

## **CUSTOMER REFERRAL AGREEMENT**

**THIS CUSTOMER REFERRAL AGREEMENT** ("**Agreement**") shall be deemed to be effective as of \_\_\_\_\_ [Month] \_\_\_\_ [Day], \_\_\_\_\_ [Year] (the "**Effective Date**"), between **DIRECTV, LLC**, a California limited liability company ("**DIRECTV**") and \_\_\_\_\_, a \_\_\_\_\_ ("**Company**"), with reference to the following:

A. DIRECTV operates a multi-channel video and entertainment service ("**DIRECTV Service**") through which consumers may receive video, audio and other programming using specialized receiving equipment ("**DIRECTV System**");

B. Company wishes to act as one of DIRECTV's commissioned customer referral contractors (i) for the marketing, advertising, promotion and leasing of DIRECTV Systems, (ii) for the marketing, advertising and promotion of DIRECTV Service, and (iii) to solicit consumers to order certain DIRECTV programming packages and services which are identified in **Exhibit A** attached hereto, as the same may be amended from time to time ("**DIRECTV Programming Packages**").

NOW, THEREFORE, the parties hereby agree as follows:

### **1. APPOINTMENT OF COMPANY AS A CUSTOMER REFERRAL CONTRACTOR.**

#### **1.1 APPOINTMENT.**

(a) DIRECTV hereby engages Company as a customer referral contractor (i) to market, promote and advertise the leasing of DIRECTV Systems and (ii) to market, promote and advertise the sale of DIRECTV Programming Packages ("**Subscriptions**"), by extending the "Consumer Offers" on behalf of DIRECTV, as hereinafter defined, through marketing tactics, channels and methods as agreed to by the parties on the terms and conditions contained herein.

(b) Company may (i) market, promote and advertise the leasing of DIRECTV Systems; and (ii) market, promote, advertise and solicit the sale of Subscriptions, only from single family residential households in the contiguous United States and Hawaii.

(c) Company may market, promote and solicit Subscriptions only for the DIRECTV Programming Packages identified in **Exhibit A** attached hereto, and not any other programming packages or services DIRECTV may offer.

(d) DIRECTV may amend the list of DIRECTV Programming Packages from time to time on written notice to Company.

(e) Company hereby accepts such engagement and shall use its best commercial efforts (i) to market, promote and advertise the leasing of DIRECTV Systems; (ii) to market, promote, advertise and solicit sales of Subscriptions; and (iii) to promote and enhance DIRECTV's business, reputation and goodwill in accordance with the terms of this Agreement.

**1.2 NO EXCLUSIVITY REQUIRED OF DIRECTV.** DIRECTV may itself solicit leasing of DIRECTV Systems and solicit sales of Subscriptions from consumers, either directly, indirectly, or in conjunction with any third party, and may authorize parties other than Company to solicit leasing of DIRECTV Systems and solicit sales of Subscriptions, for any compensation and upon any other terms as DIRECTV may determine in its discretion. Such compensation and terms may differ from those provided Company in this Agreement. Company acknowledges that DIRECTV and such other parties may compete with Company in the solicitation of leasing of DIRECTV Systems and the solicitation of sale of Subscriptions.

1.3 **LIMITED EXCLUSIVITY REQUIRED OF RETAILER.** The parties agree and acknowledge that DIRECTV will, throughout the term of this Agreement, provide substantial support to RETAILER for its efforts in marketing, advertising and promotion of DIRECTV Systems and DIRECTV programming; and RETAILER will have access to certain of DIRECTV's confidential information regarding DIRECTV's business. Accordingly, RETAILER agrees that neither it nor its parent(s), subsidiaries or affiliated companies, or its or their respective shareholders, members, directors or officers, will directly or indirectly, promote, advertise, market, offer, sell, solicit sales of, lease or solicit leasing of, any audio/video multi-channel entertainment programming packages or equipment related thereto, which compete with DIRECTV, DIRECTV Programming Packages or DIRECTV Systems in the United States. The violation of this Subsection shall constitute a material breach of this Agreement, and DIRECTV shall have the right to immediately terminate this Agreement.

## 2. **COMPANY'S GENERAL OBLIGATIONS.**

2.1 **STOREFRONT LOCATION.** Throughout the term of the Agreement, at least one of Company's locations must be a storefront location, unless otherwise agreed by DIRECTV in writing.

2.2 **RETAIL DISPLAYS.** Company shall prominently display, in a high traffic area at each of its locations, in a manner reasonably directed by DIRECTV, (a) point of sale materials provided or approved by DIRECTV and (b) a demonstration DIRECTV System which provides a live feed of DIRECTV programming, unless otherwise agreed in writing by DIRECTV. Company shall keep such DIRECTV System turned on and tuned to such channels as DIRECTV may designate during normal business hours.

