VUDU User Guide DRAFT COPY

[VUDU beauty image with remote]

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WELCOME TO VUDU!

Thank you for choosing VUDU, the movie store in a box. We trust that you will enjoy using VUDU as much as we enjoyed creating it!

As soon as you plug in your VUDU box, you'll embark on a completely new and effortless entertainment experience. From the remote, which requires only five buttons to navigate approximately 5000 movies, to innovative discovery features and immediate viewing, VUDU makes watching a movie at home easier and more satisfying than ever before.

This User Guide should address any questions you might have about setting up and operating your VUDU box and service.

More help is always available at www.vudu.com or 1-888-554-VUDU (8838).

SAFETY AND REGULATORY COMPLIANCE INFORMATION

SAFETY STATEMENTS

Vudu Box

There are no user serviceable parts inside. Opening your VUDU box will void the warranty.

Clean with a dry cloth only.

Do not use near water.

Use only the authorized AC power supply and cord, provided by VUDU. The VUDU box requires no more than 12 VDC at 2 Amps.

Please place the VUDU box where its vent holes will remain clear—they provide necessary ventilation for the unit.

Do not place the box on an amplifier or any component with open vent holes on top.

The VUDU box has a maximum operating temperature of 45 degrees Centigrade (115F).

Do not move the VUDU box while it is plugged into the power supply. You may lose stored content.

The VUDU box contains perchlorate material - special handling may apply. See: www.dtsc.ca.gov/hazardouswaste/perchlorate

Remote Control

Do not expose batteries to excessive heat.

Properly dispose of used batteries.

Replace batteries with only similar type (AA).

Vudu Box model VUDUBX100 complies with CSA 60950-1-2003, ANSI/UL 60950-1 1st Edition; File number 240178.

Vudu remote model VUDUAC101 Complies with UL 60065 7th **Edition**; **File number E309116.**

FCC STATEMENTS

VUDU Box

This device complies with part 15 of the FCC Rules. Operation is subject to the following two conditions:

- (1) This device may not cause harmful interference, and
- (2) this device must accept any interference received, including interference that may cause undesired operation.

Notice: Changes or modifications not expressly approved by the party responsible for compliance could void the user's authority to operate the equipment.

This transmitter must not be co-located or operating in conjunction with any other antenna or transmitter.

VUDU Remote

Model Number VUDUAC101 FCC ID: VLTVUDUAC101



Tested to comply with FCC Standards

PLAYER SPECIFICATIONS

What's Included
VUDU Box
VUDU Remote
HDMI Cable
Ethernet Cable
Composite Video with Analog Stereo Audio Cable
Power Supply & AC Cord
RF Antenna
2 AA Batteries
Quick-start Guide

Size & Weight

Height: 2.4 in Width: 8.9 in Depth: 7.3 in Weight: 4.2 lbs

Packaged Weight: 7.5 lbs

Storage

250 GB Hard Drive 100 hrs of owned movies Unlimited rentals

Networking Requirements

High-speed broadband Internet connection
-3 Mbps advertised (2.0 actual) for instant viewing
-1.5 Mbps advertised (.85 actual) for delayed viewing

Audio Outputs

HDMI v 1.1 Digital Optical Digital Coax RCA

<u>Video Outputs</u>

HDMI v 1.1 Component S-Video Composite

Video Resolution

1080p/24 1080i 720p 480p 480i

TV Compatibility

High-definition or enhanced definition in widescreen or full-screen formats (recommended)

Standard definition in widescreen or full-screen formats

Connectivity

Ethernet 2 USB ports

Remote Specifications

RF

Range: 22 ft minimum, unobstructed

Environmental Requirements

Operating Temperature: 32 to 113 F (0 to 45 C) Relative Humidity: 10 to 90% non-condensing

Audio Format

Source: Dolby® Digital Plus Out: Dolby® Digital 5.1

Video Format MPEG-4

<u>Limited Warranty</u> Limited 1 yr for parts & labor

SETTING UP YOUR VUDU BOX

Note: The Quick-Start Guide included with your package will take you through these steps, as well.

INSERT BATTERIES

Put the enclosed batteries into the VUDU remote

CONNECT ANTENNA

Locate the antenna and twist it onto the connector on the back of the box labeled "Remote."

The VUDU remote is a radio frequency, or RF, remote. This means you don't have to point it at the VUDU box for it to work. Because RF uses radio waves, it is necessary to use an antenna to receive input from the remote.

THE HDMI SET-UP

If you have an HDMI[™] input on your TV, please do the following three things to get ready to VUDU. If you don't have an HDMI input, or you prefer other audio or video connections, skip down to NON-HD VIDEO OPTIONS

Please make sure you do the HDMI Set-up in the following order:

- 1. Connect the VUDU box to your television's HDMI input using the supplied HDMI cable.
- 2. Connect the VUDU box to your broadband Internet connection using the supplied Ethernet cable.
- 3. Connect the VUDU box to a power source using the enclosed power supply and AC cord.

WHAT TO EXPECT

Now that you've connected power to your VUDU box, you should see red and then green LED lights come on within a couple of seconds. In approximately 20 seconds, the VUDU logo will appear on your television.

If you do not see the VUDU logo after one minute, consult your TV's owner's manual and make sure the TV or monitor is set to the right video input.

Approximately one minute after the VUDU logo appears on-screen, you will be taken through a guided set-up and be ready to watch movies.

Note: In order to receive the latest movies and software updates, your VUDU box needs to remain connected to a power source and a broadband Internet connection.

NON-HD VIDEO OPTIONS

If you are not using an HDMI connection for video, you will want to choose one of the video connections below. We have listed these options in order; starting with the most recommended for optimal video quality to less recommended. Please choose the connection that works best with your television.

Option A: Component Video

- Use component video cables (sold separately) to connect your VUDU box to your television's component video inputs.
- If you are using component video and your television supports 48op, set the switch on the back of the box labeled "Analog Video Out" to "48op" (it is set to "48oi" by default).

