

**TELESTREAM® SOFTWARE
LICENSE TERMS AND CONDITIONS**

PLEASE READ THIS CAREFULLY BEFORE INSTALLING THIS SOFTWARE.

THIS AGREEMENT STATES THE TERMS AND CONDITIONS UPON WHICH TELESTREAM, LLC. ("TELESTREAM") OFFERS TO LICENSE TO YOU ("YOU" OR "YOUR") THE RIGHT TO USE THE NUMBER OF COPIES OF ITS SOFTWARE DELIVERED TO YOU WITH THIS AGREEMENT. AMONG OTHER THINGS, THIS AGREEMENT CONTAINS WARRANTY DISCLAIMERS. BY CLICKING THE 'I ACCEPT' BUTTON YOU ARE AGREEING TO BECOME BOUND BY THE TERMS OF THIS AGREEMENT. IF YOU DO NOT AGREE TO THE TERMS OF THIS AGREEMENT, DO NOT CLICK ON 'I ACCEPT,' AND PROMPTLY RETURN THE SOFTWARE TO THE PLACE WHERE YOU OBTAINED IT FOR A FULL REFUND.

THIS AGREEMENT APPLIES ONLY TO THE SOFTWARE PROVIDED TO YOU BY TELESTREAM TO WHICH YOUR ACCEPTANCE OF THIS AGREEMENT IS REQUIRED TO INSTALL SUCH SOFTWARE. NO LICENSE IS GRANTED TO ANY OTHER TELESTREAM SOFTWARE NOT PROVIDED WITH THIS AGREEMENT. THIS AGREEMENT SUPERSEDES ANY EULA, PURCHASE ORDER, TERMS AND CONDITIONS, ORDER ACKNOWLEDGEMENTS OR OTHER AGREEMENTS THAT ARE INCONSISTENT OR CONFLICT WITH THE TERMS AND CONDITIONS OF THIS AGREEMENT, AND TELESTREAM HEREBY REJECTS ANY SUCH INCONSISTENT OR CONFLICTING TERMS AND CONDITIONS. ANY PERSON USING THIS TELESTREAM SOFTWARE ON BEHALF OF THEIR EMPLOYER TO WHOM THE SOFTWARE HAS BEEN LICENSED REPRESENTS AND WARRANTS THAT THEY HAVE THE AUTHORITY TO BIND THEIR EMPLOYER TO THIS AGREEMENT AND THE TERM "YOU" OR "YOUR" SHALL INCLUDE SUCH EMPLOYER.

Section 1. Definitions.

- 1.1 "Software" means only the version of Telestream's software application delivered to you by Telestream to which your acceptance of this Agreement is required to install such Software.
- 1.2 "Licensed Materials" means, collectively, the Software and any related Third-Party Software and Documentation provided by Telestream with the Software.
- 1.3 "Third-Party Software" means any software application that is not developed or produced by Telestream, including, but not limited to, those software applications listed as Third Party Licensed Software in the Acknowledgements section for the Software and any MPEG-2, MPEG-4 or H.264 encoders or decoders.
- 1.4 "Documentation" shall mean the standard user manuals and/or related documentation generally made available to licensees of the Licensed Materials.

Section 2. License Grants.

2.1 Scope of Licenses.

- (a) Software. Telestream hereby grants You a non-exclusive, non-transferable and non-sublicensable license to install and operate the Software in machine readable (object code) form on one (1) computer operated by or for You, on Your own behalf that You own or are licensed or legally entitled to use.
- (b) Documentation. Telestream hereby grants You a non-exclusive, non-transferable and non-sublicensable license to make copies of the Documentation provided by Telestream, solely for use by You in connection with the exercise of rights granted in Section 2.1(a). You acknowledge that no right is granted to modify, adapt, translate, publicly display, publish, create derivative works of or distribute the Documentation.
- (c) Sublicenses/Resale Prohibited. The licenses granted to You in this License Agreement are not transferable and do not include the right to sublicense or re-sell the Licensed Materials in any manner.

2.2 Limitations on Licenses.

- (a) No Third-Party Services/Authorized Content Only: Internal Use Only. YOU ARE NOT AUTHORIZED TO USE THE LICENSED MATERIALS FOR THE PURPOSE (I) OF MODIFYING CONTENT WHICH YOU DO NOT OWN OR DO NOT HAVE THE LEGAL RIGHT TO MODIFY. THIS LICENSE IS FOR YOUR INTERNAL USE ONLY.
- (b) Prohibited Activities. You shall not (i) assign, transfer, lease, time share, rent or distribute the Licensed Materials; (ii) modify or create any derivative work of the Licensed Materials; (iii) reverse assemble, decompile, reverse engineer or attempt to derive source code, the underlying ideas, algorithms, structure or organization of the Licensed Materials; (iv) copy the Software (except the single permitted back-up copy) or provide access to the Software to multiple users through a computer network or shared devices; or (v) re-sell or provide the Software to a third party.