2.3 **TRAINING.** DIRECTV shall provide training and training materials regarding DIRECTV Service, DIRECTV Systems and DIRECTV Programming Packages to Company's training personnel, as DIRECTV reasonably deems necessary. Company shall train its own employees who may be involved in the marketing and promotion of DIRECTV Service, DIRECTV Systems and DIRECTV Programming Packages to the satisfaction of DIRECTV. DIRECTV may require Company's employees to attend supplementary training classes from time to time. Company shall be responsible for all expenses and compensation of its employees during such training.

2.4 **PERSONNEL.** Company may allow only its employees (and not any independent contractors, sub-agents or other parties) (a) to market, promote, advertise and solicit leasing of the DIRECTV Systems or (b) to market, promote and advertise the Consumer Offers and orders for DIRECTV Programming Packages, except with DIRECTV's prior written consent, which may be withheld in DIRECTV's discretion. Company understands and acknowledges that no third party outbound telephone call center or other referral affiliates may be utilized in any manner whatsoever under this Agreement. In addition to any other rights DIRECTV may have, DIRECTV shall have the right to terminate this Agreement immediately, without an opportunity to cure, for Company's material breach of this Subsection.

2.5 **ADVERTISING.** Except as otherwise expressly provided herein, Company shall market, promote and advertise the Consumer Offers, the DIRECTV Systems and DIRECTV Programming Packages as directed by DIRECTV, at Company's sole cost, using such marketing tactics, channels, methods and at such frequency as DIRECTV may reasonably designate. All advertising, marketing and promotional materials related to DIRECTV, the Consumer Offers, the DIRECTV Systems and the DIRECTV Programming Packages shall be subject to DIRECTV's prior approval. DIRECTV may withhold approval in its sole and absolute discretion of the use by Company of any marketing tactic, channel or method that DIRECTV reasonably believes does not fit within its marketing strategy. All such advertising strategies, campaigns and materials related thereto shall be subject to DIRECTV's prior approval. No approval shall limit Company's obligation to comply with applicable law or be deemed an endorsement of any advertising content except as it relates to the Consumer Offers, the DIRECTV System offer or DIRECTV Service. In addition to any other rights

DIRECTV may have, DIRECTV shall have the right to terminate this Agreement immediately, without an opportunity to cure, for Company's material breach of this Subsection

**2.6 STANDARD POLICIES.** Company shall comply with the standard policies and procedures DIRECTV may promulgate for its customer referral contractors in written notices, guidelines, and bulletins, including, without limitation, the credit approval/checking policy as outlined in Schedule 2.6(i) attached hereto and made a part hereof (the "Credit Policy") and the ("DIRECTV Policy Statement") as outlined in Schedule 2.6(ii) attached hereto and made a part hereof (the "Telemarketing Policy") as they may be amended from time to time (collectively "Policies"). The Policies shall be an integral part of this Agreement. In addition to any other rights DIRECTV may have, DIRECTV shall have the right to terminate this Agreement immediately, without an opportunity to cure, for Company's material breach of this Subsection.

**2.7 STANDARD OF CONDUCT.** In all of its activities as a customer referral contractor for DIRECTV, Company shall conduct itself in a commercially reputable and ethical manner, shall comply with all applicable laws (including the Telephone Consumer Protection Act of 1991), and shall engage in no deceptive sales practice or other practice which impugns DIRECTV's commercial reputation and goodwill.

**2.8 NO TYING.** In no event may Company condition any transactions involving or related to the Consumer Offers, the DIRECTV Systems or a DIRECTV Programming Package upon the customer's acquisition of any other product or service, except as otherwise approved by DIRECTV in writing.

**2.9 BOOKS AND RECORDS.** Company shall maintain books and records relating to its activities in connection with this Agreement for a minimum of three (3) years after their creation and shall keep them at its principal place of business. Upon prior written request, DIRECTV may inspect, audit and copy such books and records for compliance hereunder.

### **3. RATES AND TERMS OF SERVICES.**

**3.1 RATES.** DIRECTV may determine the content, pricing, terms, and conditions of the Consumer Offers, DIRECTV Systems and DIRECTV Programming Packages in its sole and absolute discretion. Company shall not represent that the Consumer Offers, the DIRECTV Service or the DIRECTV Programming Packages may be obtained on any different terms, rates or conditions, shall not impose additional or different terms and shall not offer customers any discount, rebate, or other material benefits in consideration for subscribing to them, except as expressly authorized by DIRECTV in writing. In the event Company breaches or otherwise violates this Subsection, in addition to any other rights it may have, DIRECTV shall have the right to terminate this Agreement immediately, without an opportunity to cure, upon written notice to Company.

**3.2 CHANGES.** DIRECTV may change the content, pricing, terms, conditions, and availability of the Consumer Offers, DIRECTV Service and DIRECTV Programming Packages from time to time in its sole and absolute discretion. DIRECTV shall notify Company of such changes as soon as practicable. Company shall promptly replace point of sale materials, if any, as necessary.

