound, to Receiving Party's knowledge, by a confidentiality agreement with or other obligation of secrecy to Disclosing Party or its representatives, *provided* that such source is not bound, to Receiving Party's knowledge, by a confidentiality agreement with or other obligation of secrecy to Disclosing Party or another person or entity.

Use and Maintenance of Confidential Information. Except as otherwise specifically authorized by any other provision of the 1.18.2 Agreement, SONIFI and Company each shall hold the other Party's Confidential Information in strict confidence and shall protect the other Party's Confidential Information from unauthorized disclosure and unauthorized use with at least the same level of care as it protects its own information of a like nature, but no less than reasonable care. Unless otherwise expressly permitted in the Agreement, the Receiving Party may disclose the Disclosing Party's Confidential Information only to the Receiving Party's officers, employees, advisors, contractors, subcontractors, agents and permitted assigns and permitted successors who have a need to know the Disclosing Party's Confidential Information in the course of fulfilling the Receiving Party's obligations under the Agreement and/or to the extent required for the Receiving Party to enforce its rights against the Disclosing Party, including filing a lawsuit or instituting arbitration or mediation. SONIFI and Company shall each cause their respective officers, employees, advisors, contractors, subcontractors, agents, successors, assigns, and affiliates to comply with the requirements of this Subsection 1.18. The Receiving Party is responsible for any breach of the requirements of this Subsection 1.18 by the Receiving Party's officers, employees, advisors, contractors, subcontractors, agents, successors, assigns, and affiliates. SONIFI and Company may use the other Party's Confidential Information only to the extent required to fulfill their respective obligations under the Agreement, to enforce their respective rights under this Agreement and/or, to receive the full benefit of the licenses granted by the other Party herein and must not divulge or communicate any of the other Party's Confidential Information to any person or entity except as expressly permitted by this Subsection 1.18 or another provision of the Agreement. No provision in the Agreement grants the Receiving Party any express or implied licenses or any express or implied proprietary rights in Confidential Information belonging to the Disclosing Party and each Party retains all right, title and interest in and to its Confidential Information, unless otherwise expressly stated in the Agreement. The Receiving Party shall not engage, directly or indirectly, in the disassembly, reverse engineering, decompilation, modification or translation of the Disclosing Party's Confidential Information, nor create any derivative works based on the Disclosing Party's Confidential Information, unless expressly permitted by the Agreement or by applicable law. Nothing in the Agreement shall in any manner prohibit or restrain either Party from the development of products or services, having products or services developed for it, and entering into joint ventures, alliances, or licensing arrangements with third parties that, without violation of the confidentiality obligations of the Agreement, compete with the products, services, technologies or systems of the other Party. Unless otherwise expressly stated in the Agreement, no representation or warranty as to the accuracy or completeness of Confidential Information is made or implied by the Disclosing Party, and the Disclosing Party shall have no liability relating to or resulting from the Receiving Party's use of the Disclosing Party's Confidential Information.

1.18.3 <u>Notification</u>. SONIFI or Company, as applicable, shall immediately (or within such other timeframe prescribed in the Agreement or in applicable laws and regulations) notify the other if it discovers any unauthorized use or unauthorized disclosure of the other Party's Confidential Information. The discovering Party must then cooperate with the other Party to regain possession of the Confidential Information and prevent its further unauthorized use or dissemination.

1.18.4 <u>Injunctive Relief</u>. If SONIFI or Company breaches the obligations established in this Subsection 1.18, then the breaching Party consents to the other Party seeking the remedies of specific performance and temporary, preliminary or final injunctive relief, without proof of the non-breaching Party's actual damages and without posting a bond or other security, because remedies at law would be inadequate. Notwithstanding the foregoing, such remedies shall not be deemed to be the exclusive remedies for a breach of this Subsection 1.18 but shall be in addition to all other remedies available at law or in equity.

1.18.5 <u>Return of Confidential Information</u>. SONIFI and Company agree to promptly return to its owner or destroy, at the Disclosing Party's option, all of the Disclosing Party's Confidential Information and related records containing Disclosing Party's Confidential Information on the earlier of expiration or termination of this Agreement; provided that the Receiving Party may retain copies of materials containing the Disclosing Party's Confidential Information to the extent required by applicable laws or applicable regulations or a Party's own records retention policies and procedures so long as the Receiving Party continues to protect the Disclosing Party's Confidential Information in accordance with this Subsection 1.18.