Option B: S-Video

• Use an S-Video cable (sold separately) to connect your VUDU box to your television's S-Video input.

Option C: Composite Video

• Use the supplied composite video with analog stereo audio cable to connect your VUDU box to your television's composite video input.

AUDIO OPTIONS

If you are not using an HDMI connection for audio, you will want to choose one of the audio connections below. We have listed these options in order; from the most recommended for optimal audio quality to less recommended. Please choose the connection that works best with your television or A/V receiver.

Option A: Digital Audio

• If you have a Dolby® Digital-capable receiver (surround sound), use a digital optical audio cable (sold separately) or a digital coaxial audio cable (sold separately) to connect your VUDU box to your A/V receiver's digital audio input.

Option B: Analog Stereo Audio through an A/V receiver

• If you have analog stereo speakers, use a separate stereo audio cable with RCA connectors to connect your VUDU box to the analog stereo audio inputs on the back of your A/V receiver.

Option C: Analog Stereo Audio through the TV

• If you have analog stereo audio within your television, use a separate stereo audio cable with RCA connectors to connect your VUDU box to the analog stereo audio inputs on the back of your television.

CONNECT BROADBAND INTERNET

Once you have completed video and audio set-up, connect your VUDU box to a broadband Internet connection using the supplied Ethernet cable.

Note: You can plug the box into any number of Ethernet or game adapters to connect it wirelessly to your home network. We recommend adapters with a minimum of 802.11G. Wireless performance will vary based on environmental factors, including distance from the router, building materials, and proximity to microwaves.

CONNECT TO A POWER SOURCE

Lastly, use the enclosed power supply and AC cord to connect your VUDU box to a standard wall outlet.

Note: In order to receive the latest movies and software updates, your VUDU box needs to remain connected to a power source and a broadband Internet connection.

THE VUDU REMOTE

The VUDU remote is central to the VUDU experience. Our remote has a unique design which enables you to move fluidly around the user interface.

You'll find that your remote fits nicely in the palm of your hand. You'll also find that you can use it in the dark.

The remote's main control is the SCROLL WHEEL. To navigate through any screen, use your thumb to roll the scroll wheel up or down. You'll see the yellow, highlighted box move instantly on the screen. To make a selection, click by pressing the scroll wheel down.

In some screens, scrolling will move you left and right. In others, it will move you up and down.

The **VUDU** button takes you to the VUDU Home Screen.

The **BACK** button moves you to the left, or back to the previous screen.

The **PLAY/PAUSE** button controls the playback of a preview or a movie.

You'll also notice a button on our remote called **MORE**. MORE is how you'll access exciting new features we'll be adding in the future.

Note: In the event that your remote control becomes "un-paired" from your VUDU box (sometimes caused by a hard drop), it will become non-responsive. To re-pair your remote with the box, please follow the steps below:

- 1. Make sure the RF antenna is seated properly and connected to the back of the VUDU box. Hold down the "VUDU" button on the remote and press the "back arrow" button four times. Then, release the "VUDU" button. You will know this part of the process is complete when the small red light at the tip of the remote begins to blink in two-second intervals.
- 2. Place the remote on or near the VUDU box.
- 3. Reboot the system by removing the power plug from the back of the unit, pause for a moment, and then return the plug.
- 4. The "VUDU starting..." screen will be present for approximately 60 seconds while the system starts.
- 5. Once the unit completes this part of the process, you will be prompted to repeat the pairing sequence.
 - A. Hold down the "VUDU" button on the remote and press the "back arrow" button four times. Then, release the "VUDU" button. Move the scroll wheel forward and then back.
 - B. You should get a confirmation message on screen telling you that you have successfully paired the remote control.

VUDU HOME and FINDING MOVIES

The **VUDU HOME SCREEN** is the starting point of the VUDU experience. From here you'll be able to browse and search for movies to watch, access movies recently added to the service, access movies you've bought or rented, and view movies you've added to your Wish List.

You can also access the Settings menu to manage such features as parental controls, network settings, and audio and video settings.

You can always go back to the VUDU Home Screen by pressing the VUDU button on the remote.

The VUDU box contains a powerful discovery engine to help you find great movies. VUDU kick-starts your search by showcasing 20 movies in a "film-strip" on the Home Screen. If one of these films appeals to you, just click on the poster and you'll be taken to its MOVIE DETAILS SCREEN.

Movie Details presents important information about each movie, including a preview when available. From here, you can rent or purchase a movie and watch it instantly. Previews come pre-loaded onto your VUDU box.

From the Movie Details Screen of any film, you can click on SIMILAR MOVIES for a list of movies like it in the VUDU library.

FINDING MOVIES

For more in-depth searching, click on FIND MOVIES from the VUDU Home Screen.

From the FIND MOVIES SCREEN, you'll have the option to explore movies by genre or search by specific criteria like title, actor, or director.

By selecting EXPLORE GENRES, you can limit your search to movies that fall within a chosen genre. After you have picked one genre, you might wish to choose another to further refine your search. Do this by clicking any other "with [genre name]" selection. You may select as many genres as you'd like. This is a Boolean search, so each successive genre addition yields a smaller and smaller pool of movies.

Genres are determined by VUDU, while the movie studio and metadata come from AMG (All Movie Guide). There are 18 genres, including "New Releases."

Additionally, your search can be filtered by selecting MPAA ratings, critics' ratings (currently using AMG star ratings), release dates, or studios. You may then choose to sort your results by release date, alphabetical listing, or critics' rating.

When you're done fine-tuning your search, simply hit the back button to highlight the movie names and scroll through the list of movies that remain. As each title is highlighted, the movie's poster is displayed on the right along with helpful information like its length, synopsis, and MPAA rating.

For most movies, you'll be able to watch a preview. To begin watching, click on the "play/pause" button. Should you wish to go back to the Movie Details at any point during the preview, press the "play/pause" button again.

SEARCH BY TITLE & SEARCH BY ACTOR OR DIRECTOR

From the Find Movies Screen, you can choose Search by Title or Search by Actor

or Director and spell the title, actor, or director by using your remote with the onscreen keyboard.

