

Please Email/Fax Signed Agreement to:  
Pioneer Pro SV  
Suresh Chekuri, Sr. Sales Manager  
Email: suresh.chekuri@pioneer-usa.com  
Fax: 310-513-2526

Customer # \_\_\_\_\_

**PIONEER ELECTRONICS (USA) INC.  
HOME ENTERTAINMENT AND BUSINESS SOLUTIONS GROUP  
PROFESSIONAL SOUND AND VISUAL DIVISION  
AUTHORIZED DISTRIBUTOR-DEALER AGREEMENT**

**EXHIBIT A**

Dealer Name: \_\_\_\_\_  
Authorized d/b/a: \_\_\_\_\_  
Owner/President: \_\_\_\_\_  
HQ Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Phone: ( ) \_\_\_\_\_ Fax: ( ) \_\_\_\_\_

Authorized Products: Pro Audio Products  
Other (Specify) \_\_\_\_\_

Account Responsibility: \_\_\_\_\_  
Pioneer Regional Sales Manager/  
National Accounts Manager

Warehouse Locations (Street, City, State, Zip, Telephone)  
\_\_\_\_\_  
\_\_\_\_\_

(continue on back if necessary)

Total Authorized Store Fronts: \_\_\_\_\_

**LIST ALL SELLING LOCATIONS BY COMPLETING EXHIBIT B**  
Additional locations may be authorized only by written agreement of all parties hereto.

THIS AGREEMENT CONSISTS OF EXHIBITS A AND B AND SECTIONS 1-15; READ ALL SECTIONS BEFORE SIGNING. **ORIGINAL SIGNATURES REQUIRED ON EXHIBIT A AND SECTIONS 3 AND 14.**

Dealer \_\_\_\_\_ d/b/a \_\_\_\_\_

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Title: (Owner/Officer)

Distributor Name \_\_\_\_\_

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Distributor Principal

Submitted for approval:

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Pioneer Regional Sales Manager/National Accounts Manager

Approved by Pioneer Electronics (USA) Inc.

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Senior Vice President, Vice President, Sales

**PIONEER ELECTRONICS (USA) INC.  
HOME ELECTRONICS  
PROFESSIONAL SOUND AND VISUAL DIVISION  
AUTHORIZED DISTRIBUTOR-DEALER AGREEMENT  
AUTHORIZED LOCATIONS**

**EXHIBIT B**  
(Please type/print clearly)

Company Name: \_\_\_\_\_ d/b/a \_\_\_\_\_

\_\_\_\_\_  
Store d/b/a  
\_\_\_\_\_  
Address  
\_\_\_\_\_  
City, State, Zip  
\_\_\_\_\_  
Telephone #  
\_\_\_\_\_  
Store Manager

\_\_\_\_\_  
Store d/b/a  
\_\_\_\_\_  
Address  
\_\_\_\_\_  
City, State, Zip  
\_\_\_\_\_  
Telephone #  
\_\_\_\_\_  
Store Manager

\_\_\_\_\_  
Store d/b/a  
\_\_\_\_\_  
Address  
\_\_\_\_\_  
City, State, Zip  
\_\_\_\_\_  
Telephone #  
\_\_\_\_\_  
Store Manager

\_\_\_\_\_  
Store d/b/a  
\_\_\_\_\_  
Address  
\_\_\_\_\_  
City, State, Zip  
\_\_\_\_\_  
Telephone #  
\_\_\_\_\_  
Store Manager

\_\_\_\_\_  
Store d/b/a  
\_\_\_\_\_  
Address  
\_\_\_\_\_  
City, State, Zip  
\_\_\_\_\_  
Telephone #  
\_\_\_\_\_  
Store Manager

\_\_\_\_\_  
Store d/b/a  
\_\_\_\_\_  
Address  
\_\_\_\_\_  
City, State, Zip  
\_\_\_\_\_  
Telephone #  
\_\_\_\_\_  
Store Manager

\_\_\_\_ Initials  
\_\_\_\_ Date

PIONEER ELECTRONICS (USA) INC.  
HOME ELECTRONICS  
PROFESSIONAL SOUND AND VISUAL DIVISION  
AUTHORIZED DISTRIBUTOR-DEALER AGREEMENT

This Authorized Distributor-Dealer Agreement ("Agreement") is entered into effective \_\_\_\_\_, 200\_\_\_\_, between Pioneer Electronics (USA) Inc., 2265 East 220th Street, Long Beach, California 90810 ("Pioneer"), and \_\_\_\_\_ ("Distributor"), and \_\_\_\_\_ d/b/a \_\_\_\_\_, ("Dealer").