1.18.6 <u>Disclosure</u>. Notwithstanding anything to the contrary contained in the Agreement, the Receiving Party may disclose the Disclosing Party's Confidential Information (i) if required by applicable laws, applicable regulations, applicable government or judicial orders or applicable government or judicial directives, including if a court of competent jurisdiction issues a subpoena or court order ordering such disclosure, in which event the Receiving Party shall notify the Disclosing Party as promptly as practicable in order to allow the Disclosing Party an opportunity to seek confidential treatment and the Receiving Party shall disclose the Disclosing Party's Confidential Information only to the extent necessary to comply with such subpoena or court order, or (ii) in order to enforce its rights under the Agreement, including a litigation proceeding, but such disclosure must be subject to appropriate protections to prevent public disclosure of Disclosing Party's Confidential Information, if available.

1.18.7 <u>Survival of Parties' Confidentiality Obligations</u>. The obligations set forth in this Subsection 1.18 concerning Confidential Information survive the expiration or termination of this Agreement.

1.19 Force Majeure. Neither Party shall have any liability (except for payment obligations specified in the Agreement) for the failure to perform or a delay in performing any of its obligations under the Agreement, including these Service Terms, if such failure or delay is the result of any legal restriction, labor dispute (excluding disputes involving the employees of the Party seeking the benefit of this Subsection 1.19), boycott, flood, fire, extreme weather or other natural calamity (including a partial or complete FTG Programming outage caused by weather conditions), Act of God, act of terrorism, public emergency, disease epidemic or disease pandemic (in either case, as determined by the United States Centers for Disease Control and Prevention, or its successor, or the World Health Organization, or its successor), insurrection, riot, war, civil disturbance, national emergency, commercial unavailability of hardware, parts or components, the inability to secure raw materials, shipping or freight carriers or transportation facilities, unavoidable mechanical failure not caused by the Party seeking the benefit of this Subsection 1.19, interruption in the



supply of electrical power not caused by the Party seeking the benefit of this Subsection 1.19, telecommunications or Internet outage not caused by the Party seeking the benefit of this Subsection 1.19, damage to or destruction of satellites used to deliver FTG Programming to the Premises, or any cause beyond the control of the Party relying on this Subsection 1.19 (each a "Force Majeure Event"). A Party whose performance is delayed or prevented as a result of a Force Majeure Event shall promptly notify the other Party. The affected Party's performance or deadline for compliance will be extended on a day-to-day basis for the period of time equal to that of the underlying Force Majeure Event.

1.20 <u>Assignment or Transfer</u>. SONIFI may transfer the Agreement or assign its rights under the Agreement to any parent, subsidiary or affiliate, to any entity with or into which SONIFI merges or consolidates or to which SONIFI sells all or substantially all of its assets.

1.21 <u>Parties' Authority to Sign Agreement</u>. Each Party represents and warrants to the other that it has the full right, power and authority to enter into the Agreement and to perform all of its obligations thereunder and hereunder. Each person signing the Agreement represents and warrants that he or she is fully authorized on behalf of the respective Party to sign the Agreement. With respect to Company, if the Agreement is signed by or on behalf of any entity other than the owner of the Premises (*e.g.*, a management company), such entity represents and warrants that it is the duly authorized agent for such owner and has the requisite capacity as agent to bind such owner.

1.22 Controlling Language. The Parties hereby confirm their express agreement that the Agreement and all documents directly or indirectly related thereto be drawn up in English. LES PARTIES RECONNAISSENT LEUR VOLANTE EXPRESSE QUE LA PRESENTE CONVENTION AINSI QUE TOUS LES DOCUMENTS QUI S'Y RATTACHENT DIRECTEMENT OU INDIRECTEMENT SOIENT REDIGES EN LANGUE ANGLAISE. The official text of the Agreement (and any notice submitted pursuant to the Agreement) is in English and in the event of any dispute concerning the construction or meaning of the Agreement, including these Service Terms, reference shall be made only to the Agreement as written in English and not to any translation.

1.23 <u>Applicability</u>. This Section 1 applies in its entirety to the Agreement and to all Equipment, Licensed Software, Documentation and Services purchased, licensed or subscribed to by Company pursuant to the Agreement.