Additionally, VUDU lets you explore by actor or director from the Movie Details Screen. By scrolling over the artist's name on the left of the screen and selecting it with the remote, you will transform the page into that artist's FILMOGRAPHY.

Within six months, this feature will extend to include screenwriters and producers.

MY WISH LIST

When you're exploring the service, if you find a movie you like but are not ready to purchase or rent it immediately, simply add it to MY WISH LIST for safe-keeping.

BUYING AND RENTING MOVIES

After navigating to the Movie Details Screen of the film you wish to watch, you will be presented with the choice of renting or purchasing your selection.

Purchasing a movie is simple. First, click on "Own it." This will take you to a confirmation screen. Here, you will have the option to cancel your purchase. If you confirm your purchase, we ask that you again click on "Own it." At this point, if the VUDU account is in good standing, the purchase will be authorized. Should there be any problem with the user's account, he or she will be invited to contact Customer Care.

The rental process is very similar. When you rent a title, it will be available and stored in My Movies for up to 30 days. Once you press "play," a 24-hour viewing period is initiated. The rental will expire at the end of that 24-hour period or the end of 30 days, whichever comes first.

After you have rented or purchased a film, you may easily access it by clicking on My Movies from the VUDU Home Screen. Each movie studio determines the availability and the conditions under which VUDU rents and/or sells its titles.

In order to pause the movie's playback, press the "play/pause" button. To resume play, press "play/pause" again.

If you leave a movie you are in the process of watching for any period of time, it will automatically resume playing where you left off when you return to it.

You will notice a track bar at the bottom of your screen. This bar allows you to navigate within the movie you are watching. You can fast-forward or rewind within that portion of the movie that has been downloaded by using the scroll wheel on the remote.

If you do nothing, the track bar will disappear after five seconds. If, at any point, you'd like to see the track bar again, simply click or scroll the wheel once.

YOUR ACCOUNT

You can access your account through the VUDU website. There, you can view your movie purchase history as well as update your credit card information. VUDU takes all major credit cards: VISA, MasterCard and American Express.

If you purchased your VUDU box online, you will have set up your account during the purchasing process. If you bought the box from a retailer, you will be asked to activate your account during the guided set-up process.

When setting up your account, you will provide a credit card and choose an amount (\$20, \$50, or \$100 with \$20 being the default amount) to charge the card and create a positive balance in the account. As you rent or purchase movies,

the per-movie viewing charges will be debited from your VUDU account. When your account depletes to \$0.00, the pre-selected amount is charged to the credit card and the account is replenished.

SETTINGS & INFO

SERVICE QUALITY

Throughout the VUDU experience, you will be notified if the network is not in an optimal state. This notification does not interfere with exploring or with playback unless instant viewing is not possible.

If the network is disconnected, a red triangle appears in the bottom right-hand area of the screen and is also noted on the Movie Details Screen.

If the network is connected but below the level needed for instant access (2 Mbps), the network notification appears in yellow. When you click into it, you

will be informed of how long the delay will be to watch your movie.

Additionally, the Network State on the Settings & Info menu enables you to see details about your network state and troubleshoot any issues.

With the Advanced Service Set-up, you can set the amount of bandwidth VUDU will consume.

PARENTAL CONTROLS

With this feature, you can limit access to certain kinds of movies for rental/purchase or watching.

From the Settings menu, you can select "Parental Controls" and limit the movies, by rating, your children may watch or purchase without your participation. (If you block a rating for purchase or rental, it will automatically be blocked for viewing as well. You may separate the two by un-clicking the individual boxes.)

To activate Parental Controls, click the "On" switch. You will be asked to enter your password. If it is the first time you've used Parental Controls, you will be prompted to create a password with a display presented which assigns numbers to buttons on the remote.

All movies are assigned a rating by the MPAA, the Motion Picture Association of America. The ratings are G, PG, PG-13, R, or NC-17. Some additional content is not rated by the MPAA. Please note that we find some of this content—such as nature documentaries—suitable for family viewing. In these cases, we label the content "Unrated/Family-Friendly." If it is otherwise listed as "Unrated," we have not deemed it to be family-friendly.

The "time-out" for Parental Controls is three minutes. If a user leaves the screen idle for more than three minutes, he or she will have to reenter a password in order to activate Parental Controls.

AUDIO & VIDEO SETTINGS

The VUDU box can output a variety of aspect ratios. You'll want to choose an aspect ratio that's compatible with your TV. VUDU offers 16x9, or "widescreen," the format of most ED and HDTV's. If you have an older television, you'll want to choose 4x3, or "fullscreen." In most cases, VUDU can detect the settings most appropriate for your TV. Additionally, we enable some manual settings.

Video playback format–The default setting is boxed.

- Boxed (recommended)— Displays video using the original aspect ratio with black bars on top/bottom or sides.
- Stretched Stretches video playback to fill the screen.

• Zoomed—Keeps the original aspect ratio of the video but zooms into the picture to fill the screen and cuts off any overlap off the screen.

HDMI Resolution—Allows the user to override the HDMI resolution recommended by the TV. The default setting is Auto.

- Auto-Takes the preferred resolution from the HDMI TV.
- 480p-Forces box to display 480p (if TV can display).
- 720p–Forces box to display 720p (if TV can display).
- 1080i–Forces box to display 1080i (if TV can display).

Overscan Settings–VUDU enables you to easily maximize the on-screen viewing surface of your TV. You can use the remote to adjust the arrows on the screen and judge the size you are specifying.

AUDIO SETTINGS

VUDU encodes in Dolby Digital Plus, the next generation audio technology from Dolby. The box decodes the audio into either Stereo and/or Surround Sound (Dolby 5.1).

FAQ

How does VUDU work?

VUDU uses technology developed over the past 2 1/2 years to deliver movies instantly over the Internet directly to your TV. VUDU employs a unique distributed network model that enables cost-effective and efficient delivery of movies to each home. In addition, VUDU pre-positions content across the network and caches previews and meta-data on each box to create a seamless and instant viewing experience.

