



## AUTHORIZED NETWORK SERIES DEALER AGREEMENT

This AGREEMENT made this \_\_\_\_\_ day of \_\_\_\_\_, between Universal Remote Control, Inc. hereinafter referred to as URC Inc., having its administrative offices located at 500 Mamaroneck Ave. Harrison, NY, and \_\_\_\_\_ hereinafter referred to as "Dealer", having its offices located at \_\_\_\_\_

### Recitals

**A.** URC Inc. manufactures and distributes high quality control product under the brand name URC and Universal Remote Control.

**B.** URC Inc. and Dealer recognize that both the quality of URC products and the professionalism and reputation of the Dealer are essential to their mutual success.

**C.** Dealer has demonstrated to the satisfaction of URC Inc. that it currently meets all of URC Inc. guidelines, has the capacity and will to sell URC control product to consumers in the manner and subject to the conditions hereafter provided, and by executing this AGREEMENT, Dealer warrants and represents that it shall at all times during the effective period hereof continue to maintain such capacity by meeting the qualifications and conditions set forth in this Agreement.

**D.** Dealer understands that it is critical that URC Inc. establishes and maintains a limited network of highly competent and reputable Dealers. Dealer acknowledges that it will be to the advantage of the consumer, Dealer and URC Inc. if the products are presented in an environment where they can be displayed, demonstrated, and explained by knowledgeable personnel.

***In Consideration of the mutual covenants set forth, URC Inc. and the Dealer agree as follows:***

### 1. RETAIL SALES AT AUTHORIZED LOCATION ONLY

- i. URC Inc. hereby appoints the Dealer, on a non-exclusive basis, to sell and promote the retail sales of URC Inc. products upon the terms and conditions hereinafter set forth. The Dealer hereby accepts the appointment as an independent contractor authorized to sell URC Inc. products.
- ii. Dealer shall not offer products for sale at any location other than one(s) that have been approved by URC Inc. in writing that are attached to this agreement as Appendix "A".
- iii. Dealer shall not sell product to any person who is in the business of selling consumer audio products at retail or who Dealer otherwise has reasons to believe may offer their product for resale, without consent from URC Inc. Transshipment is prohibited.
- iv. Dealer agrees not to advertise, promote or sell any URC Inc. products through mail order catalogs without, in any such case, URC Inc's prior written consent.
- v. Dealer agrees not to advertise, promote or sell URC Inc. Products on the Internet except in accordance with URC Inc. current Internet Policy Statement or as URC Inc. may otherwise approve in writing. URC Inc. Internet Policy Statement currently in effect is attached as Appendix "B."
- vi. URC Inc. has the absolute discretion to approve or reject Dealer's requests to add new authorized locations and to increase or decrease the number of authorized URC Inc. dealers in any area at any time.

## **2. OBLIGATION OF DEALER**

### **A. Affirmative Obligations**

- i. Dealer and its staff shall be intimately conversant with the technical language conventional to control and audio/video products in general, and shall possess complete knowledge concerning URC products and their specifications. Dealer shall conduct appropriate sales and installation training of its personnel to ensure that such knowledge is imparted to them and shall cooperate in any product certification and education programs that URC Inc. may establish. Dealer's sales personnel shall be familiar with information concerning URC products so that they are in a position to respond to consumer questions or comments.
- ii. Dealer shall have on active display at least one of each model of URC Network Series products. Dealer shall have the ability to conduct a live demonstration for its customers as necessary. If dealer does not have a functional showroom they will be required to purchase a URC Inc. Network Series demonstration kit consisting of URC Inc. Network Series product which will allow them to conduct a live demonstration of URC Inc. Network Series product to their customer.
- iii. Dealer, to the best of its ability, shall consistently encourage its customers to purchase URC, Inc products. Dealer will at all times represent URC Inc. products fairly in comparison with competitive products of other manufacturers.

- iv. The Dealer shall maintain a complete record of its sales of the Products, including date of sale, name, model and serial number of the Products sold, and the name and address of each purchaser, and shall furnish such information to URC Inc. within a reasonable time after it is requested.
- v. Dealer shall comply with all applicable federal, state and local laws in performing its duties hereunder and in any of its dealing with respect to URC Inc.
- vi. If Dealer contemplates a sale of all or any substantial part of its business, or any retail store at an authorized location, whether by sale of stock, assets or otherwise, it shall notify URC Inc. in writing not less than forty five (45) days prior to effecting such sale.