## Section 2. iTV Content and Services.

Limited License. SONIFI grants Company a limited, non-exclusive, non-sublicensable, revocable license to receive, display, exhibit, 2.1 use and make available to guests at the Premises the specific interactive and on-demand content, products and features, including but not limited to guest applications and mobile services (collectively, "iTV Content and Services"), delineated in the Agreement's Products & Fee Schedule and defined in these Service Terms. SONIFI reserves all rights to iTV Content and Services, exclusive of content owned or licensed by Company that Company selects and/or schedules for display, performance or exhibition to its guests, inclusive of all Company-customized content contained in guest-facing screens and guest-facing menus (collectively, "Company-Customized Content"). As between SONIFI and Company, SONIFI is the sole owner of the iTV Content and Services, except for Company-Customized Content. SONIFI retains all common law, statutory and other intellectual property rights throughout the world, including, without limitation, patents, design rights, copyrights, moral rights, database rights, trademarks, trade secrets and rights in know-how (collectively, "Intellectual Property Rights") in and to iTV Content and Services (excluding Company-Customized Content). Company shall not remove, amend, obscure or modify any notice of SONIFI's and/or any other entity's Intellectual Property Rights or other proprietary rights appearing on or through the iTV Content and Services. Company grants SONIFI a limited, revocable, fully paid license to use, modify, distribute and copy the Company-Customized Content for the sole purpose of fulfilling SONIFI's obligations under the Agreement. SONIFI is not responsible or liable for Company-Customized Content. Company represents and warrants to SONIFI that: (a) Company owns and/or has secured, at its expense, all Intellectual Property Rights and all other proprietary rights to all portions of Company-Customized Content, and has acquired and secured, at its own expense, all licenses, consents, releases, performance rights, and distribution rights or approvals necessary for Company-Customized Content; (b) SONIFI may distribute and exhibit Company-Customized Content in the Premises without infringing any third-party Intellectual Property Rights, performing rights, music rights, distribution rights, privacy rights, publicity rights, or any other rights owned or controlled by any third party; (c) all applicable license fees, royalties, or other fees for Company-Customized Content have been and will continue to be paid by Company to the appropriate person(s) or entity(ies) in full in a timely manner; and (d) Company-Customized Content will not promote or make available services that compete, directly or indirectly, with the iTV Content and Services. Company acknowledges that SONIFI retains the right to restrict the availability of or remove Company-Customized Content if SONIFI, in its sole vet reasonable discretion, determines that Company is in violation of the foregoing representations and warranties.

2.2 <u>Advertising</u>. SONIFI shall have the right to insert, place, include, schedule, remove, modify, turn on and off and otherwise control all advertising and third-party paid content in any form (including infomercials) provided and scheduled by SONIFI included in or in connection with FTG Programming (defined in Section 3) and/or iTV Content and Services in any and all forms and media, including, without limitation, insertion of advertisements or interactive advertising modules in the main menu and the Interactive Programming Guide.

2.3 iTV Fees. SONIFI, in its sole discretion, has the right to establish and to adjust all fees and charges for iTV Content and Services made available to Premises guests for viewing on a pay-per-transaction or pay-per-view basis (such fees and charges, exclusive of taxes, the "iTV Fees"). Company shall be entitled to a portion of the iTV Fees billed to and collected directly from Premises guests on a pay-per-transaction or pay-perview basis in such percentage or in such amount as is set forth in the Products & Fee Schedule in the Agreement (the "Company Share"). The Company Share shall be deemed fees earned by Company for its services under the Agreement. Company shall post charges reported by the Equipment to guest invoices or bills and collect from its guests the iTV Fees which shall be held by Company, in trust, for the benefit of SONIFI. Company shall also collect from guests any and all federal, state, provincial, county and local taxes applicable to the iTV Fees, and shall directly remit the same to the applicable taxing authority or SONIFI, as directed by SONIFI. Company shall charge to and collect from its guest the iTV Fees together with all applicable taxes. Unless Company is required to remit such taxes to a government agency or government authority directly, or unless otherwise agreed in writing by the Parties, Company will pay all iTV Fees and applicable taxes to SONIFI (less the Company Share) and SONIFI will remit the applicable taxes to the appropriate government agency or government authority. As soon as practicable following the end of each calendar month, SONIFI will transmit to Company a monthly statement setting forth all iTV Fees and applicable taxes ("Final Statement"). Such Final Statement for the preceding calendar month shall include a calculation of Company's Company Share. Company shall notify SONIFI of, and resolve, any discrepancy in the Final Statement within 5-business days of receipt of the Final Statement. No later than thirty (30) days after Company's receipt of the Final Statement from SONIFI, Company shall pay and deliver to SONIFI the total iTV Fees for the preceding calendar



month specified in the Final Statement, <u>less</u> the Company Share, <u>plus</u> all applicable taxes. SONIFI or its designated representative may inspect and audit Company's books and records pertaining to iTV Content and Services and iTV Fees on at least seven (7) days' notice to Company. It is expressly understood that SONIFI's right to audit and inspect Company's books and records shall not extend more than four (4) years from the expiration of the calendar year to be audited.