How much of my VUDU box is used to support the distributed network?

Less than 10% of the hard drive is used solely for content storage for the distributed network.

What is the encryption VUDU uses?

VUDU encrypts all files and uses hardware decryption specifically designed by the VUDU team. Each VUDU box comes with a smartcard that slides into the front of the box. The card, which is linked to each user's account, should never be removed during operation. If it slides out, simply reinsert it to continue operation.

Can I move the movies to a device or another TV?

At this time, our agreements with the studios do not allow for the export of purchased movies onto an external DVD-burner. However, nothing stops consumers from connecting the box to another TV within their home or in a different house. Even if you don't have access to the Internet at this new location, all movies previously stored on the box will be viewable.

What happens if my VUDU drive gets full?

VUDU has enough storage space for 100 hours of purchased SD content—roughly 50 movies. Within six months, we will upgrade the box's software to support off-the-shelf external USB hard drives. VUDU will format the drive and make it an extension of the VUDU box.

Do you support wireless networking?

You can use an Ethernet wireless bridge typically used for gaming consoles to connect the VUDU box to your wireless network. We recommend 802.11G minimum. Wireless performance may vary based on environmental factors specific to each home—distance from the router, building materials, and proximity to microwaves.

Do you offer HD Movies?

The VUDU hardware is capable of displaying HD content. Once movie studios are ready to license this content to VUDU, we are ready to deliver it to our customers.

How does it compare with other stand-alone services in this category?

Most digital services deliver content to the PC or offer a limited number of movies for delayed viewing on the TV. We're delivering thousands of titles to the living room that can be watched instantly on TV—more content than two typical video stores combined. We believe consumers want access to movies directly from their TV with a TiVo-like ease-of-use. That is what VUDU delivers.

How does it compare with VOD services from Cable providers?

Most VOD services from cable providers offer access to a limited number of movies, generally about 100 to 200 titles. Most are not considered recent releases. As a result, people who use VOD services are still likely to rent or purchase videos from traditional video stores.

How often does VUDU update and when does that happen?

VUDU will update content and software on a regular basis (weekly) at an off hour. If you happen to be watching something at that time, the update will start once the box is idle so as to not interrupt your viewing session.

How many movies are added every week?

5 to 20 movies are added on a weekly basis.

Are movie releases day-and-date with the DVD release?

We get the movies at the same time that the DVD is released; sometimes there might be a day or so lag between the actual release and appearing on your VUDU box given the VUDU box update schedule. At the DVD release, you may purchase the movie on VUDU. Rental availability varies by studio but is generally several weeks following DVD release.

Can you force a connect and get an update?

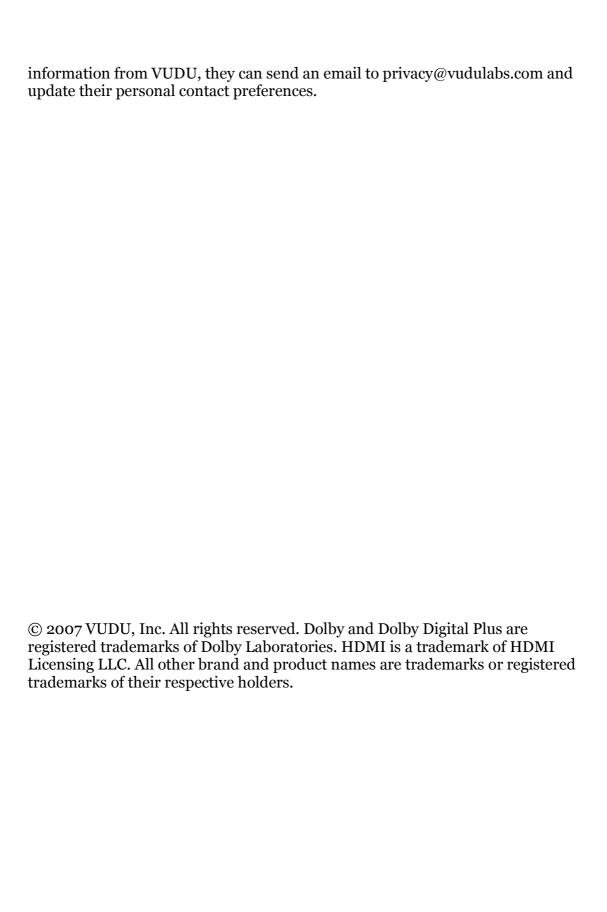
No. The update is done automatically when the box is connected to the Internet and idle.

What is VUDU's privacy policy?

VUDU collects and uses personal information to give customers superior service and to provide them with convenient access to our products. In addition, we may use their personal information to keep customers up-to-date on the latest product announcements, software updates, special offers, and other information we think they will like to hear about. We do not share information about an individual's viewing habits under any circumstances. For contractual reasons, we may report aggregate usage to our content partners.

We may occasionally include information about products and services from other technology companies that can add value to your VUDU products.

From time to time, we may also use the information to ask customers to participate in market research surveys, so that we can gauge customer satisfaction and develop better products. If the user does not want to receive such



TERMS OF SERVICE

VUDU, INC.

Terms of Service

These Terms of Service govern the use of the VUDU Service (the "VUDU Service"). If you do not accept these Terms of Service on the VUDU website, you will not be able to view content. We may update these Terms of Service from time to time. You should periodically visit the Terms of Service page on VUDU's website so you are aware of the terms and conditions to which you are bound. Your continued use of the VUDU Service will represent your acceptance of the most current Terms of Service.

