



AUDIO EXPERIENCE INC., DEALER AGREEMENT

THIS AGREEMENT, to become effective the _____ (Day) of _____ (Month), _____ (Year), (hereafter called "Agreement") between Audio Experience Inc., with its principal place of business at 764 Indigo Ct. #E Pomona CA 91767 U.S.A., (hereafter called "Company") and _____ a Company with its principle place of business at _____ (hereafter called "Dealer").

I. PURPOSE

This Agreement is to establish Dealer as a Dealer of Company with the non-exclusive right to sell at retail Company's Products, including parts and accessories therefore (hereafter called "Products") in the trade area served by Dealer and to establish the responsibilities of the parties. Company reserves the right to sell, in the trade area served by Dealer.

II. TERMS OF SALE

Upon acceptance by Company of a Dealer order for Products, terms of purchase will be as set forth in Company's most currently published "General Terms and Conditions". Company will have the right to change the Product offering and the terms and prices therefore at anytime and from time to time. Prices and terms of Products shall be those in effect at the date of F.O.B. shipment, Company location.

III. CREDIT

When credit is extended to Dealer, Dealer agrees that title to all Products with right of repossession for default shall remain with Company until the purchase price is paid in full. Credit may be extended to Dealer after execution and filing of security agreements and related documents satisfactory to Company. At Company's request, Dealer shall provide current credit references. Company shall take reasonable measures to preserve the confidentiality of all such information within the Company. Failure by Dealer to promptly provide such information, or should Company otherwise deem itself insecure, Company may suspend or reduce Dealer's credit limit, or take what other steps necessary to protect Company's interest.

IV. WARRANTY

Company Products are sold subject only to the applicable Company standard printed warranty in effect at the time of sale and such warranty shall be in lieu of all other warranties express or implied. Dealer is not authorized to assume, on Company's behalf, any liabilities in connection with Dealer's sale of Product other than as set forth in such Company standard warranty. Dealer shall indemnify and hold Company harmless with respect to any Dealer representation beyond those in such Company warranty. COMPANY MAKES NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

V. DELIVERY

Company shall not be responsible for failure to deliver Products on time or to fill orders when such delay or failure results from causes beyond Company's sole control.

VI. RESPONSIBILITY OF DEALER

Dealer shall:

1. Achieve a market share, satisfactory to Company, for Products in the area served by Dealer.

2. Maintain an inventory of Products in keeping with the sales potential in (Dealer's PAR) the area served by dealer and satisfactory to Company. This inventory could represent one to hundreds of products and shall be established at time of agreement based upon the dealer's primary area of responsibility.
3. Aggressively promote the sale of Company Products, through, but not limited to, advertising, internet sites, tradeshow, catalogs, field demonstrations and other applicable methods using the Dealers and/ or Company's advertising and/or sales promotion material as provided by Company, and by participation other sales related programs offered by the Company.
4. Extend to Dealer's customers Company's applicable standard printed Product warranty which is in effect at the time of retail sale. Dealer understands that no other warranty is expressed or implied.
5. Properly staff and train sales, service and parts personnel with respect to Products.
6. Set up Products following Company's standard setup instructions and explain proper operating and safety instructions to Dealer's retail customers, together with delivery of applicable written operating and safety instructions.
7. Obtain consent of Company if Dealer intends to open any additional business locations, appoint sub-dealers or agents for the sale and/ or service of Products or for the purpose of displaying Products at any location including internet sites other than the business location described above.
8. Carefully store and care for all Products for which Dealer is indebted to Company under this Agreement and protect same from damage or loss from any cause. Dealer shall maintain insurance of the types, in an amount and non-cancelable without at least 10 days written notice to Company from the insurer, covering any such damage or loss, all reasonably satisfactory to Company.
9. Ensure adequate Company name, logo and identifying information is legibly displayed upon any presentation of Company's products wherever Dealer presents or displays such Product.
10. Encourage retail customers to use Company's original equipment parts (OEM) in the repair and replacement of Products in order to maintain the Products performance and high quality. Dealer shall not represent non-OEM parts as Company OEM parts.
11. Obey the Company's minimum advertised pricing schemes (MAP) at all times. This also includes advising the company of any market factors or transgressors that affect this pricing.
12. Cooperate with Company's Annual Performance Review, and any other programs or matters pertaining to the administration of this contract.

VII. TERM

The term of this Agreement shall be for a period of one year, commencing on the effective date hereof. This Agreement shall be automatically renewed for successive terms of one year each unless either party shall give the other notice of non-renewal not less than 30 days prior to the end of the then current term or unless this Agreement is otherwise terminated as provided herein.