2.3 Ownership. Your rights in and to the Licensed Materials are solely as set forth in Section 2.1 and do not include any rights of ownership. You agree that, as between Telestream and You, Telestream owns all right, title and interest (including without limitation all copyright, patent, trademark, trade secret and other intellectual property and proprietary rights) to the Licensed Materials. Telestream expressly reserves all right, title and interest in the Licensed Materials not expressly licensed under this Agreement.

2.4 Delivery. Telestream shall physically or electronically deliver to You one (1) copy of each of the Licensed Materials and Documentation for use by You in exercising Your rights under the licenses granted in Section 2.1. Delivery shall be deemed complete upon receipt by You of media upon which the Licensed Materials and Documentation are digitally stored or on successful completion of any electronic download. Unless otherwise agreed between the parties in a separate written agreement, Telestream shall have no obligation to install or configure the Software or other Licensed Materials for or on behalf of You. Licensed Materials shall be deemed accepted upon delivery.

2.5 Back-Up Copy. You are permitted to make one (1) back-up or archival copy of the Software (excluding documentation) in machine readable (object code) form to support Your authorized use under this Agreement. Such copy shall be labeled "Copy for Back-Up Use Only and Not for Resale." Documentation may not be copied. All copies are the property of Telestream.

2.6 Export Restrictions. You shall comply with all export and re-export restrictions and regulations of the U.S. Commerce Department and other U.S. agencies and authorities. You will not ship, export, re-export, divert or otherwise dispose or authorize or permit the shipment, exportation, re-exportation, diversion or other disposition, of the Licensed Materials or other materials furnished pursuant to this Agreement, to any party or in any manner which would constitute a violation of any present or future export control law or regulation of the United States. Telestream makes no representation or warranty that the Licensed Materials may be exported without appropriate licenses or permits under applicable law, or that any such license or permit has been, will be or can be obtained.

2.7 Government. The Licensed Materials are a "Commercial Item," as that term is defined at 48 C.F.R. 2.101 (Jan. 2011), consisting of "commercial computer software" and "commercial computer software documentation", as such terms are used in 48 C.F.R. 12.212, 48 C.F.R. 227.7202, and 48 C.F.R. 12.211, respectively. Consistent with 48 C.F.R. 12.212, and 48 C.F.R. 227.7202-1 through 227.7202-4, all U.S. Government end users' rights to use, modify, reproduce, release, perform, display, or disclose the Licensed Materials and the documentation are as provided by this Agreement. This U.S. Government Rights clause, consistent with 48 C.F.R. 12.212 and 48 C.F.R. 227.7202, is in lieu of, and supersedes, any other FAR, DFARS, or other clause or provision that addresses Government rights in computer software, computer software documentation or technical data related to the Licensed Materials.

Section 3. Fees

3.1 License Fees. In consideration of and as a condition to the licenses granted to You hereunder and the performance of Telestream's obligations hereunder, You shall pay to Telestream the fees specified by Telestream, which shall be due and payable prior to any delivery of the Licensed Materials, unless Telestream has agreed to alternative payment and invoicing terms in writing. Late payment not cured within ten (10) days following written notice thereof to You shall be grounds for termination of this Agreement, and all rights granted hereunder, by Telestream. In the alternative, You may elect to finance such payments over an extended term through Hitachi Capital America Corp. subject to credit approval.

3.2 Taxes. All amounts payable hereunder shall exclude all applicable sales, use and other similar taxes and similar charges. You will be responsible for payment of all such taxes (other than taxes based on Telestream's income), fees, duties and charges, and any related penalties and interest, arising from the payment of any fees hereunder, the grant of license rights hereunder, or the delivery of related services. You will make all payments required hereunder to Telestream free and clear of, and without reduction for, any withholding taxes. Any taxes imposed on any payments hereunder to Telestream will be Your sole responsibility, and You will, upon Telestream's request, provide Telestream with official receipts issued by the appropriate taxing authority, or such other evidence as Telestream may reasonably request, to establish that such taxes have been paid.

3.3 Late Payments: Interest. Any portion of any fee or other amount payable hereunder that is not paid when due will accrue interest at one and one-half percent (1.5%) per month or the maximum rate permitted by applicable law, whichever is less, from the due date until paid.

Section 4. Audit Permitted.