2.4 In the event Company breaches the Agreement for any reason, and SONIFI elects to terminate the Agreement during the Initial Term, SONIFI shall be entitled to early termination fees equal to: (a) 100% of any financing fees, including the Purchase Price of all Equipment; (b) 100% of any Term discount Company received through the effective date of Agreement termination and 100% of any SONIFI or third-party subsidy remaining as of the effective date of Agreement termination; and (c) 70% of the average of the previous 12-months' aggregate iTV Fees and 70% of all "Recurring Fees" specified in the Products & Fee Schedule or in an addendum, amendment or schedule to the Agreement, in each case, multiplied by the number of months remaining in the Initial Term. Early termination fees calculated and due pursuant to this Subsection 2.4 are in addition to any and all early termination fees Company owes to SONIFI pursuant to other provisions of the Agreement.

2.5. Company must purchase, install, activate and continuously operate the SORA<sup>TM</sup> System at the Premises during the Term in order to receive iTV Content and Services. Failure to do so will be considered a material breach of the Agreement by Company.

## Section 3. Free-to-Guest Programming.

This Section 3 of the Service Terms only applies to and binds Company and SONIFI if Company elects to subscribe to, distribute and exhibit FTG Programming at the Premises. Section 3 does not apply to SONIFI or Company if the Premises is located in Canada or its territories.

3.1 <u>Definitions</u>. For the purposes of the Agreement, including this Section 3 of the Service Terms and the Free-to Guest Programming Appendix, the words, terms and phrases, below, shall be given the following meanings:

3.1.1 **"FTG Programming**" is the linear video programming content (such as television networks) that is displayed on the freeto-guest channels available on televisions in guest rooms, public areas and semi-public areas in the Premises, as applicable, and is provided and exhibited at no charge to Premises guests, employees, patrons or invitees. FTG Programming requires the installation and use of commercial-grade hardware that delivers FTG Programming to individual guest rooms, public areas and/or semi-public areas, as applicable. Depending on hardware capabilities, various combinations of high definition digital or standard definition digital channels can be enabled at the Premises. The specific hardware to be installed at the Premises for FTG Programming reception, decoding, encoding, encryption, distribution and exhibition is listed and described in Free-to-Guest Programming Appendix attached to and incorporated in the Agreement.

3.1.2 **"Public Viewing"** is the availability of FTG Programming content for viewing by the general public on televisions in public areas of the Premises where the main source of revenue is from the sale of food and beverages for immediate consumption. Common applications are bars and restaurants. A separate contract is required for Public Viewing and, therefore, Public Viewing is not covered by the Agreement.

3.1.3 **"Business Viewing"** is the availability of FTG Programming content for viewing by the general public on televisions in public and semi-public areas of the Premises where the main source of revenue is from the sale of goods, services, and experiences. Common applications are lobbies and exercise facilities. Depending on the number and locations of televisions intended for Business Viewing, a separate contract may be required for Business Viewing, in which case, Business Viewing is not covered by the Agreement.

#### 3.2 <u>Provision of FTG Programming at the Premises.</u>

3.2.1 SONIFI shall provide the FTG Programming selected by Company to the Premises as described herein and at such cost and for such fees as are set forth in the Agreement's Products & Fee Schedule, in the Free-to-Guest Programming Appendix and in any additional FTG Programming agreements, amendments or addenda entered into by and between the Parties. SONIFI hereby grants Company a non-exclusive, limited, non-sublicensable, revocable license to receive, distribute and exhibit the FTG Programming to which it subscribes at the Premises and for which it pays the fees specified in the Products & Fee Schedule in the Agreement. As between SONIFI and Company, SONIFI reserves all Intellectual Property Rights in and to the FTG Programming not expressly granted herein or in the Free-to-Guest Programming Appendix. SONIFI and its third-party suppliers are the sole owners of and shall retain all right, title and interest in and to all Intellectual Property Rights in and relating to the FTG Programming. Company shall not remove, amend, obscure or modify any notice of SONIFI's or any other entity's proprietary rights appearing on or through the FTG Programming.