**3.3 MISREPRESENTATIONS.** If Company misrepresents or fails to fully disclose any prices or other terms and conditions of the Consumer Offers, DIRECTV Service, DIRECTV Systems or DIRECTV Programming Packages to any customer, it shall reimburse DIRECTV any amount which DIRECTV is compelled, or in its reasonable judgment according to its standard practices decides, to pay or credit the customer in compensation for such misrepresentation. In addition, DIRECTV shall be entitled to offset any such payment or credit by DIRECTV to customers as a result of Company's misrepresentations or omissions against any amounts owed to Company by DIRECTV.

### **4. ORDERS FOR SERVICE.**

4.1 **ORDER PROCEDURES.** Company shall comply with the procedures set forth in Exhibit B attached hereto, as the same may be amended by DIRECTV from time to time upon written notice, regarding the receipt and delivery of referral orders for the Consumer Offers (“Orders”). All Orders shall be subject to acceptance or rejection by DIRECTV in its discretion.

4.2 **NO FINANCING OR COLLECTION OF FEES.** Company shall not (a) collect any amounts in connection with the lease of DIRECTV Systems or DIRECTV Programming Packages, (b) provide financing for the lease of DIRECTV Systems or DIRECTV Programming Packages, or (c) collect lease fees, subscription fees or other money due to DIRECTV from DIRECTV subscribers (“Subscribers”), and all lease related fees and DIRECTV Programming subscription fees shall be billed directly to the Subscriber by DIRECTV, unless otherwise approved in writing by DIRECTV. Failure to comply with the provisions of this Section 4.2 shall be deemed a material breach by Company that is incurable, and shall entitle DIRECTV to immediately terminate this Agreement as set forth in Section 11.2.

## 5. **COMPANY’S COMPENSATION AND CONSUMER OFFERS.**

5.1 **PREPAID PROGRAMMING COMMISSIONS.** In consideration of Company’s services in referring and procuring Orders for the Consumer Offers, DIRECTV shall pay Company commissions (“Prepaid Programming Commissions”) in the amounts and on the terms and conditions set forth in the Commission Schedule attached hereto as Exhibit C, subject to later chargeback on the terms described in Section 5.6, upon both of the following events (collectively an “Approved Activation”):

(a) DIRECTV’s receipt of an Order for a DIRECTV Programming Package which is initially referred and procured by Company (i.e., a new DIRECTV subscriber, but not any previous DIRECTV subscriber) and delivered to DIRECTV in accordance with DIRECTV’s order procedures as set forth in Exhibit B; and

(b) DIRECTV’s acceptance of such Order as an Approved Activation, as evidenced by the attachment of Company’s unique dealer number to the corresponding customer account as the referral contractor of record.

5.2 **CONTINUING SERVICE FEES.** In consideration of Company’s continuing support of marketing, promotion and advertising designed to refer new Subscribers, as well as Company’s continuing service to Subscribers from whom it procures Approved Activations for which a Prepaid Programming Commission is payable hereunder (“Qualifying Subscribers”), DIRECTV shall pay Company fees (“Continuing Service Fees”) based upon certain payments received by DIRECTV from such Qualifying Subscribers, in the amounts and upon the terms and conditions set forth in the Continuing Service Fee Schedule attached hereto as Exhibit D. Company acknowledges that Continuing Service Fees are not deferred commissions or otherwise paid for Company’s referral or procurement of Approved Activations or Subscribers, but instead are paid for Company’s continuing support of future Subscriber referral and acquisition efforts and Company’s continuing services to Qualifying Subscribers after the initial Order. Accordingly, DIRECTV’s obligation to pay Continuing Service Fees shall terminate upon the earliest to occur of any of the following events, as they relate to each applicable Subscription:

- (a) the termination of the Subscription for any reason; or
- (b) the disconnection of the Subscription for any reason, for any period of thirty (30) days or more; or
- (c) the termination or expiration of this Agreement for any reason; or
- (d) five (5) years after the Approved Activation of the Subscription.

### 5.3 CONSUMER OFFERS.

(a) The parties agree and acknowledge that the prospective DIRECTV customers referred by Company in accordance with this Agreement will be provided with an offer generally available to the general public (excluding any specialized offers or test offers) then in effect through DIRECTV's direct marketing channel (the "Consumer Offers"). The Consumer Offers as established by DIRECTV from time to time and made available, directly or indirectly, to Company in writing, in any medium, will generally include promotional offers for new and existing DIRECTV customers whereby customers will be able to rent/lease DIRECTV Systems from DIRECTV, with free standard installation therefor.

(b) DIRECTV may change, amend or discontinue any Consumer Offers upon written notice to Company. DIRECTV will use its commercially reasonable efforts to provide sufficient advance notice of any changes, amendments or discontinuation of any Consumer Offers to enable Company to make appropriate changes to its marketing, advertising and promotional materials and all communication made and disseminated to prospective customers.

