MEGANET®
OPERATOR
MANUAL

» KEEPING THE WORLD CONNECTED

800.523.2760   www.meritgames.com

Table of Contents

©**Merit Entertainment, 155 Rittenhouse Circle, Bristol, PA 19007 USA**
  (215) 826-1400   www.tournamaxx.com

WELCOME, OPERATOR

Merit Entertainment is pleased to have you participate in our MegaNet® System.

You are just a few simple steps away from being connected to the moneymaking aspects of the MegaNet® System.

Follow the easy guide in this book and best of luck to your players.

First time MegaNet® operators need to fill out the following forms: Game Start-Up Form, Operator Agreement, and Debit Account Form. These forms must be signed and faxed to Merit before your game receives Tournament play and MegaNet® features.

Existing registered MegaNet® operators wishing to add another game can simply fill out the Game Start-Up Form and fax it to Merit or register on the TournaMAXX™ Web site at www.tournamaxx.com.

New features and events as well as special MegaNet® operator-only announcements will be posted at the www.tournamaxx.com Web site just for you.

If you have any questions, please contact MegaNet® Customer Service at 800-445-9353.

Merit Entertainment
155 Rittenhouse Circle
Bristol, PA 19007
800-445-9353 / 215-826-1400
Fax: 215-826-1380
www.tournamaxx.com

2009-2010 MegaNet
New Games, Policy Changes, and New Business Model

This year's software release comes with some exciting new benefits for connected operators, as well as some changes to MegaNet itself:

Aurora Widescreen Cabinet
This model has many new features, and it carries strong benefits for connected operators. The Aurora Widescreen is for broadband connections only and has a connection-required key. There is no MegaNet base rate charge; however, there is a $.05 Tournamaxx per-play charge (if you choose to run tournaments). Additionally, the standard premium play charge for Penthouse® and Australia's Thunder From Down Under® erotic games is entirely based on play of that content.

The Aurora Widescreen has a monthly subscription fee of $25 that starts in month 13. During the term of the 4-year agreement, software is included and downloaded directly to your Aurora Widescreen machines via the broadband connection. The Aurora Widescreen also comes with a fully-integrated credit card system.

Monthly Invoice
The monthly invoice will clearly detail charges based upon the machine type you have connected.

New Tournamaxx Games
New Tournamaxx games for 2009: Lucky 11's, Super Boxxi, Spider Kings, and Skee-Ball®.

Other Changes/Notes for 2009-2010

Software Cut-Over Date
This year the 2009 software is to be installed before January 31, 2009.

800# Dial-Up Charges
Over the past 6 years Merit has covered the cost of dial-up connections for all machines. Starting on December 1st, 2008 we will be passing any charges for using the 800# on to the operator. This 10¢ charge per minute will be reflected on your January invoice. This does not include the initial connection, which Merit will continue to cover. Additionally, Merit will continue to pay for all dial-up via local phone numbers. Merit will pass along only our true charge, direct from the ISP providers, and we are not adding any type of surcharge or handling fee. Please use the time between now and December 1st to switch to broadband or to a local dial-up number. Over 60% of connected Megatouch machines are currently on broadband.

AMI Discount
There is an AMI discount to the MegaNet base rate (for machines in Classic or TAP programs), when you connect your Megatouch via the AMI Broadband Connection AND the machine gets at least one music play per month. Without getting this one play we cannot tell that the unit is connected via the AMI Broadband Connection.

Thank you very much. We look forward to serving you with the best products and the best service in the industry!

If you have any questions please contact your Authorized Merit Distributor,
your Merit factory representative, or MegaNet Central at 1-800-523-2760.

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T.A.P. (TournaMAXX Accelerated Program)
Accelerate your connections, accelerate your content, accelerate your earnings!

FEATURES

Operator Profile	Cost	Tournaments	Sneak Peek Games™	Remote Control	Video Posters	Full Software Downloads	Advertising	ORT	TCHAMP
1-10 Units	$15/mo +5 cents/play	√	√	√	√		√	√	√
11-50 Units	$12/mo +5 cents/play	√	√	√	√		√	√	√
51-100 Units	$10/mo +4 cents/play	√	√	√	√		√	√	√
100+ Units	$7/mo +4 cents/play	√	√	√	√		√	√	√
Broadband Connected	$4/mo savings	√	√	√	√	√	√	√	√
Broadband Connected in same location as AMI Jukebox	$0/mo +4 cents/play	√	√	√	√	√	√	√	√
Broadband Connected in same location as AMI Jukebox w/ Link	Fixed charge waived, variable charge as earned	√	√	√	√	√	√	√	√
Classic	Same as before	√	√	√	√		√	√	√
Classic w/ Broadband	$4/mo savings	√	√	√	√	√	√	√	√
Classic w/ Link to AMI and Broadband	$8/mo savings	√	√	√	√	√	√	√	√

MEGANET® FEATURES

Operator Run Tournaments: Allows you to set up additional tournaments for your locations.

Prize Zone™: A total location promotion system that is hassle-free for the Operator. Merit's "Frequent Player" prize redemption system allows your customers to earn really cool prizes for their game skills. The Prize Zone™ channel features a shopping channel right on your Megatouch machine for complete automation. Prizes are sent directly to the players!

Penthouse® Channel: Special licensed Pet of the Month™ Foxy Boxxi from Penthouse® gives your locations the best in high-quality "Fabric-Free" entertainment.

Australia's Thunder From Down Under®: Megatouch has teamed with the nternationally acclaimed male revue, Australia's Thunder from Down Under, to bring new and exciting content to several classic games.

Operator Site Access: Direct access to the operator's company Web site is available from the MegaNet® Player Menu for the latest league, event and other information. You can even create your own button logo for the game.

MegaWeb™: Surf the World Wide Web, send E-mails, check news, sports, financials, weather and much more. All premium-priced and right from the Megatouch machine!

Merit-Thon: Triathlon-style tournaments that combine one round of 3 different games to reach a wide range of players, challenge experienced players and feature the new games.

My Merit: This feature gives your players their own personal assistant on the Megatouch machine. The personal "My Merit" account will track all their high scores of amusement play and provide a location-based promotion tool for the Operator! Imagine the "My Merit" players-only party as a tool to build location loyalty!

Sneak Peek Games™: Exciting new games will be sent to MegaNet®-connected machines prior to Merit's official software release. The only place to find these top-earning games is on the network-connected Megatouch! New TournaMAXX™ games, TournaMAXX™ Insider newsletter and much more!

Software Downloads: Via broadband connections. Download of entire Merit software updates. In some cases, no site visit would be required.

High-Speed Connection: Merit's software provides you the option to hook up to a high-speed Internet connection or a normal phone line. The choice is yours!

Cash Settlement Screens: This enhanced Operator feature provides the simplest way to take operating fees off the top of your collections. Collector-friendly and Operator-designed; you are in total control of maximizing your earnings potential! Now you can even select how often the machine calculates the revenues and fees (weekly or monthly).

MegaNet® Premium Channels

Pricing Schedule - March 1, 2005

The following fees apply to customer play of Premium Channel content and services as described below. These fees are in addition to the monthly fees due for connection to the MegaNet® system and are based on play. The terms of the MegaNet® Operator Agreement shall apply to use of these services, and all fees specified in this pricing schedule shall be paid pursuant to the terms of the Operator Agreement.

<u>Premium Content:</u>
Exciting new features and content to the MegaNet® system. These features and content are subject to the following charges.

- *Penthouse® Pet of the Month™*– Operator shall pay Merit $.10 per play of the Pet of the Month™ game incorporating content licensed from Penthouse®.

- *Operator Site Access™* – Operator shall pay Merit $.05 per 3 minutes of play. For Operator Site Access Web browsing, a "play" shall have the same meaning as described below for MegaWeb™ Web browsing.

- *Hot Topics™ Games* – Operator shall pay Merit $.05 per play.

- *MegaWeb™ Web Browsing* – Operator shall pay Merit $.05 per 3 minutes of play. For MegaWeb™ browsing, a "play" shall constitute three minutes of use unless otherwise specified by Merit. MegaWeb™ is only available on certain units (see product specifications for details), and may not be used in connection with toll-free ISP access numbers.