3.2.2 The limited license granted under the Agreement, including the Free-to-Guest Programming Appendix, is for rooms for rent or occupancy on a nightly basis located in the Premises and the FTG Programming may not be displayed for Public Viewing in any public room or public area at the Premises, including, but not limited to, bars, lounges, restaurants, fitness centers, lobbies, common areas, hallways, employee areas, or any area where an admission fee is required; *provided* that (a) if the Products & Fee Schedule in the Agreement, the Free-to-Guest Programming Appendix and these Service Terms provide that the FTG Programming may be made available for Business Viewing in specified public areas or semi-public areas of the Premises, then such limited license shall also be for the approved public areas and semi-public areas listed therein, and (b) certain FTG Programming may be required to be blacked-out or deleted by a programmer (*e.g.*, live sporting events).

3.2.3 The FTG Programming is subject to copyright agreements and other restrictions. While SONIFI is an authorized distributor of the FTG Programming and Equipment offered by SONIFI's third-party suppliers, SONIFI does not have responsibility for or any control over the content, ownership and licensing of FTG Programming, including the acquisition and maintenance of all Intellectual Property Rights (including without limitation music performance licenses) related to FTG Programming and the payment of royalties and license fees to the individual owners and licensors of FTG Programming. Public Viewing and Business Viewing generally will require separate music performance rights licenses and payment of associated license fees. Company is responsible for obtaining and maintaining all licenses and for paying all license fees and royalties applicable to the FTG Programming Company has selected is no longer available, SONIFI will use commercially reasonable efforts (a) to provide Company with at least 30-days' prior written notice of the unavailability of the FTG Programming and (b) to furnish substitute FTG Programming acceptable to Company.



3.2.4 Monthly fees for the FTG Programming are subject to annual increase in accordance with price adjustments imposed by third-party providers of the FTG Programming. Within the first quarter of every calendar year following the Commencement Date, the aggregate monthly fees for the FTG Programming may be increased by up to five percent (5%) annually. In the event that such an increase in aggregate monthly FTG Programming fees exceeds five percent (5%) in any given calendar year, SONIFI shall provide Company with notice no less than sixty (60) days prior to the effective date of the annual increase, and upon written notice to SONIFI within thirty (30) days following receipt of SONIFI's notice, Company may elect, in its reasonable discretion: (a) to continue to receive the affected FTG Programming at the increased amount; (b) to decline to continue receiving the FTG Programming that is subject to the price increase; or (c) to choose to receive substitute FTG Programming, subject to availability and comparable cost. Company acknowledges that a decision not to receive certain FTG Programming or to substitute certain FTG Programming in accordance with the foregoing may require Company to return or repay programmer rebates, subsidies and incentives related to such FTG Programming.

3.3 <u>Premises Access for FTG Programming</u>. Company shall secure and maintain such licenses, permits and approvals required by governmental and regulatory authorities having jurisdiction over the installation, set-up, activation, operation and removal of Equipment used to deliver FTG Programming to and within the Premises, including any permits required for the exterior installation of a satellite dish and other signal reception devices. Such obligation of Company to secure and grant to SONIFI the rights necessary to install, set-up, activate, service and maintain Equipment used to deliver and distribute FTG Programming shall include all rights, licenses, permissions and variances necessary to install, use and access Equipment on the rooftop of the Premises as SONIFI considers reasonably necessary. Company shall consult with SONIFI before undertaking any project, on its own behalf or by granting of rights to a third-party, that may limit SONIFI's access to Equipment utilized to deliver or distribute FTG Programming at the Premises, including but not limited to roof repairs or the installation of other equipment on the rooftop of the Premises may be removed or moved during the Term without prior written notice to and the consent of SONIFI, such consent not to be unreasonably withheld.

3.4 <u>Early Termination Fees</u>. In the event Company breaches the Agreement for any reason, and SONIFI elects to terminate the Agreement during the Initial Term, SONIFI shall be entitled to early termination fees equal to: (a) 100% of any financing fees, including the Purchase Price of Equipment for FTG Programming; (b) 100% of any Term discount Company received through the effective date of Agreement termination and 100% of any SONIFI or third-party subsidy remaining as of the effective date of Agreement termination; and (c) 40% of the "Recurring Fees" for FTG Programming specified (i) in the Products & Fee Schedule, (ii) in the Free-To-Guest Programming Appendix and (iii) in any schedule, addendum or amendment to the Agreement, in all cases, for each month remaining in the Initial Term. Early termination fees calculated and due pursuant to this Subsection 3.4 are in addition to any and all early termination fees Company owes to SONIFI pursuant to other provisions of the Agreement.