(c) The parties agree and acknowledge that other consumer offers may be made available upon mutual agreement of the parties.

(d) The Consumer Offers generally require a prospective customer to satisfy and meet DIRECTV's credit requirements and a programming commitment to a qualifying DIRECTV Programming Package. In the event a prospective customer does not meet DIRECTV's credit requirement, such prospective customer may be required to pay a fee to DIRECTV in the amount determined by DIRECTV in its sole discretion. In addition, such prospective customer may qualify for an offer which may be different than an offer made available to a prospective customer who meets DIRECTV's credit requirement, and such offer may, at the discretion of DIRECTV, include a programming discount for a limited duration under terms and conditions as determined by DIRECTV in its sole discretion. Company shall provide or disclose any information, terms and conditions regarding the Consumers Offers (including the credit approval requirements) as directed by DIRECTV.

5.4 **EXCEPTIONS.** As used herein, Prepaid Programming Commissions and Continuing Service Fees shall be referred to collectively as "Compensation." Company acknowledges that Company's failure to properly follow DIRECTV's order procedures can prevent any such orders from being deemed an Approved Activation for purposes of earning any Compensation, regardless of whether the order is activated by DIRECTV. DIRECTV's determination of whether DIRECTV's order procedures have been properly observed shall be determinative, absent manifest error.

(a) Notwithstanding anything to the contrary herein, DIRECTV shall not be required to pay any Compensation for:

(i) any DIRECTV Programming Package sold to a residential household which, prior to the date on which Company refers the applicable Order, received any programming services (whether television or computer-delivered) from DIRECTV (including, without limitation, any residential household which obtains/leases a second or other additional DIRECTV Receiver(s) through Company referral);

(ii) any Subscription canceled prior to the commencement of service;

(iii) Orders made by a Subscriber through Company prior to the effective date of this Agreement;

(iv) Orders for DIRECTV Programming Packages delivered to DIRECTV after termination of this Agreement.

(b) DIRECTV shall not be required to pay any Compensation on account of payments received by DIRECTV from Subscribers after the termination of this Agreement, except as provided in Section 12.1.

**5.5 PAYMENT TERMS.** DIRECTV shall pay Company the Prepaid Programming Commissions payable hereunder within sixty-five (65) days after the end of the accounting month, as determined by DIRECTV, in which the applicable Approved Activation occurs and the payment obligation accrues. DIRECTV shall pay Company Continuing Service Fees within sixty-five (65) days after the end of the accounting month, as determined by DIRECTV, in which DIRECTV receives the applicable payment from a Qualifying Subscriber. In no event shall DIRECTV be required to pay any amounts until such time as accrued unpaid amounts total at least \$50. From time to time, DIRECTV may make commission payments on a weekly or other basis. The parties hereto agree and acknowledge that no expedited commission payments made by DIRECTV shall obligate DIRECTV to continue to do so or shall be construed to amend or modify the payment terms expressly set forth herein.

**5.6 CHARGEBACKS.**

(a) All Prepaid Programming Commissions are based upon a full uninterrupted purchase of the DIRECTV Programming Package purchased by the Subscriber for the term prescribed by DIRECTV as set forth in Exhibit C (the “Commissionable Term”). If the Subscriber terminates, cancels, or disconnects (whether initiated by Subscriber or DIRECTV) his/her DIRECTV Programming Package prior to the end of the Commissionable Term, or the Subscriber fails to pay DIRECTV for the entire uninterrupted Commissionable Term of a DIRECTV Programming Package for which Company was paid a Prepaid Programming Commission, then DIRECTV may chargeback to Company the portion of the Prepaid Programming Commission as described in Exhibit C.

(b) If Company receives any other Prepaid Programming Commission or any Continuing Service Fee to which it is not entitled hereunder, DIRECTV may chargeback such amount from sums otherwise owing to Company.

**5.7 CHANGES.** Company acknowledges that the market for multi-channel video and entertainment services is competitive and unpredictable and that DIRECTV may need to adapt its marketing cost structure to changing conditions from time to time. Accordingly, DIRECTV may change the Commission Schedule (including the Prepaid Programming Commissions, the Continuing Service Fees or the terms and conditions of chargebacks) at any time, and from time to time, in its discretion; provided that:

(a) DIRECTV shall give Company at least thirty (30) days prior written notice of the effective date of any such change;

(b) a change in Prepaid Programming Commissions and chargebacks shall be effective only with respect to Orders transmitted to DIRECTV after the effective date of the change;

(c) a change in Continuing Service Fees shall be effective only with respect to Subscriber payments received by DIRECTV after the effective date of the change (whether such payments are for Orders previously accepted by DIRECTV or for Orders accepted after the change); and

(d) Company may terminate this Agreement by written notice to DIRECTV, delivered no later than thirty (30) days after receipt of the change notice.