WHEREAS, Pioneer is the exclusive distributor in the United States of quality electronics products under the PIONEER® brand name and trademarks; and

WHEREAS, Pioneer products distributed under the PIONEER® brand name and trademarks have a valuable reputation and goodwill; and

WHEREAS, Pioneer has appointed Distributor as an authorized distributor of PIONEER® products as defined on Exhibit A ("Products") for the territory encompassing Dealer's Locations(s); and

WHEREAS, it is Pioneer's policy to distribute PIONEER® products only through selected dealers that (i) are willing to distribute and promote such products on a full-time, year-round basis; (ii) have satisfactory display and demonstration facilities; (iii) display such products prominently and attractively, and demonstrate such products fairly under appropriate conditions for proper performance; (iv) have a staff educated sufficiently to explain and demonstrate PIONEER® products; (v) have the ability to handle to the satisfaction of the customers in the markets in which Dealer is located, all matters relating to the distribution of PIONEER® products; and (vi) are willing to assume in good faith the technical and marketing responsibilities of this Agreement; and

WHEREAS, Pioneer spends and will continue to spend substantial sums of money in the promotion and advertising of PIONEER® products; and

WHEREAS, Dealer wishes to become an authorized Pioneer distributor-dealer for the categories of PIONEER® products designated on Exhibit A, as the same may be modified from time to time by written amendment;

NOW, therefore, in consideration of the premises and mutual covenants set forth herein, Pioneer and Dealer hereby agree as follows:

1. Appointment. Pioneer hereby appoints Dealer, and Dealer hereby accepts such appointment, as a non-exclusive authorized distributor-dealer for the distribution of Products designated on Exhibit A subject to the terms and conditions set forth in this Agreement including Exhibits and Attachments hereto. This appointment is solely for Dealer's retail outlet(s) described on Exhibit B, and Dealer shall not engage in the distribution of Products at any other location or outlet in which Dealer has or hereafter acquires any interest, directly or indirectly, without obtaining Pioneer's prior written approval for such location or outlet, in the form of an amendment to Exhibit B. Dealer shall, upon request by Pioneer, provide Pioneer with a current list of retail locations using the approved D/B/A. Pioneer reserves the absolute right for any reason whatever to increase or decrease the number of authorized dealers at any time without notice to Dealer.

a. Electronic Promotions Prohibited. By signing this Agreement, Dealer expressly agrees not to use any portion of the Internet, including the World Wide Web, or any other electronic network (such as America On-Line®) to promote the sale of Products. Without limiting the foregoing, Dealer is expressly prohibited, without

an amendment to this Agreement or the prior written authorization of the Senior Vice President or Vice President of the PROFESSIONAL SOUND AND VISUAL DIVISION of Pioneer, or Published Pro Audio Internet Policy, from indicating on its own Home Page that it sells, or is authorized to sell, Pioneer Products, and Dealer is expressly prohibited, without an amendment to this Agreement or the prior written authorization of the Senior Vice President or Vice President of the PROFESSIONAL SOUND AND VISUAL DIVISION of Pioneer, from selling Pioneer Products on the Internet either on its own site, the site of others or any auction site. Any use of the Pioneer name or logo on such Home Page, Internet site or auction site will be considered both trademark infringement and cause for termination.