- *Prize Zone™* -- Operator shall pay Merit eighty percent (80%) of the upcharge paid by customers per play. The "upcharge" shall be the charge to play, which is in addition to the base amusement rate.

PLEASE NOTE: IF AN OPERATOR ENABLES, OR OTHERWISE FAILS TO DEACTIVATE, ONE OR MORE OF THE PREMIUM CHANNELS ON UNITS CONNECTED TO THE MEGANET® SYSTEM, OPERATOR AGREES TO BE BOUND BY THIS FEE SCHEDULE FOR THE ACTIVATED CHANNELS. IF YOU DO NOT AGREE TO SOME OR ALL OF THE FEES HEREIN, DO NOT ACTIVATVE THE APPLICABLE CHANNELS.

NOTE: All premium erotic except for the Penthouse® Pet of the Month™ is on the hard drive of all software and is free to all operators.

MERIT GAME START-UP FORM

A separate form is required for each individual game.
Fax this form to Merit Entertainment at 215-826-1380 immediately upon completion to get your game connected to MegaNet®. This game is eligible for Tournament play as soon as this form is received and verified.
Please allow 24 hours for processing.

Game Information (Please Print)

☐☐☐☐☐☐☐☐☐☐☐☐☐

Game Serial Number   TournaMAXX™ Kit Serial Number

Location Name   Contact

Location Type (e.g. tavern, restaurant, FEC)   Phone Number

Location Address   Fax Number

City, State, Province, Postal Code, Country

Operator Information (Please Print)

___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___

Operator ID Number *(If not known, please fill out information below)*   E-mail Address

Company Name   Contact

Address   Phone Number

City, State, Province, Postal Code, Country   Fax Number

Distributor Name (where game or kit was purchased)
Debit Account on file   ☐Yes ☐No   (If No, include Debit Account Form)

Operator Controls
Help us help <u>you</u> make money by determining popularity of games for future development.

☐Yes, please list this location on the World Wide Web so players know they can play TournaMAXX™ here.
☐Poll all game books data   ☐Poll amusement play only   ☐Poll only TournaMAXX™ books data
(Game play % and
average game length)
Plus TournaMAXX™ books data

The undersigned agrees to abide by all TournaMAXX™ Global Player Ranking System™ policies and procedures. Failure to comply with Tournament rules and billing procedures will result in cancellation of TournaMAXX™ privileges. TournaMAXX™ rules are subject to change without notice.

Authorized Signature   Date

©**Merit Entertainment, 155 Rittenhouse Circle, Bristol, PA 19007 USA**
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MERIT INDUSTRIES, INC. UNITED STATES/CANADA OPERATOR AGREEMENT

This Agreement is entered into this _____ day of _____, 20_____, between Merit Industries, Inc.

("Merit") of 155 Rittenhouse Circle, Bristol, PA 19007 and _____ ("Operator")

(Name)

of_____.

(Address)

Whereas Merit has developed and owns the MegaNet® system and Operator desires to subscribe to MegaNet® services, in consideration of the mutual promises contained herein and other valuable consideration, the parties agree as follows:

1. **MERIT OBLIGATIONS**
   Merit agrees to do the following:
   A. Provide Operator with access to the MegaNet® services, including the TournaMAXX™ tournaments, through the MegaNet® hardware/software.
   B. Provide training and support to technical representatives of Operator in the installation and maintenance of MegaNet® games and in the connection to the TournaMAXX Global Player Ranking System™.
   C. E-mail, fax, Web post, or mail billing statements to Operator at least 4 business days prior to the date of automatic debiting of amounts owed to Merit for MegaNet® subscription fees.
   D. Warrant MegaNet® hardware parts for replacement for defects in materials and workmanship subject to and consistent with the procedures and provisions of Merit's one (1) year warranty program and policy, and subject to the limited warranty in the MegaNet® Installation and User Manual.
   E. Provide the Operator with local access to an Internet Service Provider (ISP) in most areas for the purpose of updating MegaNet® machines, subject to the availability of Merit's chosen ISP provider in Operator's area. The ISP account is for the sole purpose of connecting Merit games to MegaNet®. Any unauthorized usage of the ISP will be the sole responsibility of Operator. Effective December 1st 2008, in the event that Operator's MegaNet® machines utilize a Merit toll-free number for more than the initial connection, Merit reserves the right to charge Operator ten cents ($.10) per minute per applicable machine for each such month.
   F. Maintain Web sites to support the MegaNet® services and provide information such as connection reports, player and game data, and tournament schedules.
   G. Consider any MegaNet® registration made by Operator on behalf of their locations to be valid, active and approved by Operator for MegaNet® participation. **Merit will bill Operator accordingly unless a valid Game Off-Line (Inactivation) Notice is received from the Operator.**
   H. Provide Operator Software Kit Upgrades in accordance with Section 6 (the Merit kit included Software Upgrade Kit Program).

2. **OPERATOR OBLIGATIONS**
   Operator agrees to do the following:
   A. Fill out and submit valid Game Start-Up Forms and Tournament Debit Account Forms.
   B. Provide reasonable technical support and service to locations operating MegaNet® and report significant incidents of equipment malfunctions and software errors to Merit.
   C. Promptly complete and fax or E-mail to Merit any MegaNet® Game Off-Line Notice. **Billing will continue unless Game Off-Line (Inactivation) Notice is received.**
   D. Comply with the rules and regulations of Merit's MegaNet® system, Merit's software license agreement, and the payment obligations set forth in this Agreement.
   E. Post the rules for any Operator sponsored tournament or promotion in all locations and make such rules available on demand to anyone that requests them.
   F. **Purchase and install the then-current Megatouch software upgrades required for MegaNet® participation, subject to Merit's designated grace period for Operators validly participating in the MegaNet® system.**
   G. Operator shall only operate MegaNet® Games at locations where Operator has used his, her or its best good faith efforts to determine that the running of MegaNet® and the MegaNet® functions complies with all local, state, and other governmental body laws and regulations. If Operator runs any tournaments or awards any prizes in conjunction with MegaNet®, then Operator is solely responsible for compliance with applicable laws and regulations. In the event of any inquiry or action by any governmental or regulatory body, Operator shall be solely responsible for responding to such inquiry or action.
   H. Operator shall not enable the Prize Zone functionality of the MegaNet® system on machines in any jurisdiction that Merit identifies as not eligible for use of the Prize Zone functionality. As of the date of this Agreement, the ineligible jurisdictions are identified in Appendix B. Merit may subsequently advise Operator of any changes to the ineligible jurisdictions, and reserves the right to disable the Prize Zone functionality in jurisdictions that are deemed ineligible.
   I. Operator shall not enable the Premium Erotic content (including the Penthouse® and Australia's Thunder From Down Under® content) on machines used in any location frequented by persons under the age of 18. Operator agrees to use good judgment to determine whether the Premium Erotic content is appropriate in Operator's locations.

3. MEGANET® KIT PROGRAM

Merit will provide MegaNet® modem kits to Operator at no charge per kit provided that the kit(s) are activated by an Operator validly participating in MegaNet® within thirty (30) days of shipment and then operated on the MegaNet® system in accordance with this Agreement for at least a period of one hundred twenty (120) days thereafter. Prior to shipment of the kits, Operator shall submit to Merit a valid Visa/Master Card or American Express Card number to authorize payment for any non-activated machines operator shall pay and hereby authorizes Merit to charge to such credit card $100.00 per MegaNet® hardware kit that is not activated and operated as set forth in the first sentence. Operator shall not be charged such $100.00 fee for any units that are returned to Merit within thirty (30) days of delivery in good condition, with the hardware/modem box unopened, and accompanied by a valid return authorization number obtained in accordance with Merit's return procedures. All orders are subject to Merit's approval.