# Section 4. À La Carte Add-On Features.

4.1 <u>Definitions</u>. For the purposes of the Agreement, including this Section 4 of the Service Terms, the words, terms and phrases, below, shall be given the following meanings:

- Interactive Programming Guide (IPG) an interactive on-screen user interface that enables guests (a) to view FTG Programming channels to which Company has subscribed at the Premises and associated channel programming information (if available), such as program names and program descriptions for current and future times, and (b) to tune to a particular FTG Programming channel.
- Holiday Backgrounds a SORA System feature in which the standard Company logo, backgrounds and highlight colors displayed throughout the SORA System interface as part of the Branded Interactive feature (described in Section 5) will be replaced temporarily with holiday-relevant imagery and colors provided by SONIFI on certain holidays and observances specified by SONIFI, not to exceed a total of ten (10) calendar days per calendar year.
- Custom Video App an Internet cloud-based SORA System application that permits Premises guests to browse, select, control and view on-demand audiovisual content from Company or its licensors and vendors on guest room televisions via one or more links on the SORA System Main Menu and on Custom Video App menus, in either case, utilizing a compatible remote control device. The Custom Video App is enabled by default with viewer control functionality that enables Premises guests to play, fast forward, rewind and pause Custom Video App content using the SORA System remote control. All Custom Video App content furnished or made available to SONIFI by Company or its licensors and vendors is transposed (as needed), encoded, uploaded to the appropriate cloud server(s) and provisioned for exhibition or performance by SONIFI personnel through the SORA System. Custom Video App audiovisual content for the Premises is capped at no more than six hundred (600) minutes of programming. Standard Custom Video App usage reports can be generated for Company at Company's written request. Unless otherwise stated in this Agreement or in a separate statement of work or purchase order signed by both Parties prior to the Commencement Date, initial configuration of the Custom Video App only includes: (a) configuration and set-up of the SORA System Main Menu link for Custom Video App audiovisual content; (b) creation of graphics and text associated with the SORA System Main Menu link for Custom VOD App audiovisual content; and (c) language translation of text associated with the SORA System Main Menu link for Custom VOD App content. SONIFI will charge a separate fee (i) for transposing (as needed) and encoding each Custom Video App content file, (ii) creating and configuring graphics and description text for each Custom Video App video program, (iii) creating and setting up Custom Video App content categories for specific Custom Video App video programming and (iv) uploading and storing each Custom Video App program file on SONIFI's cloud-based Custom Video app computer servers. Such fees will be set forth (A) in SONIFI's most current Rate Card, which is available upon request or as made available at www.sonifi.com, (B) in a separate statement of work signed by both Parties, or (C) in a separate purchase order signed by both Parties. Additional Custom Video App configuration and customization (e.g., after initial configuration is completed), and non-standard Custom Video App usage reports can be performed or created by SONIFI for additional fees and charges set forth in a separate statement of work signed by both Parties or a separate purchase order signed by both Parties. Company is solely responsible (yy) for obtaining and maintaining all authorizations, rights, licenses and releases, including distribution and through-to-the viewer licenses and music performance rights, and (zz) for payment of all associated fees and royalties, in each case, needed for Custom Video App content it furnishes or makes available to SONIFI for display, exhibition or performance through the Custom Video App, and Company represents and warrants that it has obtained and will maintain all



such authorizations, licenses and releases during the Term. Company grants SONIFI a limited, non-exclusive, fully paid, royalty-free license to copy, modify, reproduce, display, perform, exhibit and publish all text and audiovisual content it or its licensors and vendors provides to SONIFI for the Custom Video App for the sole purpose of providing Services under the Agreement. All Custom Video App text and audiovisual content produced, authored, or licensed by Company is Company-Customized Content, not Guest Entertainment On Demand content, for purposes of the Agreement. Company shall not directly charge guests and invitees for audiovisual content it or its licensors and vendors make available via the Custom Video App.