### **3. OBLIGATIONS OF URC Inc.**

- i. URC Inc. shall use its best efforts to maintain the quality and reputation of URC Inc. products.
- ii. URC Inc. shall provide such dealer support as URC Inc. deems necessary or desirable through advertising, product literature, training and other promotional programs.

### **4. PRICES, TERMS, AND FINANCIAL REQUIREMENTS**

- i. All prices for URC Inc. products sold to Dealer hereunder are F.O.B., Valhalla, NY.
- ii. URC, Inc may change the prices of its product at any time during the term of this AGREEMENT.
- iii. Dealer represents and warrants that it is in good financial condition and is able to pay its bills when due. URC Inc. has the right to change its financial requirements at any time.
- iv. Dealer agrees to make available to URC Inc. such statements of the Dealer's financial condition as URC Inc. may periodically request. URC Inc. reserves the right at all times, either generally or with respect to any specific purchase order of the Dealer, to vary, change or limit the amount or duration of credit to be allowed to the Dealer.
- v. Dealer agrees to pay URC Inc. a monthly service charge at the rate of 2% per month on any unpaid balance computed from the date such indebtedness becomes past due to the date of its payment. Accounts forty-five (45) days old may be placed on C.O.D. at URC Inc. discretion.
- vi. URC Inc. retains the right to cancel any or all purchase orders accepted or to delay shipment thereof, if Dealer fails to meet payment requirements established by URC Corp.
- vii. URC Inc. may refuse to accept any order placed by Dealer.

- viii. Product returns are subject to prior approval, inspection and acceptance. Dealer must contact URC Inc. for approval and for a return authorization number. All returns are subject to 10% restocking charge plus the cost of refurbishing, repairing and repackaging as necessary. No deductions.

## 5. DURATION OF AGREEMENT/TERMINATION

- A. This AGREEMENT shall remain in effect in accordance with provisions of this article. Either Dealer or URC Inc. may terminate this AGREEMENT with or without cause; provided, however, that in the event the termination is without cause, at least thirty (30) days advance written notice must be given to the other party. Termination for cause may be effected forthwith and without any advance written notice. For purpose of this AGREEMENT, cause shall exist under the following circumstances:
  - i. If either party breaches any provision of this AGREEMENT.
  - ii. In the event that URC Inc., in its sole discretion, determines that the Dealer is not using its best efforts to promote the sales of URC products.
  - iii. If any transaction shall occur whereby any major portion or all of the ownership of the Dealer shall be transferred or sold.
  - iv. If the Dealer liquidates, terminates, or petitions for bankruptcy.
  - v. If the Dealer fails to meet payment obligation by sixty (60) days or more.
- B. If URC Inc. terminates this Agreement without cause, URC Inc. may (a) reject all or part of any orders received from Dealer after notice but prior to the effective date of termination, if availability of URC Inc. Products is insufficient at that time to meet the needs of URC Inc. and its customers fully; and (b) limit shipments to Dealer during the period between notice and the termination date to Dealer's average purchases during the three (3) months prior to the date of its notice. If this Agreement is terminated by URC Inc. for cause, URC Inc. will be entitled to reject any or all of Dealer's orders.
- C. URC Inc. shall have the right but not to be required to purchase any or all URC Inc. products owned by Dealer at the effective date of termination of the AGREEMENT. Repurchase shall be consumed at the Dealers cost for the product in question, less a 10% restocking charge and cost of refurbishing, repairing and repackaging as necessary.
- D. Upon termination, all invoices due to URC Inc. shall become immediately due and payable.

## **6. NOTICES**

All notices to be given under the terms of this Agreement shall be in writing and sent by certified or registered mail, return receipt requested, or by overnight courier service, postage or other applicable charges prepaid, to the addresses for Dealer as set forth in this Agreement, which addresses may be changed from time to time by notice served by either party upon the other in accordance with this provision.

## **7. GOVERNING LAW; JURISDICTION**

- A.** This Agreement and the performance of the parties under this Agreement shall in all respects be governed by and construed in accordance with the law of the State of New York, without reference to conflicts of laws principles.
- B.** All legal actions or proceedings arising out of or related to this Agreement shall be brought in the courts of the State of New York or the United States District Court for the District of New York. Dealer agrees to the jurisdiction of such courts and to accept service of process in any such action or proceeding sent in the manner provided for notices as specified in this Agreement.