4. MEGANET® FEES

Operator may participate in one of the MegaNet® Program Options specified in Appendix A. Operator shall check the box in Appendix A identifying the Program Option in which Operator agrees to participate. If no box is checked, the T.A.P. program shall apply. Aurora Widescreen broadband subscription model machines will be automatically billed in accordance with the terms of the Aurora Widescreen Broadband Subscription Model in Appendix C. The parties agree that the box may be "checked" electronically in the manner specified by Merit. All of Operator's non-ION broadband-connected machines not participating the ION broadband subscription business model, must participate in the same Program Option. Operator may change programs, but change will only take place at the beginning of each month, and at Merit's discretion. Merit reserves the right to allow Operators into specific programs. Merit reserves the right to wave a portion of the early withdrawal penalties in such instances if Operator maintains all machines on the Classic program for the remainder of the applicable term. Operator shall pay Merit the specified fees for participation in the MegaNet® services. As of the date of this Agreement, the fees are as specified in Appendix A. Merit may modify these fees once in any twelve-(12) month period upon ninety-(90) days notice to Operator. If the Operator does not want to continue participating in the applicable Program Option or in the MegaNet® system generally as a result of any change in fees, Operator may change Program Options upon written notice to Merit, or cease participation by disconnecting all connected machines, within the 90-day period. If Operator terminates as a result of the change in pricing terms, Operator shall not be obligated to pay the cancellation fees specified in Appendix A, but Operator will be required to pay remaining Kit Included balance within ten (10) days.

Operator shall set up a debit account as specified by the MegaNet® Debit Account Form. Prior to the date that said account will be automatically debited pursuant to this Agreement, Operator shall deposit the necessary amounts in the account. All accounts will be automatically debited in accordance with Merit's billing policies posted on-line in the Operator portion of Merit's Web site. In the event that there are insufficient funds in the account at the time of the automatic debit, Operators will be subject to an insufficient funds charge of $50.

5. PREMIUM CHANNEL FEES

From time to time, Merit may make available premium content and services through the MegaNet® system (e.g., "Hot Topics" games, and/or premium content licensed from third parties). Operator shall pay Merit in accordance with Merit's then current pricing schedule for the premium content and services. Merit's current pricing schedule is available for review on Merit's Operator Web site (log in required). Operators may also request a copy of the current content and service fees by calling Merit Customer Service. With respect to content and services existing in current and prior releases, Merit may modify the applicable fees once in any twelve-(12) month period upon ninety-(90) days notice to Operator. If the Operator does not want to continue participating in one or more of the premium channels as a result of the change in service fees, Operator may cease participation by deactivating the applicable channel on its machines within the 90-day period. With respect to content and services added in a new release, Merit shall update the pricing schedule prior to the first release of the new channel. If the Operator does not want to pay the applicable fees for the new channel, Operator may elect not participate in the applicable channels by deactivating the applicable premium channel on its machines after receiving the new release. For purposes of clarification, these premium channel fees are separate from, and in addition to, the MegaNet® fees specified in Section 4. Operator is responsible for any Premium Content fees resulting from any applicable plays.

6. MERIT KIT INCLUDED SOFTWARE UPGRADE KIT PROGRAM

Depending upon the MegaNet® Program Option, Operator may procure software upgrades for Merit machines directly from Merit on a monthly fee basis. However, this Kit Included Program is only available if Operator procures the upgrade kit within the four months after the software is first released. Merit reserves the right to incorporate a security key system into these software kits which will render the affected machines inoperable if: (a) Operator fails to pay the applicable Kit Included fees or cancellation fees, or (b) the machine does not connect successfully to the MegaNet® server for 30 consecutive days at any point during the term. Operator must comply with the terms of Merit's software Kit Included purchase policy found on the password-protected Web site or available by contacting Merit Customer Service. Once Operator has paid all applicable Kit Included and MegaNet® fees for the applicable machines, including fulfilling the terms of the Aurora Widescreen broadband subscription model in Appendix C, Operator may exchange their Kit Included security key for a key that makes a machine operable regardless of a connection. Operator must exchange the key in accordance with Merit's Key Swap policy, published on Merit's Web site or by obtaining a copy from Merit Customer Service.

Kits ordered during the software release month will be billed in twelve (12) equal payments toward the full value of the kit. For kits ordered during the remaining months of the calendar year, there will be a combination of an up-front payment, followed by equal monthly payments (see schedule below):

Ordered during calendar month in which the software is released (the "release month")	Monthly payments (per Appendix A)
1st month following release month	Up-Front Double payment then monthly payments (per Appendix A)
2nd month following release month	Up-Front Triple payment then monthly payments (per Appendix A)
3rd month following release month	Up-Front Quad payment then monthly payments (per Appendix A)
4th month or later following release month, through the month prior to next software release	Operator purchases kits through Distributor - Kit Included program not available

In the event that Merit ships the yearly software kit late, the payment period will shift to the month that the software is shipped and the term period for monthly software payment will shift in accordance and last for twelve (12) months.

7. OPERATOR ON-SCREEN PROMOTIONS

Merit shall provide Operator with the opportunity to populate content on screens of Operator's units in the information section of the MegaNet® menu screens. Such opportunity shall be subject to Merit's On-Screen Promotion Program as described below and on the Operator Web site. All content submitted by the Operator shall be referred to as "Operator Content."

A. Merit will make available templates and/or specifications for up to eight (8) on-screen pages that may be displayed on each MegaNet® unit. Such templates and/or specifications shall be available on the Operator Web site. All Operator Content shall be submitted to Merit in the form of the templates and in an electronic format specified by Merit. All screens that are submitted in such form and format may be displayed at no charge to Operator.

B. In the event that Operator wants to deviate from the template, Operator may request Merit to develop custom screens that incorporate Operator Content. If Merit elects to create the requested custom screens, Operator shall pay Merit $150 per custom screen for the first month such screen is displayed and $50 per month thereafter.

C. All Operator Content must be submitted at least ten (10) days prior to the date on which the Operator desires that the screen be available on Merit's server for download to Operator's connected machines.

D. Merit shall use commercially reasonable efforts to display Operator Content submitted as set forth above; provided that Merit reserves the right, but not the obligation, to edit or reject any Operator Content in its sole discretion.

E. Operator is fully responsible for all content and for ensuring that Operator has the rights to permit Merit to display the Operator Content, including all trademarks and copyrights displayed therein, and that the Operator Content is true and accurate. Operator shall defend and indemnify Merit in the event that any of the Operator Content violates any third party's rights or any law or regulation.

F. Notwithstanding the fact that Merit will post content for Operator, Operator is solely responsible for all legal compliance pursuant to Section 2.G. Merit reserves the right to include a disclaimer on the units and/or on applicable screens clarifying that all Operator sponsored promotions (and content provided by Operator) are the sole responsibility of the Operator.

G. Merit reserves the right to change the terms of the On-Screen Promotion Program, including the form of the templates, from time-to-time. Merit shall post all such changes to the Operator Web site.

9. THIRD-PARTY ADVERTISING

Merit may post third-party advertising materials to screens of the units connected to the MegaNet® system. In the event that Merit is paid for such advertising, Merit shall credit a portion of such advertising fees against fees owed by Operator to Merit pursuant to Section 4. If Merit is paid per screen or per play, Merit shall credit Operator ten percent (10%) of the fee received with respect to screens displayed or plays on Operator's units. If Merit is paid a lump sum, Merit shall credit ten percent (10%) of such amount to the MegaNet® Operators displaying such advertising (apportioned based on each Operator's number of units connected to the MegaNet® system as compared to the total number of units). This Section shall not apply to tournament sponsors, service providers or prize suppliers. Operator may post third-party advertising materials using the Web-based MegaNet® system, to screens of the units connected to the MegaNet® system. In the event that Operator is paid for such advertising, Operator shall promptly notify Merit in writing of the applicable payment terms and amounts. Operator shall pay Merit, via Merit's standard billing process, ten percent (10%) of the fee received with respect to screens displayed or plays on Operator's units. This section shall not apply to tournament sponsors, service provides or prize supplier, unless advertising revenue beyond tournament prizes is realized by either party.

10. TOURNAMENT RULES

All tournaments that are run by Merit shall be subject to the rules promulgated by Merit for each such tournament. All decisions of Merit shall be final. Operator shall report any non-compliance with the applicable rules or other cheating. Operator is responsible for having machines connected to the MegaNet® server at least once every 48 hours during a tournament and is responsible for securing and maintaining a good working phone line or other valid Internet connection within each location. Merit reserves the right to reject any scores submitted more than 48 hours after the closing date of any tournament or such other time period specified in the tournament rules or otherwise identified by Merit.