You shall keep complete and accurate records relating to Your use of the Licensed Materials and Documentation pursuant to this Agreement during the term and for three (3) years after expiration or termination of this Agreement ("Audit Period"). During the Audit Period, Telestream shall have the right, upon reasonable prior notice to You and during Your normal business hours, to audit Your use of the Licensed Materials and to inspect Your records related to any copies of the Software, or portions thereof, made by You.

Section 5. Technical Support and Maintenance.

Except as may be provided in a separate agreement between Telestream and You, if any, Telestream is under no obligation to maintain or support the Software and Telestream has no obligation to furnish you with any further assistance, technical support, documentation, software, update, upgrades, or information of any nature or kind.

Section 6. Confidentiality.

6.1 **Confidentiality.** Telestream considers the Licensed Materials and any other information or documents provided to You regarding the Licensed Materials to be confidential (collectively "Telestream Confidential Information") and to contain valuable trade secrets of Telestream. You agree to maintain the confidentiality of Telestream Confidential Information (but no less than the efforts you take to protect Your own confidential information), not to disclose or otherwise make available the Licensed Materials or other Telestream Confidential Information to any third parties and not to use the Licensed Materials or other Telestream Confidential Information other than for the purposes authorized by this Agreement. This obligation shall continue after any termination of this Agreement. You shall return all Licensed Materials and other Telestream Confidential Information promptly upon the request of Telestream or upon any termination of this Agreement.

6.2 **Equitable Remedy.** You acknowledge that due to the unique nature of Telestream's Confidential Information, Telestream will not have an adequate remedy in money or damages in the event of any unauthorized use or disclosure of Telestream's Confidential Information. In addition to any other remedies that may be available in law, in equity or otherwise, Telestream shall be entitled to obtain any injunctive relief that may be appropriate to prevent such unauthorized use or disclosure.

6.3 **Term of Nondisclosure Obligations.** Your obligations set forth in this Section 5 will survive any expiration or termination of this Agreement, and will bind Your representatives, successors and assigns, if any; provided, however, that such obligations will terminate with respect to any Confidential Information which becomes available for unrestricted public use through no fault of You.

Section 7. Disclaimer of Warranties.

NO WARRANTY, EXPRESS OR IMPLIED, IS MADE WITH RESPECT TO THE SOFTWARE, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS AND THOSE ARISING FROM A COURSE OF DEALING OR USAGE OF TRADE, ALL OF WHICH ARE EXPRESSLY DISCLAIMED. NO WARRANTY IS MADE THAT USE OF THE LICENSED MATERIALS WILL BE ERROR FREE OR UNINTERRUPTED, THAT ANY ERRORS OR DEFECTS IN THE LICENSED MATERIALS WILL BE CORRECTED, OR THAT THE LICENSED MATERIALS' FUNCTIONALITY WILL MEET YOUR REQUIREMENTS.

Section 8. Indemnification.

8.1 **By You.** You, at Your own expense, shall defend Telestream, and its officers, directors, employees, representatives and agents ("indemnified party(ies)"), against any claim, lawsuit, action or liability ("Claims") brought against such indemnified parties based upon use of the Licensed Materials or based upon or related to: (a) content posted to the Internet, Your Intranet, or elsewhere using the Licensed Materials; (b) your negligence or willful misconduct; or (c) a breach by You of Your obligations, representations or warranties hereunder and You shall pay all settlements entered into and damages awarded against You and/or Telestream (including reasonable attorneys' fees) to the extent based on such Claims.

8.2 **Procedure.** All indemnification obligations under this Section 7 shall be subject to the following requirements: (a) the indemnified party shall provide the indemnifying party with prompt written notice of any claim; (b) the indemnified party shall permit the indemnifying party to assume and control the defense of any action; and (c) the indemnified party shall not enter into any settlement or compromise of any claim without the indemnifying party's prior written consent. In addition, the indemnified party may, at its own expense, participate in the defense of any claim. Telestream has no obligation to provide any defense or indemnification with respect to the Licensed Materials, whether by contract or at law or equity.

Section 9. Limitation of Liability.