## **8. NO FRANCHISE**

This Agreement does not in any way create a franchise relationship between Dealer and URC Inc. and in no circumstances shall Dealer be considered a franchisee of URC Inc. Dealer acknowledges that no front-end, conditional or other investment fee is due or owing from Dealer to URC Inc. under this Agreement or any other written or oral agreement except payments for the purchase of URC Inc. Products.

## **9. LIMITED LIABILITY**

The liability of URC Inc., if any, for damages for any claims of any kind whatsoever and regardless of the legal theory with regard to any order placed by the DEALER hereunder, regardless of the delivery or non-delivery of such products, or with respect to the products covered hereby, shall not be greater than the actual purchase price of the products with respect to which such claim is made, under no circumstances shall URC Inc. be liable to the Dealer for compensation, reimbursement or damage on account of the loss of present or prospective profits, expenditures, investments or commitments, whether in the establishment, development or maintenance of business reputation or goodwill or for any other reason whatsoever, in no event shall URC Inc. be liable to the Dealer for special, incidental, or consequential damages.

## **10. NO WAIVER, AMENDMENT OR MODIFICATION**

Except as otherwise stated in this Agreement, no provision of this Agreement shall be waived, amended or modified by any party unless such waiver, amendment or modification is in writing and duly signed by the party against whom the waiver or modification is sought to be enforced. The waiver of any one default shall not be considered a waiver of any similar or different subsequent default.

## **11. INVALIDITY**

If and to any extent that any provisions of this AGREEMENT shall be determined by any legislature or court to be in whole or in part invalid or unenforceable, the AGREEMENT in its entirety shall be automatically terminated upon such determination.

*IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.*

**DEALER** \_\_\_\_\_

*By:* \_\_\_\_\_

*Title:* \_\_\_\_\_

**UNIVERSAL REMOTE CONTROL, INC.**

*By:* \_\_\_\_\_

*Title:* \_\_\_\_\_

**APPENDIX "A" TO UNIVERSAL REMOTE CONTROL NETWORK SERIES DEALER  
AGREEMENT**

**CURRENT URC NETWORK SERIES PRODUCT  
(Effective as of March 1, 2010)**

MX-6000  
MX-6000I  
MX-5000  
KP-4000      ALL COLORS  
PSX-2  
MRX-1  
RFTX-1  
POE-1



**APPENDIX "C" TO UNIVERSAL REMOTE CONTROL NETWORK SERIES DEALER  
AGREEMENT  
INTERNET POLICY STATEMENT  
(Effective as of March 1, 2010)**

***Universal Remote Control, Inc. ("Universal Remote Control") has established this Internet Commerce Policy to regulate internet sales of Universal Remote Control products by persons or entities other than Universal Remote Control.***

1. **Definitions.** For purposes of this Internet Commerce Policy, the following terms shall have the following meanings:
  - a. "Direct Customer" means a person or entity that purchases Products from Universal Remote Control for resale.
  - b. "Network Series" and "Custom Professional" means a group of Products designated by Universal Remote Control, in its discretion, as requiring the physical display samples available for consumers to see, feel and experience in a bona fide retail sales environment in order to establish a market for such Products. Universal Remote Control reserves the right to add to, delete from or modify the groups of products designated as a Complete Control Category under this Internet Commerce Policy.
  - c. "On-Line Sales" means the conduct of all or any part of a sales transaction over the internet, including without limitation offering to sell or buy Products, obtaining purchaser and shipping information and/or effecting payment for Products.
  - d. "Products" means all products offered and sold by Universal Remote Control.
  - e. "Restricted Products" means Products designated by Universal Remote Control, in its discretion, as restricted from being sold in On-Line Sales transactions. Universal Remote Control reserves the right to add to, delete from or modify the Products designated as Restricted Products under this Internet Commerce Policy.
  - f. "Internet Reseller" means any person or entity other than a Direct Customer that conducts On-Line Sales of Products.
  - g. "Website" means a website used to transact On-line Sales of Products.
  - h. "Universal Remote Control Trademarks" means the trademark UNIVERSAL REMOTE CONTROL, the stylized spinner logo, the trademark Complete Control, Entertainment Made Simple and other trademarks, service marks and proprietary rights owned by Universal Remote Control used in connection with the sale of Products.
  