2. Obligations and Warranties of Dealer. Dealer hereby undertakes and warrants as follows:

a. Marketing Obligations. To use Dealer's best efforts to promote conscientiously and diligently the distribution of Products on a full-time, year-round basis within the market area immediately surrounding each of the Dealer's authorized selling locations as identified on Exhibit B. In no event shall Dealer engage in the distribution of Products under any D/B/A different from those identified on Exhibits A and B, without prior written approval from Pioneer.

b. Authorized Product Sources. To order and obtain its requirements of Products only from Distributors authorized to serve Dealer's locations, provided, however that Dealer may obtain Products from other sources upon receipt of prior written approval from Pioneer headquarters. Products obtained from non-authorized sources may not carry warranties valid in the United States, may not be UL-approved, and may not be FCC-certified, and the distribution of Products obtained from non-authorized sources may severely detract from the quality, image, and goodwill of Pioneer, its Products and its authorized dealers.

c. Demonstration and Sales Facilities. To maintain each authorized location in a manner that ensures the attractive display and demonstration of Products. Dealer's promotional efforts and floor display and demonstration space for Products shall be subject to approval by Pioneer personnel or representatives, and shall be at least equivalent to its promotional efforts and floor display and demonstration space devoted to competing products.

d. Personnel. To train and maintain sufficient personnel to service the demand and need for Products in the market area around each of Dealer's authorized locations, and otherwise to carry out the obligations and responsibilities of this Agreement.

e. Inventory. To maintain sufficient inventory of Products, as measured by current and anticipated demand created by Pioneer's, Distributors, and Dealer's advertising of Products.

f. Customer Demands. To make reasonable efforts to handle to the satisfaction of the customer all matters relating to the Products in the market area surrounding each of the Dealer's authorized locations, and to report promptly to Pioneer each charge, complaint or claim received by Dealer from customers relating to any Product.

g. Confidentiality. Dealer will keep confidential, and use its best efforts to cause its employees and contractors to keep confidential, any non-public Pioneer information received in connection with its appointment as an authorized Pioneer Dealer, including, without limitation, all technical data, business, marketing and product plans, information, know-how, prices and terms and conditions of sale. Dealer will not use any of the foregoing information for itself, or any other person, other than in connection with fulfilling its obligations to Pioneer. Any breach of this confidentiality provision will be deemed just cause for termination of the Agreement. Upon termination or expiration, Dealer agrees to return to Pioneer all written information in Dealer's possession relating to Products and not to use such information for any purpose thereafter. Dealer will be liable for all damages resulting from breach of this provision regardless of when such damages occur.

h. Pioneer and Dealer Reputation. To conduct business in a manner that will reflect favorably at all times on Dealer, Pioneer and PIONEER® products, and the good name, goodwill and reputation of Pioneer. Dealer shall not itself or with others participate in any illegal, deceptive, misleading or unethical advertising or other practices, including but not limited to use of illegal "loss leader" or "bait and switch" techniques that are or might be detrimental to Pioneer, PIONEER® Products, or the public. Dealer agrees that neither it nor any of its employees or

representatives shall (i) make or provide any bribe, rebate, payoff, influence payment, kickback, or other payment, whether in money, property, or services (including, without limitation, any gift or gifts with a value in excess of \$100) (an "Unauthorized Payment") to any employee of Pioneer, or (ii) accept or receive an Unauthorized Payment from any employee of Pioneer. Dealer acknowledges that any such Unauthorized Payment shall be in direct violation of Pioneer's conflict of interest policy and shall constitute a material breach of this Agreement without any ability to cure and shall be grounds for immediate termination by Pioneer. Dealer shall indemnify and save Pioneer harmless from all liability, loss, damage or injury to Pioneer or its good reputation, including but not limited to reasonable attorneys' fees and litigation costs that arise in any manner out of violation of this subsection.

i. Compliance. To comply with all applicable laws and with the terms of this Agreement in the distribution of Products including, without limitation, all record keeping and reporting requirements of the U.S. Food and Drug Administration. Dealer further agrees to maintain all records of its distribution of Products for at least twelve (12) months, and to permit Pioneer reasonable access to such records (excluding information regarding Dealer's prices), and to Dealer's authorized retail locations, upon two (2) days notice from Pioneer, to enable Pioneer to fulfill any reporting requirement imposed by law or regulation, and to monitor Dealer's compliance with its obligations under this Agreement. Dealer agrees by the purchase of Products from Pioneer to conform and abide by the export laws and regulations of the United States, including, but not limited to, the Export Administration Act of 1979 and its implementing regulations. Dealer further agrees that if it discards any items received from Pioneer which are prescribed by such laws and regulations, it will do so in a manner consistent with such laws and regulations.