**5.8 SHARING COMPENSATION PROHIBITED.** Company shall not rebate or share any Compensation with another contractor/retailer of DIRECTV, or any other party (whether or not an authorized contractor/retailer of DIRECTV). Company may not combine any referrals of DIRECTV Programming Packages with another independent retailer or referral contractor. Company

acknowledges that any orders submitted under another independent retailer's or referral contractor's account number or through such other independent retailer's or customer referral contractor's electronic interface with DIRECTV shall not be credited to Company for purposes of calculating Compensation.

5.9 **SET-OFFS BY DIRECTV.** DIRECTV may set-off or recoup any amounts owed to it by Company, or by its subsidiaries and affiliates, pursuant to this or any other agreement with DIRECTV, and any damages suffered by DIRECTV due to Company's breach hereof or other misconduct, against any amounts which it owes to Company. The foregoing does not limit DIRECTV's right to recover any unrecouped balance.

## 6. **CONFIDENTIAL INFORMATION.**

6.1 **DISCLOSURE.** Company acknowledges that DIRECTV possesses and will possess confidential information concerning its DIRECTV Service business, such as the identities and characteristics of its Subscribers, service and sales/lease methods, advertising, promotion and marketing strategies, programming strategies, prices, and the terms and conditions of this Agreement (collectively, "Trade Secrets"). In the performance hereof Company might have access to the Trade Secrets.

6.2 **USE OF TRADE SECRETS.** Company shall treat all information received from DIRECTV, except for information that is or becomes generally known to others, other than through disclosure (either deliberate or inadvertent) by Company, as DIRECTV's Trade Secrets. Company acknowledges that the Trade Secrets constitute the valuable property of DIRECTV and shall not acquire any interest in them other than the right to utilize them in the exercise of its rights and the performance of its obligations hereunder. Company shall not use the Trade Secrets in connection with any other business or capacity, and shall maintain them in confidence during and after the term of this Agreement.

7. **INSURANCE.** Company shall maintain in force, during the term hereof, policies of insurance issued by reputable carriers, covering insurable risks (all activities in connection with this Agreement (e.g., sales, marketing, advertising, automobile, general liability, worker's compensation, etc.) and with limits specified by DIRECTV. Such policies shall name DIRECTV as an additional insured and shall provide for thirty (30) days prior written notice to DIRECTV of any material modification, cancellation, or expiration of each policy. Company shall deliver certificates of insurance to DIRECTV evidencing such uninterrupted coverage on DIRECTV's request. In the event Company breaches or otherwise violates this Section, in addition to any other rights it may have, DIRECTV shall have the right to terminate this Agreement immediately upon written notice to Company.

## 8. **INTELLECTUAL PROPERTY.**

(a) DIRECTV shall provide Company with a logo and trademark usage manual ("Usage Manual") (which may be amended by DIRECTV from time to time in its discretion) that specifies the permitted uses of DIRECTV's service marks, trademarks, and other commercial symbols ("Marks"). Company may use the Marks only in accordance with the provisions of this Agreement and the Usage Manual. Company shall not use any logo, trademark, service mark or trade name of any supplier of DIRECTV (including, without limitation, entities providing programming to DIRECTV) for any purpose except as expressly permitted by such supplier. Company shall not acquire any right to any goodwill, Mark, copyright, or other form of intellectual or commercial property of DIRECTV, except for the limited use rights expressly granted herein.

(b) Company shall strictly comply with any and all written instructions from DIRECTV with respect to use of the DIRECTV Marks.

(c) Company agrees to maintain separate brand identities for the Company trademarks and the DIRECTV Marks.

(d) Company shall not use the DIRECTV Marks or name in any manner outside the scope of this Agreement without the prior written approval of DIRECTV.

(e) Company admits the validity of each DIRECTV Mark and acknowledges that each DIRECTV Mark is a valuable asset of DIRECTV. Company agrees not to challenge the title or any rights of DIRECTV in and to any DIRECTV Marks, either during or after the term of this Agreement. Company also agrees that any and all rights and goodwill that may arise by the use of the DIRECTV Marks by Company shall inure to the sole benefit of DIRECTV, and Company shall at no time assert any claim or acquire any rights therein. Company agrees to execute all papers reasonably requested by DIRECTV to effect further registration of, maintenance and renewal of the DIRECTV Marks. Company shall not use the DIRECTV Marks or any part thereof as part of its corporate name, logo or internet/website addresses (url, domain name, etc.), or use any names, logos, internet/website addresses (url, domain name, etc.) or marks confusingly similar to the DIRECTV Marks.

(f) Company agrees that in using any DIRECTV Marks, it will not in any way represent that it has any right, title or interest in the DIRECTV Marks other than those expressly granted under this Agreement. Company further agrees not to register or attempt to register in any country any name or mark, in whole or in part, resembling or confusingly similar to any of the DIRECTV Marks (including registration of domain names, internet/website addresses, etc.). Company shall immediately abandon any such application or registration or, at DIRECTV's sole discretion, assign it to DIRECTV. Company shall reimburse DIRECTV for all the costs and expenses incurred in any opposition, cancellation or related legal proceedings, including attorney's fees, initiated by DIRECTV or its authorized representative, in connection with any such registration or application.