2. **Approval of On-Line Sales by Direct Customers** No Direct Customer may engage in On-Line Sales of Products without Universal Remote Control's prior written approval. In the event that approval is granted, Universal Remote Control reserves the right to approve each Website used by the Direct Customer in engaging in such sales. Approval will not be conditioned on the pricing policies of the Direct Customer.
  
3. **Approval of Internet Resellers** Universal Remote Control reserves the right to make or authorize all sales of Products to Internet Resellers. No Direct Customer may, without the prior written approval of Universal Remote Control, resell Products to (a) Internet Resellers of any type, or (b) to persons whom the Direct Customer knows or should reasonably have known, will resell Products to an Internet Reseller. In the event that approval is granted, Universal Remote Control reserves the right to approve each Website used by the Internet

Reseller and to determine on what non-price terms the Direct Customer may sell Products to an Internet Reseller. Approval of an Internet Reseller will not be conditioned on pricing policies of Internet Resellers.

4. **Effective Period of Approval** Unless otherwise provided by Universal Remote Control in its written approval and except to the extent terminated in accordance with Paragraph 5, approvals granted by Universal Remote Control under this Internet Commerce Policy will be effective for the calendar year in which the approval was granted, and will expire at the end of such calendar year. At the end of each calendar year, Direct Customers who have received approvals from Universal Remote Control to engage in On-Line Sales and/or to sell, directly or indirectly, to Internet Resellers under this Internet Commerce Policy must request re-approval prior to engaging in such activity.
5. **Termination of Approval** Universal Remote Control reserves the right to terminate any approval granted under this Internet Commerce Policy, for any reason, upon thirty (30) days' written notice; provided, however, Universal Remote Control may terminate all or any part of its approval immediately upon written notice in the event that the Direct Customer or Internet Reseller fails to comply with any provision of this Internet Commerce Policy, including without limitation the terms set forth in Paragraph 8.
6. **Effect of Expiration or Termination of Approval** Upon the effective date of expiration or termination of approval granted by Universal Remote Control under this Internet Commerce Policy to a Direct Customer, the Direct Customer will immediately cease the activity for which approval had been granted.
7. **Universal Remote Control Discretion** Except as expressly set forth herein, wherever Universal Remote Control has the right to approve, withhold approval or terminate approval under this Internet Commerce Policy, such right shall be in Universal Remote Control's sole and absolute discretion for any reason whatsoever. In no event will Universal Remote Control be liable to Direct Customers or Internet Resellers for damages or expenses arising from the exercise by Universal Remote Control of such rights; Direct Customers hereby releases Universal Remote Control from such liability and agree to indemnify and hold it harmless for damages and expenses to any Internet Resellers to whom Direct Customers sold products.
8. **Conditions for Approval** Universal Remote Control's approval to allow a Direct Customer to engage in On-Line Sales or to sell to an Internet Reseller is subject to and conditioned upon the following:
  - a. On-Line Sales by the Direct Customer or the Internet Reseller, as the case may be, may be engaged in only with end-users and consumers residing in (and who shall use the Products only in) the United States.
  - b. On-Line Sales by the Direct Customer or the Internet Reseller, as the case may be, must be conducted in a truthful and ethical manner, in full compliance with all applicable laws and industry standards (including without limitation those applicable to advertising, merchandising and representations concerning Products).