j. Direct Distribution. To sell or distribute Products only to customers that Dealer calls on personally or that visit Dealer's authorized retail locations(s). Dealer acknowledges that it is to the advantage of Dealer and Pioneer to present Products to customers only in an environment where they can be properly displayed and demonstrated, and where their features, specifications and benefits can be explained, by knowledgeable personnel. Dealer therefore agrees not to distribute Products by mail or telephone order techniques or the Internet without prior written approval of Pioneer's Vice President, Sales, PROFESSIONAL SOUND AND VISUAL DIVISION.

k. Retail Business.

(i) Not to distribute Products to any dealer, group, organizations, or individual whose purpose it is to redistribute such products, without the prior written authorization of the Vice President, Sales, PROFESSIONAL SOUND AND VISUAL DIVISION, or other designated officer of Pioneer.

(ii) If Products originally shipped to Dealer are located or identified by Pioneer as available for distribution by any unauthorized source, such location or identification by Pioneer shall be presumptive evidence of violation by Dealer of this subsection 2(j), and shall be grounds for termination.

3. Advertised and Retail Prices.

a. Dealer's Resale Prices. Dealer is free to set its own retail prices unilaterally. No employee or representative of Pioneer or Distributor has any authority to tell Dealer what its prices must be or to inhibit in any way Dealer's independent pricing decisions. Neither Pioneer nor Distributor will give any favorable treatment to Dealer for its selection of resale prices, nor will it give any unfavorable treatment to Dealer for its selection of resale prices, unless such prices are part of the conduct prohibited by subsection 2(g) above. In the event Dealer believes any employee or representative of Pioneer or Distributor has violated this section 3, Dealer warrants and represents that Dealer will immediately notify Pioneer in writing of the particulars of any such alleged violation, such notice to be sent by first class mail to the Legal Department at the Pioneer address set forth above.

b. Minimum Advertised Prices. Dealer represents and warrants that it has received the PROFESSIONAL SOUND AND VISUAL DIVISION's Minimum Advertised Price ("MAP") Policy, the MAP advertising guidelines and other MAP information. Dealer represents and warrants that it has read and understood the foregoing MAP Policy, the MAP advertising guidelines and other information. The MAP Policy and the MAP

advertising guidelines are for advertised prices only and do NOT apply to actual resale prices which, as set forth above, are set unilaterally by Dealer. Dealer understands that Pioneer enforces its MAP Policy. Dealer understands that Pioneer will impose penalties up to and including termination for violation of the MAP Policy.

\_\_\_\_\_  
Dealer Signature

#### 4. Property Rights.

a. Trademarks and Trade Names. Distributor acknowledges and agrees that, except as may be expressly and specifically set forth in this section 4 of this Agreement, Pioneer does not grant Dealer any rights in any of its intellectual property, including without limitation patents, trade secrets, trade names, trademarks and copyrights. Dealer will not reverse engineer or attempt otherwise to reproduce or produce Pioneer's Products. Dealer concedes and recognizes the rights of Pioneer to its trade names and trademarks, and acknowledges that Dealer has no rights to the trademark or trade names owned, used or claimed now or in the future by Pioneer or in the applicable trademarks or trade names used on or affixed to any Product. Subject to the provisions of section 4 and 5 of this Agreement, Dealer may refer to applicable trademarks or trade names in promoting the distribution of Products provided such reference complies with Pioneer's rules and policies, communicated to Dealer by Pioneer, governing the use of any such trademarks or trade names.

#### b. Copyright.

(i) Dealer shall not acquire ownership of any copyright interest in any software Products. Dealer acquires only the right to acquire, possess and transfer possession of software Products acquired in accordance with the terms of license set forth herein.

(ii) Dealer shall not represent to any customer that Dealer is the owner of any copyright interest in any software Products acquired hereunder or that it has the right or power to transfer ownership of any copyright interest in any such software Product to any such customer, or hold itself out to any customer as having such ownership, right or power.