11. TAXES

Operator agrees to pay all Operator-incurred taxes, fees, and assessments of any kind, which may be assessed upon Operator by any legitimate governmental body on Operator's participation in MegaNet®.

12. CONFIDENTIALITY

Merit agrees to keep Operator's confidential business information disclosed under this Agreement in strict confidence, including the MegaNet® earnings of specific locations or specific game machine earnings. Merit may provide Operator with the option to have his, her or its locations listed on the World Wide Web for players to find locations in which to play MegaNet®. Merit may tabulate and otherwise use and disclose aggregated data that does not individually identify Operator. Operator agrees that the MegaNet® technology, MegaNet® marketing plans, Merit's MegaNet® earnings, the terms of this Agreement, and any other confidential business information disclosed in the course of performance under this Agreement shall be held in strict confidence and not disclosed to anyone without Merit's prior written consent.

13. TERM

This Agreement is valid for a period of one (1) year from the sign-up date. This Agreement will automatically renew itself unless written notice is received from Operator within thirty (30) days of the end of the term. Such renewal shall be subject to Merit's then-current pricing program. Merit may terminate this Agreement immediately without notice if Operator breaches this Agreement, or at any other time upon thirty- (30) days' prior notice. ION broadband subscription model terms are attached in Appendix A.

14. MISCELLANEOUS

All fees in this Agreement are specified in U.S. Dollars. This Agreement constitutes the entire agreement of the parties and supersedes all other understandings, whether written or oral, including any previous Operator Agreement with respect to TournaMAXX™ or MegaNet®. No provisions in Operator's purchase orders, or in any other forms employed by Operator, will supersede the terms and conditions of this Agreement. Operator may not assign this Agreement without Merit's prior written consent. Except as referenced above, this Agreement may be changed only by mutual written agreement of the parties. This Agreement may be executed by facsimile in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. The waiver of a breach of any provision of this Agreement will not operate or be interpreted as a waiver of any other or subsequent breach. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision, the remaining provisions being deemed to continue in full force and effect. This Agreement shall be governed and construed under the laws of the Commonwealth of Pennsylvania and with respect to any disputes arising out of the termination or operation of this agreement, each party hereby consents to the exclusive jurisdiction and venue of the federal and state courts located in the Commonwealth of Pennsylvania. Each party is acting as an independent contractor and not as an agent, partner or joint venture with the other party for any purpose. Operator acknowledges that all intellectual property, including any derivative works therefrom, in the MegaNet® services, the MegaNet® hardware, and all MegaNet® promotional material (including, without limitation, the on-screen promotion screens and advertisements described in Sections 9 and 10) is the exclusive property of Merit, and that Operator will not acquire any ownership interest, right or license in the intellectual property therein. **Notwithstanding anything in this Agreement to the contrary, under no circumstances whatsoever shall Merit be liable to Operator or any third party for any special, consequential, punitive or incidental damages of any kind whatsoever, including without limitation, lost profits or lost savings, even if such party had been advised of the possibility of such damages.** In no event shall Merit's liability to the Operator for any damages whatsoever exceed the base MegaNet® subscription fees paid by Operator to Merit under this Agreement.

MERIT INDUSTRIES, INC. By: _____

_____By:_____ (Operator)

APPENDIX A

MegaNet® PROGRAM OPTIONS

The services and products available in each Program Option are also described on Merit's Operator Web site (login required). Operator has elected to participate in the Program Option indicated by the box checked below. Operator must choose one option for all of the machines on their route connected to MegaNet®. Operator is committing to the program for a one-year term, **beginning with the initial Kit Included order.** If Operator elects to terminate participation or change options, Operator is subject to the cancellation fees specified below. **Note that with all programs, Premium Content fees apply, in addition to the fees outlined below.**

☐ **"CLASSIC" MegaNet® (Classic Program applies to U.S. Operators Only.)**

Monthly Base Subscription Fees:

Operator shall pay Merit a set fee per machine per month for machines connected to the MegaNet® system. Such fee shall be based on the number of machines Operator has connected to the MegaNet® system in the applicable month, as set forth below. For machines first connected during the middle of a month, Operator shall pay Merit a prorated portion of the following fees for the first month of connection. As of the date of this Agreement, the Monthly Fees are as follows:

Unit Count	Per Month Charges
100+	$20 per unit/month Monthly Fee $35 per unit/month Force Software Kit Fee $35 per unit/month Ion Software Kit Fee
51-100	$20 per unit/month Monthly Fee $38.33 per unit/month Force Software Kit Fee $38.33 per unit/month Ion Software Kit Fee
11-50	$25 per unit/month Monthly Fee $40 per unit/month Force Software Kit Fee $40 per unit/month Ion Software Kit Fee
1-10	$39 per unit/month Monthly Fee $43.33 per unit/month Force Software Kit Fee $43.33 per unit/month Ion Software Kit Fee

An $87 surcharge ($7.25 per month) will be added to the Kit Included Program for all Force kits ordered WITH hard drives.

A $4 discount if the machine is connected to broadband. (Discount does not apply to Aurora Widescreen units.)

An $8 discount if the machine is linked to an AMI network and connected to broadband. (Discount does not apply to Aurora Widescreen units.) In order to confirm the link, at least one AMI song per month must be played from the Megatouch game. If not, normal MegaNet fees will apply.

Force 2009 software kits ordered in "5 Pack" comes with one free Force Hard Drive.

Kit Included:

In order to remain current with the MegaNet® software and the most current Merit upgrade kits, Operator may receive annual software releases via download or shipment of physical media such as software disc(s) and/or hard drive(s). Operator shall pay the monthly fee specified below based on the number of units connected at the end of the month the order was placed. The Kit Included fee applies in full each month, and is not prorated.

Cancellation Fee:

Operators agree to one-year terms in the Classic program. For every unit disconnected prior to the end of the term, Operator shall be obligated to immediately (within 10 days) pay the balance of the Monthly MegaNet® Fees and the Kit Included Fee for the remainder of the one year term (based upon the value of the kit in the month ordered), plus a $99 penalty per "Kit Included" kit purchase.

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"T.A.P." TournaMAXX Accelerated Programs®

Monthly Fees: Operator shall pay Merit a set fee per machine per month for machines connected to the MegaNet® system based on the number of machines Operator has connected to the MegaNet® system in the applicable month (see table below). For machines first connected during the middle of a month, Operator shall pay Merit a prorated portion of the following fees for the first month of connection.

Tournament Play Fees: In addition to the Monthly Fee, Operator shall pay Merit a specified amount for each tournament lay on the MegaNet® system (see table below).

Unit Count	Per Month Charges
100+	$7 per unit/month Monthly Fee $.04 per Tournament Play $35 per unit/month Force Software Kit $35 per unit/month Ion Software Kit **If Broadband Connected in the same location as AMI jukebox $0/mo + $.04 per tournament play.**
51-100	$10 per unit/month Monthly Fee $.04 per Tournament Play $38.33 per unit/month Force Software Kit $38.33 per unit/month Ion Software Kit
11-50	$12 per unit/month Monthly Fee $.05 per Tournament Play $40 per unit/month Force Software Kit $40 per unit/month Ion Software Kit
1-10	$15 per unit/month Monthly Fee $.05 per Tournament Play $43.33 per unit/month Force Software Kit Fee $43.33 per unit/month Ion Software Kit Fee

An $87 surcharge ($7.25 per month) will be added to the Kit Included Program for all Force kits ordered WITH hard drives.

A $4 discount if the machine is connected to broadband. (Discount does not apply to Aurora Widescreen units.)

An $8 discount if the machine is linked to an AMI network and connected to broadband. (Discount does not apply to Aurora Widescreen units.) In order to confirm the link, at least one AMI song per month must be played from the Megatouch game. If not, normal MegaNet fees will apply.

Force 2009 software kits ordered in "5 Pack" comes with one free Force Hard Drive.

Kit Included: In order to remain current with the MegaNet® software and the most current Merit upgrade kits, Operator may receive annual software releases via download or shipment of physical media such as software disc(s) and/or hard drive(s). Operator shall pay the monthly fee specified below based on the number of units connected at the end of the month the order was placed. The Kit Included fee applies in full each month, and is not prorated.