(g) In addition to any other rights it may have, DIRECTV shall have the right to terminate this Agreement immediately, without an opportunity to cure, upon written notice to Company for any material breach of this Section 8 by Company.

## **9. ASSIGNMENT.**

**9.1 ASSIGNMENT BY DIRECTV.** This Agreement may be assigned by DIRECTV to any entity which assumes the obligations of DIRECTV hereunder and acquires the right and ability to perform them.

**9.2 ASSIGNMENT BY COMPANY.** This Agreement is made by DIRECTV in reliance on the financial, business and personal reputation of Company and its ownership and management. Accordingly, this Agreement may not be assigned, encumbered, pledged or otherwise transferred by Company. Any purported or attempted assignment, encumbrance, pledge or transfer in violation of this Section shall be deemed to be null and void, and this Agreement shall be automatically terminated in the event of such purported or attempted assignment, encumbrance, pledge or transfer.

**10. TERM.** The initial term of this Agreement shall commence on the Effective Date hereof and shall continue, unless terminated in accordance herewith, until February 28, 2016. Except as provided below, the term shall automatically renew, upon the same terms and conditions, for an unlimited number of successive renewal terms of one year each. Either party may elect to cancel this Agreement for any reason, effective upon the expiration of the then-current term, by delivering written notice thereof to the other party at least forty-five (45) days prior to such expiration.

**11. TERMINATION.** This Agreement shall be terminable upon the following conditions:

**11.1 TERMINATION WITHOUT CAUSE.** The parties acknowledge that due to the relatively unpredictable nature of the multi-channel video/entertainment service business, each wishes to be able, with certainty, to terminate its commitments herein at any time. Accordingly, either party may terminate this Agreement at any time for any or no cause, reason or justification, upon at least



thirty (30) days' prior written notice to the other stating its intention to terminate. THE PARTIES ACKNOWLEDGE AND ACCEPT THE RISK INHERENT IN THE FOREGOING PROVISION.

**11.2 IMMEDIATE TERMINATION.** In addition to any other rights hereunder, DIRECTV may terminate this Agreement immediately upon written notice to Company, without opportunity to cure, if Company (a) knowingly misrepresents the Consumer Offers, the DIRECTV Service or the DIRECTV Programming Packages to customers or otherwise misleads them as to their content, rates, terms or conditions; (b) violates any law or breaches the Policies or the standards of conduct set forth in Sections 2.6 or 2.7; (c) knowingly uses or discloses DIRECTV's Trade Secrets in violation of Section 6; (d) commits a material breach hereof which by its terms or nature is not curable; or (e) fails to submit, within any three (3) month period during the term of this Agreement, at least three (3) referral Orders that are accepted as Approved Activations by DIRECTV.

**11.3 BREACH BY COMPANY.** Except as otherwise provided herein, DIRECTV may terminate this Agreement immediately upon written notice if Company fails to cure a breach of any material obligation hereunder which is curable, within thirty (30) days after written notice specifying such breach.

**11.4 BREACH BY DIRECTV.** Except as otherwise provided herein, Company may terminate this Agreement immediately upon written notice if DIRECTV fails to cure a breach of any material obligation hereunder which is curable, within thirty (30) days after written notice specifying such breach.

**11.5 BANKRUPTCY OR CESSATION OF BUSINESS.** Subject to applicable law, this Agreement shall terminate automatically upon Company's cessation of business, election to dissolve, dissolution, insolvency, failure in business, commission of an act of bankruptcy, general assignment for the benefit of creditors, any levy, attachment or foreclosure, or the enforcement of any of the rights of a secured creditor of Company or the filing of any petition in bankruptcy or for relief under the provisions of the bankruptcy laws. The parties hereto agree and acknowledge that upon filing of relief under the provision of the bankruptcy laws, Company is and will be unable to perform the obligations under this Agreement. Accordingly, notwithstanding any protection afforded under applicable bankruptcy laws, Company agrees, accepts and acknowledges that DIRECTV may seek relief from automatic stay or otherwise, and upon lifting of such stay, DIRECTV shall be entitled to immediate termination of this Agreement.