(iii) Except to the extent expressly provided in section 3 herein, Pioneer reserves to itself as against Dealer and Dealer's sublicensees all of the exclusive rights set forth in Section 106 of the Copyright Act of 1976, 17 U.S.C. § 106, which Section is incorporated herein by reference, and Dealer concedes and recognizes such copyright interests on the part of Pioneer.

(iv) Dealer shall not alter or change in any manner the packaging of software Products or the labeling of software Products or their packages.

c. Unauthorized Use of Software Products. Dealer will not alter, reverse-engineer, decompile, disassemble, rent, electronically distribute (including, but not limited to telephone, cable or broadcast signals), or market by interactive cable, remote processing services, micro-main frame linkups or multi-user local or wide area network machines any software Products, nor will Dealer copy or otherwise reproduce any software Products.

d. Limited License. Subject to the provisions of this section 4, Pioneer hereby grants to Dealer a limited sublicense, subject to the terms and conditions of this Agreement, in the software Products delivered by Distributor to Dealer hereunder, for the sole use and purpose of Dealer for distributing such software Products to customers, pursuant to a perpetual sublicense solely for use at their establishments for use by patrons thereof.

#### 5. Duration and Termination.

a. Term. The initial term of this Agreement shall be from the date of acceptance by Pioneer in accordance with section 10, until March 31 of the following year. Thereafter, this Agreement shall renew

automatically for successive one-year terms, unless terminated by operation of subsections (b)-(e) hereof or superseded by a new form of Agreement. **It is expressly agreed that Pioneer is not obligated to permit this Agreement to renew from year to year.**

b. Termination by Dealer. Dealer may terminate this Agreement at will at any time, by written notice to Pioneer, with a copy to Distributor, not less than ten (10) days prior to the effective date of such notice.

c. Termination by Distributor.

- (1) Distributor may terminate this Agreement, at any time, by written notice to Dealer, with a copy to Pioneer, not less than 30 days prior to the effective date of such notice.
- (2) Distributor may terminate this Agreement, by written notice to Dealer, with a copy to Pioneer, not less than 10 days prior to the effective date of termination, in the event that (i) Dealer violates any of the obligations set forth in sections 1, 2, 4, 7, or 12; (ii) control of Dealer is acquired, directly or indirectly, by a third party, or Dealer is merged with a third party; or (iii) other good cause is shown.

(d) Termination by Pioneer.

- (1) Notwithstanding section 5(a), this Agreement shall not renew if Pioneer notifies Dealer in writing, with a copy to Distributor, of Pioneer's intention not to renew Dealer, Such notice, to be effective, must be given to Dealer not later than November 30.
- (2) Pioneer may terminate this Agreement, at will, at any time, by written notice to Dealer, with a copy to Distributor, not less than 30 days prior to the effective date of such notice; or in the event that (i) Dealer violates any of the obligations set forth in sections 1, 2, 4, 7, or 12; (ii) control of Dealer is acquired, directly or indirectly, by a third party, or Dealer is merged with a third party; or (iii) other good cause is shown, by written notice to Dealer, with a copy to Distributor, not less than 10 days prior to the effective date of termination.

(e) Insolvency. At the option of Pioneer or Distributor, this Agreement shall terminate immediately if (i) a receiver is appointed for Dealer or its property; (ii) Dealer becomes insolvent or unable to pay its debts as they mature or ceases to pay its debts as they mature in the ordinary course of business, or makes an assignment for the benefit of creditors; (iii) any proceedings are commenced by or for Dealer under any bankruptcy, insolvency or debtors' relief law; (iv) any proceedings are commenced against Dealer under any bankruptcy, insolvency, or debtors' relief law, and such proceedings have not been vacated or set aside within 60 days from the date of commencement thereof; or (v) Dealer is liquidated or dissolved.

(f) Effect of Termination. Termination of this Agreement by Distributor or Pioneer pursuant to subsections (c)-(e) terminates the entire Agreement between and among Pioneer, Distributor and Dealer; provided, however, that such termination does not affect the continuing obligations of Dealer to pay for merchandise shipped, or Dealer's obligations as set forth in section 5(h), below, nor does such termination affect the continuing obligations of Distributor under its Distributor Agreement with Pioneer.