Description: The VUDU Service is provided by VUDU, Inc. ("us" or "we"), 2901 Tasman Drive, Suite 101, Santa Clara, CA 95054. The VUDU Service is a home entertainment service for viewing movies, images, artwork and/or other content ("Content") through a proprietary device manufactured by or on behalf of VUDU (the "VUDU Equipment"). YOU MUST HAVE HIGH-SPEED INTERNET CONNECTIVITY, A TELEVISION, AND A VALID VUDU ACCOUNT WITH SUFFICIENT AVAILABLE CREDIT to use the VUDU Service. Please direct all questions regarding the VUDU Service to: VUDU Customer Care, 2901 Tasman Dr., Suite 101, Santa Clara, CA 95054.

Activation: During online set-up of your VUDU Service Account, these Terms of Service will be provided electronically. You will have access to a printable/downloadable version of these Terms of Service before selecting "I Agree" by visiting http://www.vudu.com/termsofservice.html.

Service and Coverage Area: You must maintain a valid and active VUDU Service Account in good standing to use the VUDU Service. You are not required to have an account in good standing to view Content that has been previously purchased on the VUDU Equipment. High speed Internet access is required to maintain the VUDU Service. The VUDU Service is only available, and content can only be downloaded, within the 50 States of the United States of America. When you order Content for rental, you will be granted a non-exclusive, nontransferable limited license to download and view one copy of the Content on a single in-home television within the exhibition period described below. When you order Content for purchase, you will be granted a non-exclusive, nontransferable limited license to download and view one copy of the Content on a single in-home television once or repeatedly, and to retain such copy. The use of the VUDU Service will enable other users of the VUDU Service to download segments of files from your VUDU Equipment. Your IP address may be visible by routers of other users of the VUDU Service; no other personal information will be visible. You hereby consent to such downloads and to the corresponding use of bandwidth. To prevent others from downloading from your VUDU Equipment, you can: (a) disconnect your VUDU Equipment from the Internet, (b) disconnect the power source to your VUDU Equipment, or (c) terminate your VUDU Service. **Content Selection:** We will determine the selection, availability, and quantity of all Content available on the VUDU Service. The Content offered, the quantity of Content offered, and the availability of the Content offered can/may be unique to each VUDU Service account and VUDU Equipment. Not all Content on the VUDU Service is available at all times to all users.

Content Restrictions: You understand and agree that the Content is licensed by VUDU from content providers ("Content Providers"). Copyrights in the Content are owned by the Content Providers and protected by the copyright laws of the United States, as well as other intellectual property laws and treaties. No right, title or interest in the Content is transferred to you. All Content is licensed, not sold, transferred or assigned to you, for personal, non-commercial use only on VUDU Equipment. You may not edit, modify, copy, distribute, transmit, download, display, perform, reproduce, publish, license, translate, create derivative works from, transfer, alter, adapt, sell, rent, lease or sublicense any Content, or facilitate any of the foregoing. Without limiting the generality of the foregoing, you may not (i) show any Content to any public audience or view it in public location; (ii) duplicate, reproduce, transfer record, or create copies of Content or any portion thereof (including without limitation by "burning", P2P file-sharing, posting, uploading or downloading) onto any physical medium, memory or device, including without limitation, CDs, DVDs, VCDs, portable media devices, computers or other hardware or any other medium now owned or hereinafter devised. You may not attempt to circumvent, avoid, bypass, remove, deactivate, impair or otherwise defeat any encryption, rights signaling or copy protection technology in which the Content is wrapped or otherwise associated. You may not decompile, copy, reproduce, reverse engineer, disassemble or otherwise reduce the computer file in which the Content is stored to a humanreadable form. Any unauthorized copying or other activities that infringe upon the intellectual property rights of owners of the Content are prohibited, and you expressly agree to the automatic termination of the VUDU Service if you engage in any infringing activities. Upon any such termination, the Content will be deleted from your VUDU Equipment.

Content purchased on VUDU is non-transferable and will be deleted from your VUDU Equipment upon registration of a VUDU Service Account under a new name to your VUDU Equipment.

Except as specifically granted herein, all rights to the Content are reserved by the owner of such Content.

Exhibition Period: If you rent Content, you will have 30 days to initiate viewing. Once initiated, viewing must be completed within 24 hours or before the end of the 30th day, whichever is sooner. If you buy Content, you may view it for as long as you own your VUDU Equipment, with or without a VUDU Service Account.

Billing: Per movie viewing charges, applicable taxes, and any other fees incurred will automatically be charged to your VUDU Service Account. Fees are payable only in U.S. dollars. Your VUDU Service Account will automatically recharge once the account balance is depleted by charging the credit card linked to the account either the amount specified by you during the account set-up process, or a default amount of \$ 20.00. We may change the fees and charges in effect, or add new fees and charges from time to time.

Refunds: You may cancel your VUDU Service Account at any time by following the procedures outlined at http://www.vudu.com/faq.html. Any remaining cash balance in your VUDU Service Account will be refunded at that time. Any movie viewing charges are non-refundable. Any VUDU Rewards you may have accrued are non-refundable.

Termination by VUDU: We reserve the right to terminate the VUDU Service at any time with or without cause. If your VUDU Service is terminated for any reason, your credit card will be refunded any U.S. dollar balance that remains in your VUDU Service Account. We have no obligation to refund fees paid for VUDU Equipment or any value, monetary or otherwise, you may have accrued as VUDU Rewards if your VUDU Service is terminated by us.

Customer Privacy: VUDU collects and maintains personally identifiable information concerning our customers. This information includes, but is not limited to, billing records, maintenance and repair records, marketing information, and customer feedback. VUDU maintains a privacy policy that may be accessed through our website at: http://www.vudu.com/privacypolicy.html. We reserve the right to make changes to the privacy policy at any time and for any reason.

Your Submissions: If you send us any submissions (e.g., emails, letters, postings to chat rooms, boards, or contests), feedback, creative suggestions, ideas, notes, drawings, concepts, or other information, they will be deemed to be our property and we will not be liable for any use or disclosure of such submissions. Without limitation of the foregoing, we shall exclusively own all now-known or hereafter existing rights to the submissions of every kind and nature throughout the universe and shall be entitled to unrestricted use of the submissions for any purpose whatsoever, commercial or otherwise, without compensation to the provider of the submissions. The content of any submissions must not be illegal, obscene, threatening, defamatory, invasive of privacy, infringing of intellectual property rights or otherwise injurious to third parties or objectionable, and may not consist of or contain software viruses, political campaigning, commercial solicitation, chain letters, mass mailings or any form of "spam." You may not use a false email address, impersonate any person or entity, or otherwise mislead as to the origin of the content. We reserve the right (but not the obligation) to remove or edit such content, but we do not regularly review posted content.