VIII. TERMINATION

Unless otherwise provided by applicable state law, either party may terminate this Agreement without cause and for any reason, upon not less than 30 days written notice given to the other party, provided that nothing contained herein shall prevent Company from immediately terminating this Agreement in the event of bankruptcy or insolvency of Dealer, Dealer's failure to pay any amounts owing Company when due, Dealer's failure to hold proceeds of the sale of Products in trust for Company, or Dealer's failure to maintain satisfactory insurance with respect to Products. Upon termination for any reason, all amounts owed Company will become immediately due and payable.

IX. REPURCHASE

Unless otherwise provided by applicable state or federal law, in the event this Agreement is terminated, Company will repurchase and Dealer will resell, all new, unused, current, complete and undamaged Products at the prices of original invoice less any applicable discounts or payments made thereon and less a 33% handling charge computed on Dealer's net price. In addition, Company will repurchase Dealer's Product parts subject to such parts being current, unused and in a new physical condition and appearance, including packaging, and suitable for reshipment by Company to other dealers. Company will not repurchase parts whose condition may have deteriorated while in Dealer inventory. Any repurchase is solely at the Company's discretion.

X. TRADEMARKS / TRADE NAMES

Dealer is hereby licensed to use Company's name and trademarks in the normal course of distributing Company's Products and performing related services under this Agreement. Dealer agrees not to use Company's name as part of Dealer's name or in any manner which would misrepresent the relationship between Dealer and Company. Dealer may represent itself as an "authorized

dealer" of Company, and, with prior approval of Company, may use Company's name and Product related trademarks on signs or other advertising or promotional material. Dealer's license to use Company's name and trademarks is limited and Dealer shall abide by restrictions and limitations imposed by Company from time to time. Upon termination of this Agreement, Dealer shall immediately cease representing itself as a dealer of Company and shall cease use of all Company names and trademarks and any signs or other material, of whatever nature, identifying Dealer as a dealer of Company shall be removed or obliterated.

XI. GENERAL

- A. Party neither is an agent of the other nor is either authorized to incur any obligations or make any representations on behalf of the other.
- B. This Agreement is binding on the parties, their heirs, executors, administrators, successors and assigns.
- C. Neither party may assign this Agreement or any provisions thereof to another party without the written approval of the other.
- D. If any provision of this Agreement shall be held unenforceable, then the remainder of this Agreement shall not be affected thereby.
- E. No waiver by Company of any default under this Agreement by Dealer shall be deemed a waiver of any prior or subsequent default by Dealer hereunder.
- F. All understandings and agreements between the parties are contained in this Agreement which supersedes and terminates all other agreements between the parties. The rights of either party pertaining to Products sold by Company to Dealer under previous arrangements will be governed by this Agreement, provided, however, that nothing contained in this Agreement will, in any way, alter or change the rights and obligations of the parties pursuant to any security agreements or other agreements presently in existence.
- G. Company reserves the right to modify and/or update this Agreement consistent with the modification and/or updating of all Agreements Company has with other similar dealers, and replace or substitute such modified or updated agreement for this Agreement and such replacement or substitution shall not constitute termination of this Agreement. Failure of Dealer to execute such replacement or substitution agreement within 30 days of it being offered shall constitute automatic termination of this Agreement by Dealer.
- H. Company hereby represents and warrants to Dealer that it has the full right, power and authority to sell the Product to Dealer and that Company is the owner of all trademarks, copyrights, patents, trade secrets and all intellectual property rights in the Product and that any sale to Dealer shall in no way violate or infringe any third party's rights in any trademark, copyright, patent, trade secret or any other intellectual property rights. These representations and warranties shall survive termination of this Agreement.
- I. Company shall defend, indemnify and hold Dealer, and its respective owners, directors, officers, employees and agents, harmless from and against any and all claims, actions, causes of actions, liabilities, damages, losses or expenses (including without limitation attorney's fees and court costs) arising from or in any way related to the Products, services provided under the Agreement and/ or the performance or breach of any of the terms of this Agreement, including but not limited to the representations and warranties. This indemnity shall survive termination of this Agreement.
- J. Company shall maintain during the term of this Agreement insurance of the types, in amounts, and non-cancellable without at least 10 days written notice to Dealer from the insurer, all reasonably satisfactory to Dealer.

This Agreement shall be governed by the laws of the State of California, U.S.A.