Cancellation Fee: Operators agree to one-year terms in the T.A.P. program. For every unit disconnected prior to the end of the term, Operator shall be obligated to immediately (within 10 days) pay the balance of the Monthly MegaNet® Fees and the Kit Included Fee for the remainder of the one year term (based upon the value of the kit in the month ordered), plus a $99 penalty per "Kit Included" kit purchase.

APPENDIX B

The Prize Zone™ functionality shall not be enabled for use in the following jurisdictions:

Arizona	Maryland
Arkansas	Missouri
Connecticut	New Hampshire
Delaware	South Dakota
Florida	Tennessee
Illinois	Utah
Iowa	Vermont
Louisiana	Canada

APPENDIX C

Aurora Widescreen Broadband Subscription Model

Term: Term of the agreement is (4) four years.

MegaNet Fees: $25 per month base-rate starting in month 13, (after the first connection), plus any Premium MegaNet fees, TournaMAXX plays, or any applicable credit card monthly charges.

Software Updates: All software updates are included at no additional charge, for the term of the agreement. Software will be downloaded via the Broadband connection.

All other terms of the TournaMAXX agreement apply to this business model.

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DEBIT ACCOUNT FORM

You must have this form on file at Merit Entertainment to activate your MegaNet® games.

Billing information for Automatic Debit Payments
Authorization Agreement for Pre-authorized Payments for participation in the TournaMAXX™ Global Player Ranking System™

I (we) authorize Merit Industries, Inc., hereafter called COMPANY, to initiate debit entries to my (our) bank account indicated below. I (we) authorize the financial institution named below, hereafter called INSTITUTION, to debit the amount of such entries to my (our) account; to correct any errors if required, and the Institution to deposit any such corrections to my (our) account. I have attached an unsigned and voided check or deposit statement for the account I (we) wish to be debited from time to time in varying amounts.

OPERATOR INFORMATION

_____   _____
Company Name   Company Contact

_____   _____
Address   Telephone Number

_____   _____
City, State, Province, Postal Code, Country   Fax Number

_____
Operator E-mail Address

BANK INFORMATION

NOTE: To assist in verifying data, attach an unsigned voided blank check from your account.

☐ Checking Account   ☐ Savings Account

_____
Bank Name

_____   _____
Bank Branch Name   Bank Account Number

_____
Bank Routing Number **(REQUIRED)**

The authority is to remain in full force and effect until I (we) revoke the agreement as hereafter provided. Any revocation is effective only after COMPANY has received written notice from me (us) to terminate this agreement in such time and manner to afford a reasonable opportunity to act upon the notice. I (we) have the right to stop payment of a debit entry by notification to the INSTITUTION in such time and manner as to afford a reasonable opportunity to act prior to charging the account. A copy of this authorization will be provided at your request.

Authorized Signature _____   Date _____

Credit Card Information (REQUIRED)
I (we) authorize Merit Industries, Inc. to charge the following credit card number for TournaMAXX™ fees that do not clear through my automatic debit account.

☐ Visa   ☐ MasterCard   ☐ American Express

_____
Cardholder Name

_____   _____
Credit Card Number   Expiration Date

FAX THIS FORM TODAY! 215-826-1380

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GAME LOCATION CHANGE NOTIFICATION

A separate form is required for each individual game.
Fill out this form completely and fax it to Merit Entertainment at 215-826-1380.

This form can also be submitted electronically at www.tournamaxx.com.
Please allow 24 hours for processing.

Location Information (Please Print)

☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐   Date: _____

Game Serial Number *(Found on tag located on side or back of game)*

OLD LOCATION:

_____
Location Name

_____
Location Address

_____
City, State, Province, Postal Code, Country

NEW LOCATION:

_____   _____
Location Name   Location Contact

_____
Location Type (e.g., tavern, restaurant, FEC)

_____   _____
Location Address   Location Phone Number

_____
City, State, Province, Postal Code, Country

Operator Information (Please Print)

☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐   _____

Operator ID Number *(If not known, please fill out information below)*   E-mail Address

_____   _____
Company Name   Contact

_____   _____
Address   Phone Number

_____   _____
City, State, Province, Postal Code, Country   Fax Number

Debit Account on File? ☐Yes ☐No   (If No, include Debit Account Form)

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GAME OFF-LINE NOTICE

This form is <u>only</u> to be used when a game will be off-line for <u>more</u> than one week.
A separate form is required for each individual game.
Fill out this form completely and fax to Merit Entertainment
215-826-1380
This form can also be submitted electronically at www.tournamaxx.com.
Please allow 24 hours for processing.

The following MegaNet® Game is Off-Line:

Game Serial Number: ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐
The serial number is found on the side of the game.

Location Name: _____

Date Game Went Off-Line: _____

Be sure to do an Update From Server call before disconnecting your game from the TournaMAXX™ Global Player Ranking System™.

Reason for Game Off-Line:

☐ Location Closed

☐ Game Down or Removed for Repairs

☐ Game Sold or Returned to _____

☐ Other _____

Approximate Date Game Will Be Back On-Line: _____

Operator Name: _____

Operator Address: _____

Operator Phone: _____

Operator ID: _____

Promptly complete and submit this form to Merit Entertainment. Billing will continue unless the Game Off-Line notice is received by Merit.

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LOCATION OWNERS

Get the **MegaNet®** Advantage!

MegaNet®: Merit goes beyond tournaments with a fully loaded Prize Zone™ frequent player system, Penthouse® Channel™ premium erotic, MegaWeb™ Web surfing, Entertainment Channel™ with horoscopes and comics, Hot Topics refreshed content, Sneak Peek Games™ advance download of MegaNet®-exclusive games and more. Megatouch keeps your customers entertained and you making money!

Tournament Play Increases Earnings
As your customers play, their skill increases. Confidence in their abilities means more money in the cash box.

Repeat Play Means Repeat Business
Players who make it into the Tournament standings will come back to your location to check on their status and play more games. These frequent visits mean more business for your establishment. For every $100 increase due to Megatouch TournaMAXX™, you get approximately $260.00 in increased bar revenue!

Here's how we figured it out:

> $100 a month increase in collection = 400 plays.
> 400 plays x 5 minutes per play = 33 hours of tournament play.
> 33 hours x average of 4 beverages per hour = 133 beverages served.
> 133 x $2.00 average beverage cost = $266.00.

Tournament Rankings Keep Players Excited
The TournaMAXX™ game continually advertises the player Ranklist for your customers. Ranklists are updated daily, displaying Tournament information and messages. Players can also visit the TournaMAXX™ Web site at www.tournamaxx.com 24 hours a day to check the latest Ranklists and news.

Tournaments Are Automatic
The Tournaments are run and monitored by Merit Entertainment. Players can enter the current Tournament as often as they wish.   Merit Entertainment is responsible for maintaining player rankings.

Virtually No Extra Maintenance
Your operator will help you hook up the game machines to your existing telephone line or to a broadband connection. The machines dial a local number or use broadband that is connected to the Internet. Your operator is responsible for coin collections and billing. Merit Entertainment is responsible for setting up Tournaments.

Get Connected Today!
Don't miss out on this exciting and profitable location promotion opportunity. Contact your coin-operated music and game vendor today for more details!

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OPERATORS

Get the **MegaNet®** Advantage!

MegaNet®
Premium-priced content for high earnings.

Uses Your Existing Equipment
Uses the most current Megatouch Ion or FORCE game platform.

Level II Localized Operator Tournament

TournaMAXX™ offers a customized, exclusive level of competition specifically designed to promote play on your route. This feature provides cash box growth without the work. What operators have been asking for in Tournament systems, Merit delivers.
Level II raises your route above the competition.

Hooks Up with an Existing Standard Phone Line or Broadband Internet Access
Simply plug in the game and connect the modem to a regular phone line or connect via high-speed. Installation is complete following the first connection you do on location.

Easy Tournament Entry
Players select the MegaNet® button on the main menu. All active Tournament games are displayed. Regular play is unaffected by Tournament play.

Players Compete for Local, Regional, and National Rankings
The TournaMAXX™ games' Video Poster™ continually advertises the Tournament's current leaders. Players will enter the Tournament often to improve their standings.

Remote Control/Operator Interface
Secure operator Web interface for 24-hour-a-day viewing of Tournament and books screen data as well as the ability to modify features on the game from your computer.