Additional Restrictions: You agree to only configure VUDU Equipment in accordance with the user manual located at

http://www.vudu.com/userguide.html. You will not, and will not allow anyone else to open, tamper with, or reverse engineer, decompile, or disassemble your VUDU Equipment (or any software contained within), or make any modifications, additions, attachments, or alterations to the VUDU Equipment (or any software contained within). Additionally, you agree not to, or attempt to, disclose or circumvent any security measures utilized as part of the VUDU Service or VUDU Equipment (or the software contained within). You understand and acknowledge that the VUDU Service and VUDU Equipment (or the software contained within) incorporate and utilize propriety technologies, materials, and Content of VUDU, Inc. or our licensors that are protected by copyright, patent, trade secret, and other laws and that any use or disclosure of the VUDU Service, Content, or VUDU Equipment (or the software within) contrary to these Terms of Service or any copying of the materials and/or Content residing in the VUDU Equipment will result in substantial damages to us or our licensors and subject you to civil liabilities and/or criminal penalties.

Age Restrictions: You must be 18 years of age or older to maintain a VUDU Service Account. While individuals under the age of 18 may utilize the VUDU Service, they may do so only with the involvement of a parent or legal guardian. While VUDU does distribute Content that may be watched by children, we do not intentionally seek to collect information from individuals 13 years of age and younger. The VUDU Equipment includes a parental control feature that lets you restrict access to Content based on the rating system of the Motion Picture Association of America.

Digital Millennium Copyright Act: If you are a copyright owner or an agent thereof and believe that any Content, user submission or other content infringes upon your copyrights, you may submit a notification pursuant to the Digital Millennium Copyright Act ("DMCA") by providing our Copyright Agent with the following information in writing (see 17 U.S.C. 512(c)(3) for further detail):

- A physical or electronic signature of a person authorized to act on behalf of the owner of an exclusive right that is allegedly infringed;
- Identification of the copyrighted work claimed to have been infringed;
- Identification of the material that is claimed to be infringing or to be the subject of infringing activity and that is to be removed or access to which is to be disabled and information reasonably sufficient to permit us to locate the material;
- Information reasonably sufficient to permit us to contact you, such as an address, telephone number, and, if available, an email address;
- A statement that you have a good faith belief that use of the material in the manner complained of is not authorized by the copyright owner, its agent, or the law; and

• A statement that the information in the notification is accurate, and under penalty of perjury, that you are authorized to act on behalf of the owner of an exclusive right that is allegedly infringed.

Our designated Copyright Agent to receive notifications of claimed infringement is: Copyright Agent, VUDU, Inc., 2901 Tasman Dr., Suite 101, Santa Clara, CA 95054; email to: DMCA@VUDU.com; or fax to: (408) 588-4080. For clarity, only DMCA notices should go to the Copyright Agent; any other feedback, comments, requests for technical support, and other communications should be directed to VUDU Customer Care, 2901 Tasman Dr., Suite 101, Santa Clara, CA 95054. You acknowledge that if you fail to comply with all of the requirements of this Section, your DMCA notice may not be valid.

If you believe that content or a submission of yours that was removed (or to which access was disabled) is not infringing, or that you have the authorization from the copyright owner, the copyright owner's agent, or pursuant to the law, to post and use such content or submission, you may send a counter-notice containing the following information to the Copyright Agent:

- Your physical or electronic signature;
- Identification of the content that has been removed or to which access has been disabled and the location at which the content appeared before it was removed or disabled;
- A statement that you have a good faith belief that the content was removed or disabled as a result of a mistake or a misidentification of the content;
 and
- Your name, address, telephone number, and email address, a statement that you consent to the jurisdiction of the federal court in Santa Clara County, California, and a statement that you will accept service of process from the person who provided notification of the alleged infringement.

If a counter-notice is received by the Copyright Agent, we may send a copy of the counter-notice to the original complaining party informing that person that the removed content may be replaced or no longer disabled in 10 business days.

Unless the copyright owner files an action seeking a court order against the content provider, member or user, the removed content may be replaced, or access to it restored, in 10 to 14 business days or more after receipt of the counter-notice, at our sole discretion.

Links to Third Party Websites: This website may contain links to third-party sites which are not under our control, and we are not responsible for the contents of any linked site or any link contained in a linked site, or any changes or updates to such sites. We are providing these links to you only as a convenience, and the inclusion of any link does not imply that we endorse or accept any responsibility for the content on such third-party site.