- c. Sales representations set forth on the Website for each model of Products offered for On-Line Sale must contain a full description of that model's features, product specifications and warranty terms and conditions.
- d. Each Direct Customer engaging in On-Line Sales and each Internet Reseller must provide a means of answering consumer questions, either by e-mail or dedicated telephone number, during at least 8 hours on all business days, relating to features, specifications and programming of Products, applicable shipping and handling charges, available quantities and service support.
- e. Each Direct Customer engaging in On-Line Sales and each Internet Reseller is prohibited from engaging in:
  - i. Bait and switch promotional policies.
  - ii. Misrepresentation of Product quantities available for immediate sale.
  - iii. Misrepresentation of shipping and handling charges associated with the purchase of any Products.
  - iv. Misrepresentation of a Product's so-called "Comparable Retail Value".
  - v. Misrepresentation of a Product's features, consumer benefits or operational characteristics.
  - vi. Failing to fully identify a reconditioned or refurbished Product with such description.
  - vii. Misrepresentation of Universal Remote Control's consumer warranty applicable to the Product, customer service and support.
  - viii. False and deceptive advertising, merchandising or sales policies or practices.
  - ix. Utilizing any language or depictions, which in the sole opinion of Universal Remote Control are potentially injurious to the UNIVERSAL REMOTE CONTROL name, image or reputation.
  - x. Improper or unauthorized use of Universal Remote Control Trademarks.
- f. Notwithstanding any approvals, Direct Customers engaging in On-Line Sales and Internet Resellers may not sell Restricted Products in an On-Line Sales transaction. Restricted Products may be placed by a Direct Customer or Internet Reseller, as the case may be, on its Website for information purposes only; provided, such Direct Customer or Internet Reseller maintains a bona fide physical retail store or stores; provided, further, the Website must set forth the following statement prominently and unambiguously in close proximity and clear association with reference to such Restricted Products: **"THESE PRODUCTS ARE NOT AVAILABLE FOR ON-LINE SALES, CHECK YOUR LOCAL STORE"**
- g. A Product that is in a New Product Category (AS DETERMINED BY Universal Remote Control, from time to time) may not be sold in an On-Line Sale by a Direct Customer or Internet Reseller unless (i) such activity is approved by Universal Remote Control pursuant to the terms of this Internet Commerce Policy and (ii) the Direct Customer or Internet Reseller, as the case may be, maintains a bona fide physical retail store or stores in which a sample of such Product is on display.
- h. No Internet Reseller may represent, directly or indirectly, on its Website or otherwise, that it is an "Authorized" or "Approved", "Licensed", "Certified" or words of like import) Universal Remote Control dealer or reseller. Grant of approval by Universal Remote Control to permit a Direct Customer to sell Products to an Internet Reseller shall not constitute or be construed as the establishment of the Internet Reseller as an authorized Universal Remote Control dealer or reseller.
- i. Direct Customer engaging in On-Line Sales and Internet Resellers shall be required to submit to Universal Remote Control, for review, all pages of its Website referencing or describing the Product or its relationship to Universal Remote Control in advance of placing said pages on-line. Universal Remote Control reserves the right to disapprove of any such page or pages or any part thereof at any time, whereupon the Direct Customer

or Internet Reseller, as the case may be, shall discontinue or modify such page or pages in accordance with Universal Remote Control's instructions with respect thereto. Failure of Universal Remote Control to promptly express such disapproval shall not constitute a waiver by Universal Remote Control of its rights to disapprove and require such discontinuance or modification or to approve, disapprove or terminate approval of any activity by the Direct Customer of Internet Reseller in accordance with this Internet Commerce Policy.

9. **Ownership and Use of Websites** In the event that Universal Remote Control approves a Direct Customer engaging in On-Line Sales, or sales by a Direct Customer to an Internet Reseller, the Websites to be used in connection with such activity shall be reported to Universal Remote Control in writing and shall be owned by such Direct Customer or Internet Reseller, as the case may be, and all such approved On-Line Sales activity shall occur only on such Websites.
  
10. **Use of Universal Remote Control Trademarks** All use of the Universal Remote Control Trademarks on Websites shall be in accordance with Universal Remote Control's trademark usage guidelines published and amended from time to time by Universal Remote Control of its sole discretion, and shall comply and promptly be modified according to instructions issued by Universal Remote Control from time to time. No Website, or any part thereof, shall be designed to be similar to the Universal Remote Control website, or any part thereof, in such a way that visitors could mistake such Website for a website owned or operated by Universal Remote Control.
  
11. **Refusal to Deal** Failure by a Direct Customer or Internet Reseller to comply with this policy will result in Universal Remote Control's refusal to deal in or supply Products resold in violation of this policy. Any Dealer that has violated the terms of the Internet Policy on more than one occasion will be subject to termination for cause under the Universal Remote Control, Inc. Dealer Agreement. The foregoing shall not constitute or be construed as a waiver or limitation of Universal Remote Control's rights or remedies under other agreements or applicable law, all of which shall be and remain available to Universal Remote Control.