TELESTREAM'S TOTAL LIABILITY UNDER THIS AGREEMENT OR FOR BREACH OF THIS AGREEMENT SHALL BE LIMITED TO THE AMOUNT OF LICENSE FEES PAID BY YOU DURING THE PREVIOUS TWELVE (12) MONTHS, IF ANY. IN NO EVENT SHALL TELESTREAM OR ANY LICENSOR OF TELESTREAM BE LIABLE FOR COSTS OF PROCUREMENT OF SUBSTITUTE GOODS OR TECHNOLOGY, LOSS OF PROFITS, COSTS OF DELAY, ANY FAILURE OF DELIVERY, BUSINESS INTERRUPTION, COSTS OF LOST OR DAMAGED DATA OR DOCUMENTATION OR LIABILITIES TO THIRD PARTIES ARISING FROM ANY SOURCE, OR FOR ANY INDIRECT, SPECIAL, CONSEQUENTIAL OR INCIDENTAL DAMAGES, HOWEVER CAUSED, WHETHER FOR BREACH OF WARRANTY, BREACH OF CONTRACT, REPUDIATION OF CONTRACT, NEGLIGENCE OR OTHERWISE, EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THIS LIMITATION OF LIABILITY IS INTENDED TO APPLY WITHOUT REGARD TO WHETHER OTHER PROVISIONS OF THIS AGREEMENT HAVE BEEN BREACHED OR HAVE PROVEN INEFFECTIVE.

Section 10. Term and Termination.

This Agreement is effective until terminated. This Agreement shall terminate automatically if You fail to pay any amounts due and fail to cure such breach after notice as provided in Section 3.1, or You breach any other provision of this Agreement. Sections 1, 2.2, 2.3, 3.3, 5, 6, 7, 8, 9 and 10, as well as any payment obligations, shall survive any termination of this Agreement. Upon termination, all licenses granted in this Agreement shall terminate and You shall (a) immediately discontinue all use of the Licensed Materials, and Telestream's Confidential Information; (b) delete any Telestream Confidential Information from Your computer storage or any other media, including, but not limited to, online and off-line libraries; (c) return to Telestream or, at Telestream's option, destroy, all copies of the Licensed Materials and Telestream's Confidential Information; and (d) promptly pay to Telestream and/or the lender which financed such amounts, all amounts due and remaining payable hereunder. This remedy shall be in addition to any other remedies available to Telestream.

Section 11. General Provisions.

11.1 **Relationship of the Parties.** In making and performing this Agreement, You and Telestream act and shall act at all times as independent contractors, and nothing in this Agreement is to be construed as creating an agency, partnership, or joint venture relationship between Telestream and You.

11.2 **Entire Agreement.** This Agreement represents the entire agreement between Telestream and You with respect to the subject matter hereof and shall supersede all prior agreements and communications of the parties, oral or written, including, but not limited to, any purchase order terms and conditions that may be issued by You.

11.3 **Amendment and Waiver.** No amendment to, or waiver of, any provision of this Agreement shall be effective unless in writing and signed by both parties. The waiver by any party of any breach or default shall not constitute a waiver of any different or subsequent breach or default.

11.4 **Governing Law, Arbitration and Jurisdiction.** Any dispute or claim arising out of or in connection with this Agreement, except for a dispute or claim arising from the provisions of Section 2.3 (Ownership) or 5 (Confidentiality) above, will be finally settled by binding arbitration in Nevada County, California in accordance with the then-current Commercial Arbitration Rules of the American Arbitration Association by one arbitrator appointed in accordance with such rules. The arbitrator shall apply California law, without reference to rules of conflicts of law or rules of statutory arbitration, to the resolution of any dispute. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Notwithstanding the foregoing, the parties may apply to any court of competent jurisdiction for preliminary or interim equitable relief, or to compel arbitration in accordance with this paragraph, without breach of this arbitration provision. The United Nations Convention on Contracts for the Sale of Goods and the Uniform Computer Information Transactions Act do not apply to this Agreement.

11.5 **Prevailing Party.** The prevailing party in any legal action brought by one party against the other and arising out of this Agreement shall be entitled, in addition to any other rights and remedies it may have, to reimbursement for its expenses, including court and arbitration costs, as well as reasonable attorneys' fees.

11.6 **Successors and Assigns.** This Agreement and the licenses granted hereunder may not be assigned by You, by operation of law or otherwise, without the prior written consent of Telestream. Subject to the foregoing, this Agreement shall be binding upon, and inure to the benefit of, the permitted successors and assigns of each party.

11.7 **Notices.** All notices, requests, consents and other communications which are required or permitted hereunder shall be in writing, and shall be delivered by registered U.S. mail, postage prepaid (effective three (3) days after mailing) or sent by facsimile or electronic mail, with a confirmation copy simultaneously sent by U.S. mail, postage prepaid (effective upon transmission), at the addresses provided by the other party in writing. If such notice is to Telestream, it shall be addressed to: CFO, 848 Gold Flat Road, Nevada City, CA 95959, Facsimile (530) 470-1301. Notice of change of address shall be given in the same manner as other communications.

11.8 **Severability.** If any provision of this Agreement is held to be invalid, illegal or unenforceable for any reason, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.