Operator Controlled Data Collection
This unique feature allows the operator to decide if the books data is collected during TournaMAXX™ Central Server Collections. This is another reason why TournaMAXX™ is the "Operators' Tournament System."

Automatic Data Retrieval
Each Tournament game connects with Merit Entertainment on a daily basis to collect scores and Tournament information. Calls are made at preset times and are simply local calls to the Internet Service Provider.

Automatic Accounting
The TournaMAXX™ Global Player Ranking System™ handles Tournament data and player ranking for each game connected to the system. A convenient fee payment plan makes accounting accurate and hassle free.

Virtually No Extra Maintenance
Basic game maintenance and a working telephone line are all that is needed for continued service in the TournaMAXX™ Global Player Ranking System™.

Get Connected Today
Don't miss out on this exciting and profitable coin-op opportunity. Call Merit Entertainment today at 800-445-9353 or 215-826-1400 for more details!

Easy Internet – Merit Pays
The cost of local Internet service is paid for by Merit Entertainment in most areas. Only a local call is ever made from the location.

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SYSTEM OVERVIEW

Merit's MegaNet® is a system of touchscreen video games that are connected to a Merit server by the use of a local phone line or high-speed line and the Internet. Each connected game contains special Tournament software and communications hardware that enables the player to participate in Tournament play. Tournament play provides the player with an extra level of challenge to compete with other players on a local, regional, and national basis.

MegaNet® has been designed to be an effortless, hands-free promotional tool for the operator and location. The game connects to the Internet using an existing phone line and communicates with the MegaNet® server on a daily basis. During the call the MegaNet® server and games share Tournament information including an update of the new leaders and the additional new player data profiles that signed up for Tournament participation. Additionally, Exclusive Direct Downloadable content is automatically sent to your connected games to keep their earnings at maximum levels. TournaMAXX™ events will be scheduled and published in advance. Merit is solely responsible for the determination of the Tournament policies and procedures.

Participation in MegaNet® requires that an operator:

1. **Purchase** the latest Megatouch software kit or new game and keep the game updated with the latest version of software by January 31st of each year.

2. **Order** the MegaNet® kit from Merit (if you require a modem) and **Install** the kit.

3. **Register** the game by filling out the appropriate forms with the game serial number (and kit serial number if applicable), location, and debit billing information.

4. **Activate** the game by following the easy **On-Screen Configuration Guide** found in the installation manual.

Upon completion of the above steps your game is ready for MegaNet® and Tournament play. Once a game is connected to the MegaNet® server, it is the sole responsibility of the operator to notify Merit of any changes in the game's location or if the game is deactivated at any time.

NOTE: Your game needs to make a connection at least every 15 days to keep the MegaNet® features on your game. Billing continues regardless of connection history unless the operator officially takes the game off-line.

SYSTEM HIGHLIGHTS

Game Highlights:
- High-earning, successful games
- Hooks up with a single existing phone line or high-speed line
- Game machines can be moved from location to location
- Regular play is available, regardless of Tournament status
- Tournament-compatible games are already operating; more games are in development

Tournament Highlights:
- Regularly scheduled Tournaments will be held throughout the year
- Tournaments will vary in length and content but usually last about 3 weeks
- There is a winner on **every** machine every tournament
- Every game machine in a Tournament offers an even playing field
- Different Tournaments can be active at the same time
- Player Ranklists are displayed on all TournaMAXX™ games

Networking Highlights:
- The game machines call the TournaMAXX™ server at the preset time (as determined by the operator) via the Internet.
- New statistics, such as new leaders and scores, are sent to the TournaMAXX™ server.
- Important messages are sent periodically to the TournaMAXX™ game that advertise new Tournaments and important player information.
- Tournament updates, compiled from all of the collected data of the previous day, are sent to each TournaMAXX™ machine.
- The entire phone call process takes very little time (2-4 minutes).
- If the game fails to connect with the TournaMAXX™ server, it will try again during the attract mode and then will try again when the game is turned on the next day.
- Remote access to game books and other features such as game registration is available through a secure operator interface to the TournaMAXX™ Web site www.tournamaxx.com.

Accounting Highlights:
- Tournament billing is routed through an automatic debit account.
- Activity statements are E-mailed, faxed, or mailed before each transaction, detailing the Tournament billing.
- Debit transactions take place one time per month.
- Complete Tournament reports from Merit assure accurate and easy record keeping.

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TOURNAMENT RULES

Post this in the location.

Participation in the TournaMAXX™ Global Player Ranking System™ is accomplished by selecting the TournaMAXX™ button. First time TournaMAXX™ players will be required to enter their full player information into the new player profile and will be prompted by the screens as they scroll forward. Previously registered players will be asked to enter their screen name and PIN only. Once entered into the Tournament, the player selects the Tournament game they want to enter and play begins.

To optimize participation in the TournaMAXX™ Tournament, a player should play a minimum of five Tournament games to obtain the highest average score. Upon completion of these initial five games, players' average scores will be continuously updated using their five best scores. The players' averages can never go down! The more times a player posts a score in the Tournament, the higher the probability of a higher average score. On a daily basis, the games are updated to reflect the current Tournament leaders, and players will be able to view their ranking on the on-screen Video Poster™ or the TournaMAXX™ Ranklist at www.tournamaxx.com.

Tournaments will be scheduled in advance. At the onset of a new Tournament, the dates of the Tournament events are displayed on each machine. At the end of the Tournament, the games will be polled and the information gathered to determine the Tournament winners. Final results are typically displayed within four days of the Tournament's end. All winners' screen names will be displayed on the game's Video Poster™ and/or the player rank screen.

It is the responsibility of the game operator to make sure each TournaMAXX™ game connects with the Merit server within 48 hours of the conclusion of each Tournament. Player scores will be voided and not included in any rankings or qualifications for any machines missing the deadline.

If problems occur connecting to the server or updating games, contact Merit Entertainment's Customer Service at 800-445-9353 or 215-826-1400 immediately.

TournaMAXX™ results are not final until the "final standings" screen appears on your machine. TournaMAXX™ Central allows 48 hours following the completion of each event for machines to call in and report scores. Your rankings may change during this call in period as machines call in to report their final scores.

The Tournament is subject to the rules and procedures as established by Merit Entertainment, and is subject to change without notice. The use of inappropriate language by the player when registering on the Tournament shall be grounds for immediate disqualification. Employees of Merit Entertainment, are ineligible for any Tournament competition. Game malfunctions or connection to the Tournament by unauthorized equipment shall immediately void all scores earned on that game. Players may only play under their own screen name. Merit, at its sole discretion, shall decide all filed grievance claims and its decision shall be deemed final. TournaMAXX™ shall remain in compliance of all player privacy, regulations, and guidelines. For full player rules see Tournament player rules on the MegaNet® machine, Merit's Player Web site, or obtain a set of player rules by contacting Merit Customer Service at 1-800-445-9353.

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RAPID INSTALLATION CHECKLIST

The experienced MegaNet® installer should follow these simple instructions for game and Tournament setup. Complete step by step installation information can be found in the accompanying installation manual

☐ *1*. Fill out the Game Start-Up Form for each Megatouch and location. E-mail, fax or mail these forms to Merit Entertainment to validate the game. Make sure a Debit Account is set up.

☐ *2*. Set up the MegaNet® Game the same as any other video game. Be sure the modem is properly installed, if you require a modem. Refer to the installation manual for help.

☐ *3*. Make sure that the supplied long telephone cable is plugged into the correct modem connector. All hardware is included in the kit. Be sure to loop the cable through the cable clip for extra strain relief. A phone cable coupler is supplied should an extension phone cable be required.

☐ *4*. Connect the loose end of the long cable into any existing telephone jack or high-speed line. Use the included splitter if connecting to a jack that is already in use.

☐ *5*. Turn on the game and press the Setup button. Check to make sure the serial number of the machine is entered and the correct date and time are set. Select the **Network** button. For broadband connections, select **LAN** and **Ethernet**. For Wireless connections, select **LAN** and **Wireless**. For Dial-Up connections, select **Dial-Up** and **Dialup Setup**.