Warranty Disclaimer; Limitation of Damages and Liability: THE VUDU SERVICE AND THE CONTENT IS PROVIDED ON AN "AS IS" BASIS, WITH ALL FAULTS AND WITHOUT WARRANTY OF ANY KIND. NEITHER WE NOR THE CONTENT PROVIDERS MAKE ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND AS TO THE SERVICE OR THE CONTENT MADE AVAILABLE THROUGH THE SERVICE, OR THAT THE CONTENT OR SERVICE WILL MEET YOUR REQUIREMENTS OR BE UNINTERRUPTED, ERROR-FREE, OR FREE FROM VIRUSES, INTERFERENCE, HACKING OR OTHER SECURITY INTRUSION, AND VUDU AND CONTENT PROVIDERS DISCLAIM ANY LIABILITY RELATING THERETO. NEITHER WE NOR THE CONTENT PROVIDERS ASSUME ANY LIABILITY FOR ERRORS OR OMISSIONS IN THE SERVICE, THE CONTENT OR THE CONTENT OF THE VUDU WEB SITE. OR ANY LOSSES OR DAMAGES ARISING FROM THE USE OF THE SERVICE, THE CONTENT OR THE VUDU WEBSITE. OUR SOLE OBLIGATION FOR ANY MALFUNCTIONING VUDU EQUIPMENT SHALL BE AS SET FORTH IN OUR PUBLISHED LIMITED WARRANTY AGREEMENT. YOU AGREE THAT NO OTHER EXPRESS OR IMPLIED WARRANTIES WILL APPLY, INCLUDING BUT NOT LIMITED TO, IMPLIED WARRANTIES OR CONDITIONS OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. IN ADDITION WE AND THE CONTENT PROVIDERS DISCLAIM ANY WARRANTIES OF SATISFACTORY QUALITY, NON-INFRINGEMENT, TITLE, OR QUIET ENJOYMENT, AND THEIR EQUIVALENTS UNDER THE LAWS OF ANY JURISDICTION. TO THE MAXIMUM EXTENT PERMISSIBLE UNDER APPLICABLE LAW, UNDER NO CIRCUMSTANCES, INCLUDING BUT NOT LIMITED TO NEGLIGENCE BY US OR CONTENT PROVIDERS, SHALL VUDU, CONTENT PROVIDERS, OR ANY OF THEIR OR OUR DIRECTORS, OFFICERS, EMPLOYEES, AFFILIATES, AGENTS OR LICENSORS BE LIABLE FOR ANY DIRECT, CONSEQUENTIAL, SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE OR EXEMPLARY DAMAGES, BASED UPON A CLAIM OF ANY TYPE OR NATURE (INCLUDING BUT NOT LIMITED TO CONTRACT AND TORT, INCLUDING NEGLIGENCE, WARRANTY OR STRICT LIABILITY), OR CLAIMS ARISING FROM ANY INABILITY TO USE THE VUDU EQUIPMENT OR USE OR ACCESS THE SERVICE OR CONTENT, OR ARISING FROM THE TERMINATION OF THE SERVICE OR IN CONNECTION WITH THE INSTALLATION, INSPECTION, REPAIR, REPLACEMENT OR REMOVAL OF YOUR VUDU EQUIPMENT, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. BECAUSE SOME STATES AND JURISDICTIONS DO NOT ALLOW THE EXCLUSION OR LIMITATION OF LIABILITY, THE ABOVE LIMITATIONS MAY NOT APPLY TO YOU.

IN NO EVENT SHALL OUR OR CONTENT PROVIDERS' TOTAL LIABILITY TO YOU FOR ALL DAMAGES ARISING FROM THE USE OR INABILITY TO USE THE VUDU SERVICE, EQUIPMENT OR CONTENT, INCLUDING ANY FEATURES ASSOCIATED THEREWITH (OTHER THAN AS MAY BE REQUIRED BY APPLICABLE LAW IN CASES INVOLVING PERSONAL INJURY) EXCEED THE AMOUNT IN YOUR SERVICE ACCOUNT AT THE TIME THE APPLICABLE CAUSE OF ACTION AROSE.

THE FOREGOING LIMITATIONS APPLY EVEN IF THE REMEDIES DESCRIBED ABOVE FAIL OF THEIR ESSENTIAL PURPOSE. IF ANY APPLICABLE AUTHORITY HOLDS ANY PORTION OF THIS SECTION TO BE UNENFORCEABLE, THEN LIABILITY WILL BE LIMITED TO THE FULLEST EXTENT OF APPLICABLE LAW.

Injunctive Relief: You agree that any violation or breach by you of these Terms of Service will result in irreparable harm to us, that monetary damages will be an inadequate remedy, and you hereby agree that we shall be entitled to seek injunctive relief.

Severability: If any provision of these Terms of Service is deemed unlawful, void, or for any reason unenforceable, then that provision shall be severable from these Terms of Service and shall not affect the validity and enforceability of any remaining provisions.

Governing Law, Determination of Disputes: This Agreement shall be governed by, and construed in accordance with, the laws of the State of California without giving effect to any principles of conflicts of law. EACH PARTY HEREBY WAIVES THE RIGHT TO TRIAL BY JURY. Any dispute arising out of, or in connection with, this Agreement shall be submitted to the Superior Court in and for the County of Santa Clara, State of California (or if the Superior Court shall not have jurisdiction over the subject matter thereof, then to such other court sitting in said county and having subject matter jurisdiction) for trial and determination by the court. Said parties hereby consent to the exclusive jurisdiction of such court and to the service of process by mail outside the State of California pursuant to the requirements of such court in any matter so to be submitted to it. Content Providers are third party beneficiaries of these Terms of Service and may enforce these Terms of Service, at law or in equity, with respect to Content or any other materials provided by it.

Indemnity: You agree to indemnify, defend, and hold VUDU and its affiliates, officers, agents, co-branders, licensors, partners, and employees harmless from any claim or demand, including reasonable attorneys' fees, made by any third party due to or arising out of your use of the VUDU Service or VUDU Equipment, including without limitation, your violation of these Terms of Service, or your violation of any rights of another.

PLEASE DIRECT ANY QUESTIONS OR CONCERNS RELATED TO YOUR BILLS OR SERVICE TO: VUDU, Inc. 2901 Tasman Drive, Suite 101 Santa Clara, CA 95054

LIMITED WARRANTY

VUDU, Inc.

LIMITED ONE (1) YEAR WARRANTY

VUDU warrants your VUDU Box and any included accessories ("VUDU Equipment") against defects in materials and workmanship for a period of one (1) year after the date of purchase.

LIMITED WARRANTY

VUDU'S LIMITED WARRANTY EXTENDS ONLY TO THE ORIGINAL CONSUMER PURCHASER OR ANY PERSON RECEIVING THE VUDU EQUIPMENT AS A GIFT FROM THE ORIGINAL CONSUMER PURCHASER AND TO NO OTHER PURCHASER OR TRANSFEREE. THIS WARRANTY DOES NOT EXTEND TO COMMERCIAL USERS. COMMERCIAL USERS TAKE THE VUDU EQUIPMENT AS IS, WHERE IS, WITH ALL FAULTS. THE VUDU EQUIPMENT IS NOT AUTHORIZED FOR USE OUTSIDE THE UNITED STATES AND ANY SUCH USE VOIDS THIS WARRANTY.