## **12. RIGHTS AND OBLIGATIONS UPON TERMINATION OR CANCELLATION.**

**12.1 COMPENSATION.** DIRECTV shall pay to Company, after the termination hereof, (a) any unpaid Compensation which was earned by Company prior to termination in accordance herewith, (b) Prepaid Programming Commissions owing for Orders which Company properly referred to DIRECTV prior to termination, provided such Orders are accepted as Approved Activations by DIRECTV and (c) any Continuing Service Fees for amounts which are owing but unpaid by Qualifying Subscribers as of termination, provided such payments are received by DIRECTV within forty-five (45) days after termination. DIRECTV may in its discretion withhold payment of Prepaid Programming Commissions, in whole or in part, until they are fully earned as herein provided. WITHOUT LIMITATION, COMPANY IS NOT ENTITLED TO ANY COMPENSATION WHATSOEVER FOR ORDERS WHICH ARE NOT REFERRED TO DIRECTV, AS HEREIN REQUIRED, PRIOR TO THE EFFECTIVE DATE OF TERMINATION, EVEN IF ORDERS DELIVERED AFTER TERMINATION RESULT IN ACTIVE SUBSCRIPTIONS TO DIRECTV SERVICE.

**12.2 OBLIGATIONS OF COMPANY.** Upon termination of this Agreement for any reason, Company shall immediately cease using and shall, upon request of DIRECTV, deliver to DIRECTV: (a) any unused DIRECTV sales/lease literature; (b) all originals and copies of completed and uncompleted Order forms and applications; and (c) all forms, directives, policy manuals and other written information and materials supplied to it by DIRECTV pursuant to this Agreement or which

contain DIRECTV's Marks. On termination, Company shall immediately discontinue all advertising, marketing, solicitation of lease and promotion of the Consumer Offers, the DIRECTV Systems and the DIRECTV Programming Packages and all use of DIRECTV's Trade Secrets and shall cease to identify itself as an authorized referral contractor for DIRECTV or otherwise affiliated in any manner with DIRECTV. Because of the difficulty in establishing the improper use of customer lists and other Trade Secrets, Company agrees that for a period of two years after termination, it shall not, on behalf of any other provider of multi-channel video/entertainment programming service or on its own behalf, solicit any Subscriber who was procured/referred by Company and is a Subscriber as of such termination date.

**12.3 WAIVER OF CLAIMS.** EACH PARTY WAIVES ANY RIGHT TO COMPENSATION AND DAMAGES IN CONNECTION WITH THE TERMINATION OF THIS AGREEMENT IN ACCORDANCE HERewith, TO WHICH IT MIGHT OTHERWISE BE ENTITLED UNDER ANY APPLICABLE LAW. BY WAY OF EXAMPLE, COMPANY SHALL HAVE NO RIGHT, BASED ON SUCH TERMINATION, TO ANY PAYMENT FROM DIRECTV FOR LOST BUSINESS, FUTURE PROFITS, LOSS OF GOODWILL, REIMBURSEMENT OF EXPENDITURES OR INVESTMENTS MADE OR COMMITMENTS ENTERED INTO, ADVERTISING COSTS, OVERHEAD OR OTHER COSTS INCURRED OR ACQUIRED BASED UPON THE BUSINESS DERIVED OR ANTICIPATED UNDER THIS AGREEMENT, OR FOR ANY OTHER DAMAGES.

**12.4 SURVIVAL.** The covenants and conditions herein which, by their terms or nature, extend beyond the termination or expiration of this Agreement, shall survive such termination or expiration until fully performed including, but not limited to, indemnification, confidentiality obligations and exclusivity obligations, as otherwise provided herein.

**13. FORCE MAJEURE.** Neither party shall be liable for any loss, damage, cost, delay, or failure to perform in whole or in part resulting from causes beyond such party's control, including but not limited to, fires, strikes, insurrections, riots, or requirements of any governmental authority.

**14. INDEPENDENT CONTRACTOR RELATIONSHIP.** Company is an independent contractor authorized during the term hereof to refer orders for the Consumer Offers, the DIRECTV Systems and the DIRECTV Programming Packages as a commissioned referral contractor. Company is not a partner, franchisee, or employee of DIRECTV for any purpose whatsoever. The provisions of this Agreement are for the benefit only of the parties hereto, and no third party may seek to enforce, or benefit from, these provisions.

**15. INDEMNIFICATION.** Except as provided below, each party shall defend and indemnify the other, its affiliates and their respective employees, officers, and directors from and against any and all third party claims and resulting damages, costs, and other liabilities arising out of the indemnifying party's breach or alleged breach of its obligations under this Agreement, negligence, or other wrongful conduct. Company shall defend and indemnify DIRECTV from any claims of third parties for compensation or damages arising out of the termination of this Agreement or of Company's ability to take or refer orders for the Consumer Offers, the DIRECTV Systems and the DIRECTV Programming Packages. DIRECTV shall not be required to indemnify Company with respect to the content of any programming (including without limitation claims relating to trademark, copyright, music, music performance and other proprietary interests) unless and solely to the extent of any applicable pass-through indemnification provided to DIRECTV by the providers of such programming. COMPANY WAIVES ANY RIGHT TO INDEMNIFICATION ARISING OUT OF THE CONSTRUCTION, USE AND/OR OPERATION OF DIRECTV'S SATELLITE(S) AND RELATED BROADCAST/SATELLITE SYSTEMS.