☐ *6*. **For Dial-Up Connections:** Touch the **Dial-In Setup** button and enter the Dialing Prefix if necessary and area code settings on the Dial-In Setup Screen. Then, touch the Initial Connection button. Select a primary and secondary local phone number in the appropriate area code from the menu on the screen. From the main TournaMAXX™ Screen, select the **Update From Server** button.
For Automatic or Manual Connections: Touch the **Setup** button and enter all of the information given to you by your service provider. The game will then connect to the server.

☐ *7*. When the game disconnects from the server after receiving Tournament information, the installation is complete.

BEGINNING A TOURNAMENT

1. **The TournaMAXX™ Screen displays New Tournament Game icon(s)** 3 to 5 days before the Tournament start date. The message displays the Tournament name, start and end dates. Signs or other promotional material may be sent by Merit Entertainment for display at each location.

2. **Tournament data is downloaded to each machine** before the Tournament begins. Each machine receives the Tournament game(s) and the start and end dates of the Tournament.

3. **The Tournament is accessible by players** on the start date of the Tournament. When the Tournament is active, players will see it in the game menu with current dates. After selecting an active Tournament game, the trophy cup at the bottom of the screen flashes.

4. **New players** are asked to enter their full name and player information at the beginning of their first Tournament game. Only first time players need to enter this information. The player's screen name is then displayed on the various Tournament Ranklists. Afterwards, players only need to enter their screen name and password (PIN number).

5. **After players log on** the first time, they can play on any TournaMAXX™ machine participating in that Tournament by simply entering their screen name and password.

6. **Each day/night the TournaMAXX™ machine calls Merit's central server** via a local number. During the short call, Tournament information is transferred. Transferred data includes Local, Regional, and National scores and rankings.

7. **Merit's central server processes the data received** from all of the TournaMAXX™ machines. Updated Local, Regional, and National rankings are generated and sent to each machine. New messages, as well as other important Tournament data, may also be sent. Advertising by corporate sponsors may also appear on the screen.

ENDING A TOURNAMENT

1. **The Tournament ends on the advertised end date.** Each Tournament game is programmed to disable Tournament play at this time. Games in progress are allowed to continue until completed.

2. **The disabled TournaMAXX™ machine will no longer allow Tournament play.** Players will no longer be able to compete in the Tournament but will be able to view updated rankings.

3. **Final Tournament data is downloaded from each machine** during the regularly scheduled call-in time.

4. **Make sure machines have made a successful call** at the end of the Tournament. The official Tournament winners will be determined 48 hours after Tournament end date. Before moving a machine to another location, a successful manual Update from Server must be completed.

   Scores received after 48 hours after the conclusion of the Tournament will not be valid!

5. **A list of Tournament winners is compiled** after all of the games have called the TournaMAXX™ server with the final data. The final standings are transferred to each machine during call-in the next day.

6. **Final Ranklists and new messages continue to appear** on each game machine after the Tournament ends, to allow players to view the final standings.

7. **The machines continue to call Merit, even when no Tournament is running.** Machines remain on-line in order to monitor for potential problems, as well as be ready to accept new screen messages and receive premium content, game updates, and starting data for the next Tournament.

FREQUENTLY ASKED QUESTIONS

CONNECTION QUESTIONS

How do I make the game call into Merit at any time?
Press the Setup button, touch the System Settings button, touch TournaMAXX™, and then select the Update From Server button. The game will make a call to Merit, if it fails, repeat the process.

Does the game call Merit, or does Merit call the game, and how many times each day?
The game is programmed to call into Merit once each day, via a local call to the Internet Service Provider (ISP) at a predetermined time selected by the operator. (Please select a time when the game will be turned on.)

What if the game is turned off and misses its scheduled time to call Merit?
As soon as the game is turned on, it will attempt to complete a call to Merit.

How will I know if a successful call has been made?
When the game is attempting the initial call, the screen will display a MERIT CALL screen. The text near the bottom of the screen will show the status of the phone call. A typical successful call will display the following status messages in this order: Modem Found, Modem Dialing, Modem Connected, Connected to Merit Server, Data Transfer Successful, Server Complete. In order to check for successful connection after the initial connection, look in the connection log on the machine, or on your operator Web site www.tournamaxx.com.

When I attempt to make a call to Merit, the game displays the message "no dial tone found." What do I do?
Plug a normal telephone into the Y jack supplied with the game/kit. A dial tone must be heard on the phone. If no dial tone is heard, check your phone line connections. If a dial tone is heard, try dialing a phone number to make sure you can call out.

Can I use this game on a rotary phone system?
The game is factory-set to call out on a tone system, but you can set your game to use rotary or pulse dialing. Enter the Set-Up mode; select System Settings and the TournaMAXX™ button. Select the Dial-Up Network button. In the Phone Settings section, simply select pulse.

I have a dial tone but I never get a successful call into Merit. What do I check first?
Make sure the settings in the Dial-Up Network Screen menu are correct (refer to the On-Screen Configuration guide in the installation manual). Ask yourself some questions. Is this location on a rotary phone system? Is the phone line on a computer phone system? (The Tournament may not work on all phone systems.) Do I have to dial something, like a 9, to reach an outside line?

When I manually call into Merit it says, "modem connected" but the game does not connect. Why?
The game may be on a noisy phone line. This can be caused by old phone lines, too many devices on the line, or bad lines coming from the phone company. A direct connection to the box coming into the building or a new separate phone line added to the building are ways to rectify this problem.

I made a successful call so why can't I enter the Tournament?
The paperwork for the game must be sent or faxed to Merit for processing. Without the paperwork, your game will not receive TournaMAXX™ data. Also, a Tournament must be in progress. Be sure to get your paperwork in early!

Is my game hooked up to the Internet all the time?
No, only when the game dials into the TournaMAXX™ server.

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REPLACEMENT QUESTIONS

If I call the distributor or Merit for services, what information should I have ready?
The game and or kit serial number is how your game status is tracked. Your operator ID # will allow Merit to assist you with more in depth service/connection issues. Your operator ID should only be given to Merit service personnel.

SCREEN DISPLAY QUESTIONS

Why does the location name in the location icon differ from the actual location name?
When you register your location and your game's serial number, the screen will display the name of the location in the local ranking button. If the location name on the screen is wrong, you should first check that you sent in the correct game serial number. The game serial number is located on the side of the cabinet and in the software. Verify that both numbers are the same. Press the Setup button, touch the System Settings button, and then touch the Set Game Serial Number button to verify the serial number is correct. It is displayed at the top of the screen and must be the same as the serial number on your Game Start-Up Form. If the game serial number on the screen matches the serial number on the Game Start-Up Form and the location icon name is different than the actual name of the location, call, fax or E-mail Merit, and the name will be changed.

TOURNAMENT QUESTIONS

How do I know when there is a Tournament?
Upcoming Tournament dates will be announced approximately one week in advance and advertised on the game. The Merit Web site (www.tournamaxx.com) maintains a Tournament schedule as well.

How do the players know when there is a Tournament?
Special Tournament messages are periodically downloaded to the game's screen. These messages announce new Tournament dates. The game screen announces a new Tournament about one week before the Tournament begins.

How often do Tournaments run?
Tournaments are held about once a month. They usually last about 3 weeks, with about a week between tournaments.

Why don't you run Tournaments continually, back-to-back?
Time between Tournaments is useful for many reasons. It gives the players a feeling of conclusion and a sense of anticipation for the next Tournament. It gives operators a chance to hook up new games or move their existing games to a new location.

How does a player enter the Tournament?
When Tournaments are active, players select the MegaNet® button and choose the game they wish to play. Players simply enter their screen name and pin number. New players enter a small amount of information. Players can pre-register prior to tournament start date.

Can I adjust the skill level on the Tournament?
All skill/play options for TournaMAXX™ play are set by Merit to ensure fairness. These settings are the same on every machine within that Tournament. You can change the options on the regular games without affecting Tournament play.

COLLECTION QUESTIONS

How do I know how much money to send to Merit?
MegaNet® base subscription fees are charged on a sliding scale dependent upon which program you participate in. Premium Content fees, Merit Direct Software Update Kits, Price Per Play (if applicable) are additional. Simply reference your monthly invoice to see all charges.
Network service fees are charged on a sliding scale format and prorated.