(g) Trademarks and Trade Names. Upon termination or expiration of this Agreement, Dealer shall cease to use any of Pioneer's trademarks or trade names in connection with any Dealer promotion or advertising of any Products.

(h) Continuing Obligations. Dealer's obligations under sections 2, 4, 5(g), 7 and 12 shall survive termination or expiration of this Agreement.

6. Notices. All notices required or desired to be given under this Agreement shall be in writing and shall be delivered in person or by first class mail, postage pre-paid, to the respective addresses of the parties appearing herein or to such other address as the receiving party shall designate in writing pursuant to this section. Notice shall be deemed effective upon receipt if delivered in person or, if mailed, upon the third day following the date deposited in the United States mail.

7. Non-Assignment. Dealer is appointed an authorized Pioneer Dealer by reason of Pioneer's and Distributor's confidence in Dealer, which appointment is personal in nature. This Agreement shall not be assignable

by Dealer, nor shall any of the rights granted hereunder be assignable in any manner whatsoever, without the prior written consent of Pioneer and Distributor. Pioneer may, at any time and without the consent of Dealer, assign all or any part of this Agreement to any affiliated company.

8. Complete Agreement. The terms of this Agreement, including all exhibits hereto, are intended by the parties as a final expression of their agreement with respect to such terms as are included herein. All prior and contemporaneous negotiations, correspondence, memoranda, or agreements, whether oral or written, are merged herein. No modification of any of the provisions of this Agreement shall be binding on Pioneer unless such modification is in writing and signed by a duly authorized representative of Pioneer. Pioneer may change the terms of this Agreement at any time by providing notice to Distributor and Dealer at least thirty (30) days prior to effective date of the change. If Distributor or Dealer does not agree with the change, its only recourse will be to terminate the Agreement as outlined in section 5 above.

9. Disclaimer of Partnership or Agency. Dealer, Pioneer, and Distributor are independent contractors and neither shall represent itself as having any power to bind the other or to assume or to create any obligation or responsibility, express or implied, on behalf of the other party to this Agreement. Nothing contained in this Agreement shall be deemed to establish a relationship of principal and agent between Pioneer, Distributor, and Dealer, nor any of their agents or employees for any purpose whatsoever. This Agreement shall not be construed as constituting Dealer, Distributor, and Pioneer as partners, or to create any other form of legal association or arrangement which would impose liability upon one party for the act or failure to act of any other party.

10. Effectiveness of Agreement. This Agreement shall become effective only upon its execution and acceptance by the Senior Vice President, Vice President, or Director, PROFESSIONAL SOUND AND VISUAL DIVISION, for Pioneer at the Executive Offices of Pioneer Electronics (USA) Inc., Los Angeles County, California.