- TV Installation Services in specified guest rooms and/or public space locations, SONIFI will remove and dispose of old televisions, if applicable, and install/configure new televisions that are compatible with the SORA System. Company is solely responsible for ensuring television compatibility at the Premises, unless otherwise expressly stated in a separate customer order or statement of work signed by both Parties. TV Installation Services include configuring SONIFI terminals and television settings as required to deliver the Services purchased, licensed and/or subscribed by Company via the SORA<sup>TM</sup> System. SONIFI will place remote control devices in guest rooms if Company has also purchased a SORA System for the Premises. Unless otherwise specifically included in the total price of applicable FTG Programming and FTG Programming hardware for Public Viewing or Business Viewing, TV Installation Services also include the installation and configuration of any receiver and satellite hardware as required to serve designated public areas (subject to Company entering into separate contracts, as necessary, for such services).
- Planning & Design Services SONIFI will perform a complete on-site survey of the Premises and produce written documentation on findings as well as detailed design specifications detailing work required to provide the Services selected by Company in accordance with SONIFI or manufacturer specifications.
- MATV Work (Excluding Installation of Amplifiers):
  - Inspect and Test IDF/MATV System distribution locations Inspect each distribution location, ensure passive devices (splitters and taps) are functioning properly to deliver the required signal to guest room outlets. Ensure connectors are installed properly, free of corrosion and secure. Replace/repair as required. Verify all cables as needed;
  - **Balance existing broadband amplifiers only** Ensure input and output signals are set up to manufacturer specifications. Adjust, equalize, label, and document settings;
  - **Test/Repair guest room TV outlets** Test signal level at TV outlet, troubleshoot/repair up to 25% of TV outlets if signal readings are out of tolerance;
  - Replace coax jumpers from wall to TV Provide up to 25% new RG-59 coax jumpers of the appropriate length with "compression" style connectors and replace any defective ones found during inspection. Leave remainder on site for Premises; and
  - Inject, test and record TV outlet signal levels Document signal levels on lowest and highest design frequencies after completing the work in the guest room to ensure ample signal levels are obtained. Spot check digital MER signal levels to ensure HD channel stability.
- MATV Work (Including Installation of Amplifiers):
  - **Inspect and Test IDF/MATV distribution locations** Inspect each distribution location, ensure passive devices (splitters and taps) are functioning properly to deliver the required signal to guestroom outlets, connectors are installed properly, free of corrosion and secure. Replace/repair as required. Verify all cables as needed;
  - Install/Balance broadband amplifiers only –Provide/install new amplifiers per manufacturer guidelines, as applicable, and ensure input and output signals of new and existing amplifiers are set up to manufacturer specifications. Adjust, equalize, label, and document settings;
  - **Test/Repair guestroom TV outlets** Test signal level at TV outlet, troubleshoot/repair up to 25% of TV outlets if signal readings are out of tolerance;
  - Replace coax jumpers from wall to TV Provide up to 25% new RG-59 coax jumpers of the appropriate length with "compression" style connectors and replace any defective ones found during inspection. Leave remainder on site for Premises; and
  - Inject, test and record TV outlet signal levels Document signal levels on lowest and highest design frequencies after completing room to ensure ample signal levels are obtained. Spot check digital MER signal levels to ensure HD channel stability.
- **Custom MATV Work** a custom MATV System, Premises Network Infrastructure or CNS scope of work and written agreement derived from results of a site evaluation or an on-site survey, if performed.

4.2 <u>Additional Creative Services</u>. At the Premises' request and upon both Parties' execution of a separate written agreement or purchase order, Company may pay on a per hour basis for additional creative services beyond the initial configuration of Services specified in the Agreement and described in these Service Terms. If such additional creative services are purchased as of the Effective Date of the Agreement, then the Premises shall deliver to SONIFI all necessary and appropriate assets delineated in the Agreement and these Service Terms within ninety (90) days of the Effective Date. Otherwise, the Premises shall deliver all necessary and appropriate assets to SONIFI as described in the applicable written agreement or purchase order.

## Section 5. Configured Core SORA System.

5.1 <u>Standard SORA System Services</u>. The standard SORA System includes (a) installation, configuration and activation of the SORA System at the Premises as described in the SOW and (b) the following features and capabilities expressly set forth in this Section 5:

5.1.1 **Branded Interactive** – SONIFI will provide creative services for the initial configuration of the SORA System. The following items will be delivered in accordance with the SOW and initial configuration will include the following:

Branded Main Menu – Includes Premises logo, up to six branded backgrounds (morning, afternoon, evening Spring, evening Summer, evening Fall and evening Winter) and associated highlight colors, each of which will be displayed throughout the SORA System interface, guest name (dependent on property management system (PMS) capabilities), time/date/temperature reading, up to three (3) menu selections that link to the location of the Premise's choice, and custom



Premises videos inserted into the looping video content that appears within a window on the Main Menu (if available). The Premises can provide up to fifty percent (50%) of the video content for the Branded Main Menu video window. Each video clip submitted must be under ninety (90) seconds and in high definition quality as defined herein (see below). Branding of the Main Menu is performed by SONIFI and all Branded Main Menu content is programmed and published by SONIFI through the SORA System. Company is solely responsible for obtaining all authorizations and releases, including distribution and through-to-the viewer licenses and payment of associated fees, needed for Branded Main Menu content it furnishes to SONIFI and represents and warrants that it has obtained all such authorizations and releases. Company grants SONIFI a limited, non-exclusive, fully paid, royalty-free license to copy, modify, reproduce, display and publish all content it or the Premises provides to SONIFI for the Branded Main Menu for the sole purpose of providing Services under the Agreement. All Branded Main Menu content is Company-Customized Content for purposes of the Agreement.