How often do you transfer funds from my account?
Funds are transferred once a month. A transfer date is displayed on your billing statement. You should have the full amount in your account by this date. Any questions or discrepancies should be handled before this transfer date.

MEGANET® QUESTIONS

Why don't I have all the MegaNet® features active on my games?
You may need to activate these games via the operator setup menu on the game. Prize Zone™ is not available in all states as shown in the operator set up menu. If you have everything selected "on" via the operator set up screens and do not have them after making 2 calls into the MegaNet® server, contact Merit Customer Service for quick and friendly help.

OPERATOR PROGRAM QUESTIONS

Will the pro-rating of monthly base rate fees still be offered in each program?
Yes, pro-rating will continue for service fees other than Ion broadband connected and kit included.

How will I be able to order Merit "Kit Included" software kits on-line for these new programs, and will they be added to our monthly invoices?
Merit will contact you when the kits are going to be shipped and, yes, it is added as a line item to your monthly invoice.

WINNER QUESTIONS

Why do the standings on the Player Ranklists sometimes change after a Tournament ends?
TournaMAXX™ collects data from all machines at the end of the day. For that reason, the Ranklists are usually a day behind and need an extra day to catch up with real-time play. TournaMAXX™ collects and processes the final data to determine final standings. Sometimes this takes a few days due to unattended or off-line games. When the final data is collected, it is processed to eliminate ineligible players and invalid entries. The final Ranklists are then sent back to the games at the next call. This process may take a few days.

But remember: it is the operator's responsibility to make sure the game connects with the TournaMAXX™ server within 48 hours after the completion of the Tournament. All player scores will be voided if the machine misses the deadline.

Refer to the Troubleshooting Guide and Game Setup Screens in the MegaNet® Installation and User Manual for more detailed information.

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The Basics of Merit's MegaNet® Operator Web Site

Dear Operator:

Thank you for your participation in Merit's MegaNet® program. The following is an overview of the Remote Control Web site for MegaNet operators, detailing the features that are available on the site. If you have any questions on how to navigate the site, simply contact Vipul Patel at Merit's MEGANET OPERATOR HELP DESK at 1-800-523-2760, ext. 287.

Administrative:

Machines - This section provides easy access for registering new machines, viewing existing registered machines and for taking machines off-line. You can also verify the software versions and daily connection information for current machines.

Locations - The site gives operators the ability to register locations and edit specific location information for route management. Tip: Remember location information must be registered before the location's machine serial number can be entered.

Remote Control:

Allows the operator to remotely adjust certain machine functions based on location traffic and adjust the machine settings based on customer requests without having to visit the location. Some of the Remote Control features available to the operator are:

Amusement Pricing- allows you to easily set specific amusement game prices for all your MegaNet-connected machines.

Tournament Pricing- optimizes your tournament revenue with premium pricing.

Cash Settlement- saves operational costs by taking costs off the top of the cash box.

MegaNet Features- enables and disables MegaNet features such as Hot Topics™ Trivia, Penthouse® Pet of the Month™ (POM), MegaWeb™ and others.

6-Star Access- gives locations the ability to set volume, add advertising screens, and initiate an Update from Server. Tip: Merit recommends only enabling the Update from Server, as this will save the operator service calls to the location.

Volume- allows operators to remotely control the volume of their machines.

Video Posters- offer effortless promotion of your TournaMAXX™ events. Send your promotion shots right to your machines. You can add up to four (4) promotional Video Posters™ with the added bonus of a pop-up poster for even more exposure.

TournaChamp- progressive in-house tournaments that allow operators to manage all aspects of each tournament with operator-controlled settings for changing the following: the amount the pot is seeded, earnings percentages, value of credit, and pot percentages.

Operator-Run Tournaments (ORT)- Allows the operator to set up custom tournaments. Maximize your multiple location-based tournaments with operator-run tournaments (ORT).

Player Key Pricing- sets the price to purchase a Megatouch Nation Player Key on the machine. Megatouch Nation offers real money making for the operator! Merit's Megatouch Nation awards $4000 in monthly prize money at no cost to the operator.

Operator Site Access (OSA)- promotes your route business and reaches new customers through the use of the "Operator Site Access" icon. Promotes E-commerce on your Megatouch!

Hometown Boxxi- makes extra money by downloading your custom pictures of players, location's staff, and "Fun times" to the unique game Hometown Boxxi.

High Scores- manages each game's amusement high scores without going to the location. Tip: clearing high scores increases cash box earnings.

Software Download- Remotely start the new software download process. In some cases, no site visit would be required.

Reports:

Allows operators to access specific route and location data on currently connected machines, and manage tournament rankings and tournament prize distributions. Some of the report features are:

Books- view machine book earnings, game popularity, and tournament play from remote locations.

Connections- view connection history and spot any connection troubles. Tip: machines that connect daily make more money.

Rank Lists- view daily up-to-date records on current tournament player rankings, and manage all past tournament prize distributions from the Tournament Winner tab. Tournament rankings are provided at the National Level, the Route Level and the Location Level.

Software Version- simple way to view the current software versions on your connected machines.

Tournament Plays- verifies where your players are playing and how often they play. Maintains tournament integrity by allowing the operator to distribute prizes to locations participating in each tournament.

TournaChamp- allows up-to-date reports for each in-house progressive pot for TournaChamp.

Users:

View/add users to the Web site and manage the access available for each user. Makes a great operator management tool for distributing responsibilities of MegaNet® between several employees, maximizing manpower and resources for even more profit for the operator.

Support:

Provides forms and manuals for the operator in an easy to locate spot. You can enable or disable fax notification and send e-mail to the MegaNet group for assistance or questions.

Kit Included:

Order your yearly software kit from Merit and pay us each month via the EFT at the set price that is in your signed MegaNet® agreement.

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OPERATOR ADVANTAGES

- **Use existing equipment**
  Uses the most current Megatouch Ion or FORCE game platform.

- **MegaNet®**
  Direct downloadable content is automatically sent to your connected games along with Sneak Peek™ advance game releases.

- **Remote Control**
  Remote Control allows the operator to change pricing, volume control, erotic content settings, clear and set high score parameters, 6-star pin configuration, business analysis and security levels and send promotion shots right to your games with the Video Poster™ feature. All of this is done from the comfort of your office.

- **Level II Operator "Localized Tournament"**
  Each Tournament has a level exclusive to the operator. This provides the moneymaking promotion for your route, without the work.

- **TournaMAXX™**
  Allows for in-house Tournaments.

- **Game Connects Using A Standard Phone Line or High-Speed Access and Internet Connection**
  After installation of the modem and software, the game can be connected to an existing phone line or high-speed line. Once the initial game setup has been completed, the game will automatically connect with the server at the programmed times.

- **Simple Tournament Player Entry**
  Players are prompted to either enter an existing screen name and PIN or to select the new player login to get connected with Tournament play. All regular play is unaffected by the TournaMAXX™ games.

- **TournaMAXX™ Play Increases Earnings**
  The challenge of competing on a local, regional, national and/or global level generates more play as the skill of the player increases. This increased skill translates into more money in the cash box.

- **TournaMAXX™ is Automatic**
  All Tournaments are run and monitored by Merit Entertainment.

- **Automatic Bookkeeping**
  Each game connects with the TournaMAXX™ server daily to update both the new player database and Tournament game profile.

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TOURNAMAXX™
EVENT SCHEDULE 2008/2009

NAME	EVENT	DATES
Rocktober	MONSTER MADNESS	Oct. 3rd - 30th
Autumn Harvest	Card BANDITS	Nov. 2nd - 30th
Holiday Cheer	take2	Dec. 3rd - Jan. 5th
January Freeze	CHUG 21	Jan. 7th - 31st
Sweet Heart	BOXXi	Feb. 2nd - 28th
March Madness	TRI TOWERS	March 2nd - 31st
April Showers	LUCKY 11's	April 2nd - 30th
Spring Fling	SUPER BOXXi	May 4th - 31st
June Breeze	Card BANDITS	June 2nd - 30th

All tournaments start at 4:00PM EST on the first day of each scheduled event and end at 11:00PM EST on the final day of each scheduled event. Note: Game substitutions will be made to adjust for local regulations.

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