11. Governing Law and Litigation. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA (WITHOUT REGARD TO CALIFORNIA'S CONFLICTS OF LAWS PRINCIPLES). IN THE EVENT OF ANY DISPUTE OR CONTROVERSY ARISING UNDER THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREIN, THE PARTIES MUTUALLY CONSENT TO THE JURISDICTION OF THE COURTS OF THE STATE OF CALIFORNIA, AND OF THE FEDERAL DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA, AND AGREE THAT ANY AND ALL PROCESS DIRECTED TO ANY OF THEM IN ANY SUCH LITIGATION MAY BE SERVED OUTSIDE THE STATE OF CALIFORNIA WITH THE SAME FORCE AND EFFECT AS IF SERVICE HAD BEEN MADE WITHIN THE STATE OF CALIFORNIA. THE PARTIES FURTHER AGREE THAT VENUE FOR LITIGATION ARISING UNDER THIS AGREEMENT OR FROM TRANSACTIONS CONTEMPLATED HEREIN SHALL BE EXCLUSIVELY IN THE CENTRAL DISTRICT OF CALIFORNIA, OR ITS COUNTERPART STATE COURT, IN RECOGNITION OF THE FACT THAT THIS AGREEMENT BY ITS TERMS CAN BE ACCEPTED ONLY IN CALIFORNIA, THIS AGREEMENT IS GOVERNED BY THE LAWS OF CALIFORNIA, AND ORDERS FOR PRODUCTS MAY BE ACCEPTED BY PIONEER ONLY IN CALIFORNIA. IN THE EVENT OF LITIGATION BETWEEN THE PARTIES REGARDING THIS AGREEMENT, DISTRIBUTOR AND DEALER AGREE TO BE DEPOSED IN LOS ANGELES COUNTY CALIFORNIA UNLESS THE COURT HAVING JURISDICTION OVER THE LITIGATION RULES OTHERWISE. IN THE EVENT OF ANY SUIT OR OTHER PROCEEDING WITH RESPECT TO THE SUBJECT MATTER HEREOF, THE PREVAILING PARTY (WHICH SHALL BE DEEMED TO BE THE PARTY ENTITLED TO RECOVER COSTS OF SUIT, WHETHER OR NOT THE SUIT PROCEEDS TO FINAL JUDGMENT) SHALL BE ENTITLED TO RECOVER REASONABLE ATTORNEYS' FEES IN ADDITION TO OTHER SUCH RELIEF AS THE COURT MAY AWARD. IN THE EVENT ANY PROVISION OF THIS AGREEMENT OR THE APPLICABILITY OF ANY PROVISION TO PIONEER OR DEALER SHALL BE HELD BY A COURT OF COMPETENT JURISDICTION TO BE CONTRARY TO APPLICABLE STATE OR FEDERAL LAW, THE REMAINING PROVISIONS OF THIS AGREEMENT SHALL CONTINUE IN FULL FORCE AND EFFECT.

12. Warranties. Dealer shall, at all times, comply with the provisions of the Magnuson-Moss Warranty Act and regulations thereunder, and comparable state laws and regulations relating to delivery of warranties to consumers. DEALER ACKNOWLEDGES THAT NO WARRANTIES WITH RESPECT TO PRODUCTS ARE

CREATED BY THIS AGREEMENT, AND PIONEER HEREBY DISCLAIMS IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

13. Limitation of Liability. No party hereto shall be liable to the other party for compensation or reimbursement or damages on account of present or prospective profits, expenditures, investments or commitments, whether made in the establishment, development or maintenance of the business goodwill of either party or for any other reason whatsoever. With respect to any order, the performance thereof, or the Products covered thereby, Pioneer's liability for negligence or otherwise shall not exceed Dealer's purchase price of the items pertaining thereto, which shall be Dealer's exclusive remedy. In no event shall Pioneer be liable to Dealer for special, incidental, or consequential damages.

14. **WAIVER OF RIGHT TO JURY. DEALER AND PIONEER AGREE TO WAIVE ANY RIGHT THE DEALER OR PIONEER MAY HAVE TO TRIAL BY JURY IN ANY ACTION BROUGHT ARISING FROM OR RELATING TO OR BROUGHT ON OR WITH RESPECT TO THIS AGREEMENT OR ANY OTHER AGREEMENTS EXECUTED IN CONNECTION HEREWITH. THE PARTIES UNDERSTAND THAT THIS WAIVER OF RIGHT TO JURY APPLIES TO ANY PLEADING, CLAIM OR ALLEGATION INCLUDING, BUT NOT LIMITED TO, ANY COMPLAINTS, AFFIRMATIVE DEFENSES, COUNTERCLAIMS, CROSS-CLAIMS AND CROSS-COMPLAINTS.** Dealer agrees that Dealer is experienced and sophisticated in business dealings and negotiations, and is entering into this waiver, as well as the entire Agreement with Pioneer, freely, knowingly and voluntarily.

---

Dealer Signature

15. Miscellaneous. Each of the parties to this Agreement represents and warrants that it has had the benefit and advice of independent counsel in connection with its review and execution of this Agreement. Each party further agrees that any statute or rule of construction that provides that ambiguities are to be resolved against the drafting party shall not apply to the interpretation of the Agreement, and each party expressly waives the applicability of California Civil Code Section 1654.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year specified on Exhibit A by affixing their signatures thereto, and to sections 3 and 14 above.