 Hotel Directory – A digital version of Premises' in-room directory that enables guests to view custom Premises content on in-room televisions. SONIFI will transpose and convert up to ten pages of Company- or Premises-provided content into television screens for the initial configuration. The Hotel Directory content can be edited by the Premises through the SONIFI Customer Portal. Company grants SONIFI a limited, non-exclusive, fully paid, royalty-free license to copy, modify, reproduce, display and publish all content it or the Premises provides to SONIFI for the Hotel Directory for the sole purpose of providing the Hotel Directory under the Agreement. All Hotel Directory content is Company-Customized Content for purposes of the Agreement.

5.1.2 **Customer Portal** – A web-based content management tool that enables Company to add/edit content areas of the in-room television viewing experience (such as Hotel Directory, etc.). Company is assigned a master user password to access the Customer Portal and can add/remove Premises resources. Company and its employees, contractors and agents are solely responsible for maintaining the security and accuracy of their Customer Portal login credentials and are responsible and liable for all actions taken utilizing their respective login credentials;

5.1.3 **Interactive Channel List** – an interactive on-screen user interface that enables guests (a) to view channel numbers for FTG Programming to which Company has subscribed at the Premises, and (b) to tune to a particular FTG Programming channel;

5.1.4 **Main Menu Capability** – an interactive interface that is displayed at television power on or by pressing "MENU" on a SONIFI remote control. It enables Premises guests to access SORA System services and information. This menu is programmed and published by SONIFI and is only configured when needed to deliver a specific Service; and

5.1.5 **Guest Entertainment On Demand** – a cloud-based SORA System software application that enables Premises guests to browse, rent and view theatrical motion pictures, television shows and short-form video content in their guest rooms when they choose rather than on a specific broadcast schedule. Guest Entertainment On Demand content is enabled with viewer control functionality, including fast-forward, rewind, and pause. Available Guest Entertainment On Demand content varies based on Premises settings and can include:

- Free On Demand On demand content that is free to guests;
- Still in Theater Movies On demand motion pictures that are still playing in movie theaters available to guests for a fee;
- Genre Movies On demand motion pictures that are no longer playing in movie theaters available to guests for a fee;
- Kids On Demand Content that is appropriate for kids and teens available to guests for a fee;
- Adult On Demand Content rated MA for adults only available to guests for a fee; and
- Uncensored TV On demand content appropriate for adults only available to guests for a fee.

A parental control feature enables Premises guests to limit or disable the ability to purchase Guest Entertainment On Demand content through SORA System menus.

5.2 <u>Company Provision of Information Necessary to Provide SORA System Services</u>. In order to fully and timely configure, set up and deploy the SORA System at the Premises and/or to prepare, configure, program and deliver the Services selected by Company in the Agreement, it is necessary for SONIFI to receive the assets specified in the "Required Assets Form" attached to and incorporated in the Agreement within ninety (90) days of the Effective Date.

5.3 <u>SORA System Required</u>. The basic SORA System described in this Section 5 of the Service Terms must be purchased, installed, activated and continuously operated at the Premises in order to receive the standard SORA System Services, the Services specified in the Products & Fee Schedule and any Services added after the Effective Date, including but not limited to the á la carte add-on features described in Section 4 of these Service Terms. Additional Services for which a one-time fee or recurring fee is charged may be added to the basic SORA System solely through the incorporation of additional exhibits, schedules, appendices or addenda by mutual written agreement of the Parties. SONIFI, from time to time during the Term, may unilaterally add new or enhanced features and functions to the SORA System, at no additional cost to Company (collectively, "**Free Services**"), without amending the Agreement. SONIFI may remove or modify Free Services at any time during the Term, without amending the Agreement, after providing Company with written notice. The Purchase Price for purposes of the Agreement includes the initial installation, configuration, set-up and activation of the standard SORA System, as described in the SOW and in these Service Terms.