LIMITED CONTENT ONE (1) YEAR WARRANTY

If VUDU has to repair or replace your VUDU Equipment, or if content is lost due to a failure of the hard drive in the VUDU Equipment, VUDU will, to the best of its ability and within the rights granted to it by its content licensors, replace all purchased (but not rented) movies or other purchased (but not rented) entertainment content that you acquired from VUDU and that is or are stored on your VUDU Equipment ("Content"), for a period of one (1) year from the date of such Content's purchase.

LIMITATION OF IMPLIED WARRANTIES

ALL WARRANTIES IMPLIED BY LAW, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ARE EXPRESSLY LIMITED TO THE DURATION OF THIS EXPRESS LIMITED WARRANTY.

Some States do not allow limitations on how long an implied warranty lasts, so the above limitation may not apply to you.

EXCLUSIVE REMEDY FOR VUDU EQUIPMENT

AT THE OPTION OF VUDU, THE VUDU EQUIPMENT WILL BE REPAIRED OR REPLACED WITH A NEW, REPAIRED, REFURBISHED, OR COMPARABLE PRODUCT (WHICHEVER VUDU DEEMS AS NECESSARY) IF

IT BECOMES DEFECTIVE OR INOPERATIVE. IF VUDU CANNOT REASONABLY REPAIR OR REPLACE THE VUDU EQUIPMENT THEN VUDU MAY, AT ITS SOLE DISCRETION, REFUND THE ORIGINAL PURCHASE PRICE OR THE CURRENT RETAIL PRICE OF THE VUDU EQUIPMENT. IF VUDU CHOOSES TO REPAIR OR REPLACE THE VUDU EQUIPMENT, OR TO REFUND THE PURCHASE PRICE, THIS WILL BE THE EXCLUSIVE REMEDY.

THE ABOVE WARRANTIES ARE SUBJECT TO ALL CONDITIONS LISTED BELOW:

- 1. You must have proof of purchase to receive warranty service. A sales receipt or other document showing that you purchased the VUDU Equipment is considered proof of purchase.
- 2. Warranty coverage begins the day you purchase the VUDU Equipment.
- 3. You will be responsible for the cost of shipping to the service location designated by VUDU.
- 4. All VUDU Equipment and Content, including replacement products, are covered only for the original warranty period. When the warranty on the original product expires, the warranty on the replacement product also expires.
- 5. In the case of a paid repair: at the option of VUDU, the VUDU Equipment will be repaired or replaced with a new, repaired, refurbished, or comparable product (whichever VUDU deems as necessary).

WHAT THESE WARRANTIES EXCLUDE

Your warranties do **NOT** cover:

- 1. Labor charges for installation or set-up of the VUDU Equipment.
- 2. Repairs or replacement due to misuse, accident, lightning damage, unauthorized repair, or other causes not within the control of VUDU.
- 3. Any modifications or other changes to the VUDU Equipment, including but not limited to software or hardware modification in any way other than as expressly authorized by VUDU, will void these limited warranties. Except in the case of hardware or software provided by VUDU, installing modifications, "hacks," or utilizing service access or "back doors" will void these limited warranties.
- 4. Reception or transmission problems caused by signal conditions, Internet connection problems, or any other communication systems outside the unit.
- 5. Any VUDU Equipment that has been modified or adapted to enable it to operate in any country other than the country for which it was designed,

manufactured, approved, and/or authorized, or repair of VUDU Equipment damaged by these modifications.

- 6. Any VUDU Equipment used for commercial or institutional purposes.
- 7. The continued provisioning of any of the programming and other services delivered through the VUDU Equipment including but not limited to movies, movie information, program guide data, and special features.

MAKE SURE YOU KEEP...

Please keep your sales receipt and any other documentation showing proof of purchase. Also, keep the original box and packaging material in case you need to return your VUDU Equipment.

TO GET WARRANTY SERVICE

Warranty service will be provided by VUDU. If you believe you need service for your VUDU Equipment, please contact VUDU at support@vudu.com or call Customer Care at 1-888-554-VUDU (8838). A representative may go through a diagnostic checklist with you. If it is determined that the product needs to be returned for service or exchange, you will receive a return authorization number. A VUDU representative will give you complete shipping details.

TO GET OUT-OF-WARRANTY SERVICE

To obtain out-of-warranty service, please contact VUDU at support@vudu.com or call Customer Care at 1-888-554-VUDU (8838) for information on the possibility of and any costs for repair or replacement of out-of-warranty products.

No agent, company, dealer, distributor, or person is authorized to change, modify, or extend the terms of these warranties in any manner.

EXCLUSIVE REMEDIES

WITH THE EXCEPTION OF ANY WARRANTIES IMPLIED BY THE LAW OF ANY STATE OF THE U.S.A., THIS EXPRESS LIMITED WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, GUARANTEES, AGREEMENTS AND SIMILAR OBLIGATIONS OF VUDU. REPAIR OR REPLACEMENT AS PROVIDED IN THIS LIMITED WARRANTY IS THE EXCLUSIVE REMEDY UNDER THIS LIMITED WARRANTY.

LIMITATION OF LIABILITY

IN NO EVENT WILL VUDU BE LIABLE FOR ANY AMOUNT GREATER THAN THE RETAIL PRICE OF THE VUDU EQUIPMENT. VUDU SHALL NOT BE LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES

(INCLUDING LOST PROFITS) FOR BREACH OF ANY EXPRESS OR IMPLIED WARRANTY ON THE VUDU EQUIPMENTO.

Some States do not allow the exclusion or limitation of incidental or consequential damages, so the above limitation or exclusion may not apply to you.

This warranty gives you specific legal rights and you may also have other rights which vary from State to State.