Dealer:

Audio Experience Inc.,

764 Indigo Ct. #E Pomona CA 91767 U.S.A.

Tel: (866) 826-5951 Fax: (909) 610-8610

Email: ae@audio-experience.com

Web: www.audio-experience.com

By : _____

By : _____

Title : _____

Title : _____

Date : _____

Date : _____

Further Dealer information required (if printed, please print legibly for clarity):

Full mailing address: _____

Contact personnel: _____

Phone: _____ Email: _____ Fax: _____

Credit card information (please review our Privacy Policy for information use):

Card No.: _____ CVV#: _____

Name on Card: _____ Exp. Date: _____

Card type (MC/Visa/AmEx/etc.): _____ Billing Address: _____

Preferred Carrier (if any): _____ Acct. No.: _____

Preferred Carrier: _____ Acct. No.: _____

*Note: All information supplied is kept private on secure company servers and neither shared or disseminated with any party outside specific relevant company personnel only. All such information is destroyed upon request.



Dealers/ Resellers Validate Resellers Permit

I hereby certify that I hold valid seller's permit number _____ issued by: _____ ; that I am engaged in the business of selling Consumer Audio Electronics & Accessories; and that the tangible personal property described in the second paragraph of this certificate, which I purchase from: Audio Experience Inc., will be resold by me in the form of tangible personal property. I further certify that in the event any of the property is used for any purpose other than retention, demonstration or display while I am holding it for sale, in the regular course of business, it is understood that I am required (also pursuant to chapters 372, 374 and 377 of the Nevada Revised Statutes) to report it and pay the sales tax(s) due measured by the purchase price of the property.

Description of the property to be purchased:

Consumer Audio Electronics, audio speakers, audio accessories & constant voltage equipment.

Purchaser: _____

Address: _____

Signature of Authorized Purchaser: _____

Dated: _____

Located at: _____



*Note, the Audio Experience 3 year Warranty applies only to Audio Experience Speaker products and not to other Audio Experience products including but not limited to accessories, amplifiers, constant voltage equipment and non-speaker products in the Audio Experience range of products. The company warranty on these non-speaker products is the standard 1 year parts and labor.



Audio Experience Inc., 3yr. Limited Warranty

This Warranty ("the Warranty") offered by Audio Experience Inc., Audio E, AE ("the Company"), warrants to the original purchaser of this product that should the product or any part thereof, under normal recommended use and conditions, be proven defective in materials or workmanship within thirty six months from the date of original purchase, such defect(s) will be repaired or replaced at the Company's option without charge for parts and labor. To obtain repair or replacement within the terms of this Warranty, the product along with any accessories included in the original packaging is to be delivered with proof of warranty coverage, dated bill of sale, receipt, details of defect(s), shipping prepaid to the Company at the address shown below. Please do not return this Audio Experience product to the original Retailer. Under the above stated conditions compliance, should the Company's product become defective within the first thirty days of purchase prepaid shipping does not apply where the Company will accept these shipping charges in deference to our customers.

This Warranty is not transferrable and does not cover Company products purchased or used outside the United States. This Warranty does not extend to externally generated noise, the cost of installation, removal or reinstallation of the Company's products. This Warranty does not apply to any of the Company's products or parts which, in the sole opinion of the Company, has suffered or been damaged through alteration, improper installation, mishandling, misuse, neglect, transportation, shipping or insurance claims for damage, legally "Acts of God" (such as floods or lightning etc.), ordinary wear and tear or cosmetic damage, accidental exposure to fertilizers, acidic compounds, solvents or adversely affected by the use, with our product, of any third party equipment or any claims by entities other than the original purchaser.

The extent of the Company's total liability under this Warranty is Limited to the Repair or Replacement provided above and in no event shall the Company's liability exceed the original purchase price paid by the original purchaser for the Company's Product(s).

This Warranty is in lieu of all other expressed warranties or liabilities, any implied warranties including any implied warranty of merchantability or fitness for a particular purpose shall be limited to the duration of this Warranty. Any action for breach of any warranty hereunder, including any implied warranties, must be brought within the period of this Warranty. In no circumstances shall the company be liable for any consequential or incidental damages whatsoever. No agent, representative or person is authorized to assume for the Company any liability other than expressed herein in connection with the sale of this product.

Please be advised; some states do not allow limitations on how long an implied warranty lasts or the exclusion or limitation of incidental or consequential damages, so the above limitations or exclusions may not apply to you. This warranty gives you specific legal rights and you may also have other rights which vary from state to state.

*Note, the Audio Experience 3 year Warranty applies only to Audio Experience Speakers and not to other Audio Experience products including but not limited to accessories, amplifiers, constant voltage equipment and non-speaker products in the Audio Experience range of products. The company warranty on these non-speaker products is the standard 1 year parts and labor.



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