**16. LIMITATION OF LIABILITY.** NEITHER PARTY SHALL BE LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES OF THE OTHER PARTY, WHETHER FORESEEABLE OR NOT AND WHETHER BASED ON NEGLIGENCE OR OTHERWISE EXCEPT WITH RESPECT TO CLAIMS BY OR DAMAGES AWARDED TO A THIRD PARTY AGAINST WHICH A PARTY TO THIS AGREEMENT HAS AN OBLIGATION TO DEFEND AND INDEMNIFY.

PROJECTIONS OR FORECASTS BY EITHER PARTY SHALL NOT CONSTITUTE BINDING COMMITMENTS. IN NO EVENT SHALL DIRECTV'S DAMAGES TO COMPANY UNDER THIS AGREEMENT EXCEED THE AMOUNTS PAID OR DUE TO COMPANY FOR THE SALE/REFERRAL ACTIVITIES RELATED TO DIRECTV PROGRAMMING PACKAGES DURING THE PREVIOUS 12-MONTH PERIOD. NOTHING HEREIN SHALL LIMIT THE PARTY'S INDEMNIFICATION OBLIGATIONS UNDER SECTION 15 ABOVE.

**17. MISCELLANEOUS.**

**17.1 LAWS.** This Agreement has been entered into in the State of California and all issues with respect to the construction of this Agreement and the rights and liabilities of the parties shall be governed by the laws of the State of California, without regard to its conflicts of law rules.

**17.2 INTEGRATION.** This Agreement replaces any prior agreement, understanding and commitment between the parties regarding Company's appointment and performance as a commissioned referral contractor for DIRECTV. Company is not relying on any oral or written statements or representations made by any DIRECTV employee or representative regarding such matters other than those expressly set forth herein.

**17.3 COMPLIANCE.** Company shall comply with all applicable laws, rules and regulations of all governmental authorities.

**17.4 EXPENSES.** Company shall pay all of its costs and expenses under this Agreement and shall be solely responsible for the acts and expenses of its own agents and employees.

**17.5 AMENDMENTS.** Any modification of this Agreement must be in writing and signed by both parties, except as otherwise expressly provided herein. Company acknowledges that the Policies promulgated by DIRECTV, in accordance with Section 2.6, as well as the modifications to order procedures set forth in **Exhibit B** and any changes to the Compensation in accordance with Section 5.7 do not constitute modifications requiring Company's written consent.

**17.6 AUTHORIZATION; CAPACITY.** Company represents that the execution, delivery and performance of this Agreement have been duly authorized, that it has the full right, power, and authority to execute, deliver and perform this Agreement, and that such execution, delivery and performance do not and will not conflict with any agreement, instrument, order, judgment or decree to which Company is a party or by which it is bound.

**17.7 NO IMPLIED WAIVERS.** The failure of either party to require the performance by the other of any provision of this Agreement shall not affect in any way the right to require such performance at any later time nor shall the waiver by either party of a breach of any provision hereof be deemed a waiver of such provision.

**17.8 NOTICES.** Any notice or other written communication required or permitted to be given by this Agreement shall be deemed given (a) when personally delivered or delivered by Federal Express; (b) when telecopied (with confirmation of delivery); (c) when electronically delivered (e.g., e-mails, communication through dealer website, internet, etc.) (with confirmation of proper transmission to the recipient or the communication was read/received/accessed by the recipient, whichever is earlier); or (d) three (3) business days after it has been sent by United States first-class, certified or registered mail, postage prepaid, properly addressed to the addresses set forth below the signatures herein. Each party shall provide a minimum of ten days advance written notice to the other in the event of any address or telephone change.

**17.9 INVALID OR UNENFORCEABLE PROVISIONS.** If any provision of this Agreement is determined to be invalid or unenforceable, the provision shall be deemed severed from the remainder, which shall remain enforceable. If any provision of this Agreement does not comply with

any law, ordinance or regulation of any governmental or quasi-governmental authority, now existing or hereinafter enacted, such provision shall to the extent possible be interpreted in such a manner so as to comply with such law, ordinance or regulation, or if such interpretation is not possible, it shall be deemed amended, to satisfy the minimum requirements thereof.

**17.10 GOVERNMENTAL APPROVALS.** This Agreement shall be subject to all necessary approvals of local, state and federal regulatory agencies.

**17.11 TAXES.** Any taxes asserted against Company or DIRECTV by any governmental authority as a result of this Agreement shall be the responsibility of the parties as follows: (a) Company shall be responsible for any taxes or levies arising out of its performance hereunder, with the exception of any sales tax as to which DIRECTV has provided to Company the appropriate rate and Company has forwarded such amount to DIRECTV; and (b) each party shall be responsible for any taxes related to its income derived hereunder.

**17.12 ARBITRATION.**

(a) Any dispute or claim arising out of the interpretation, performance, or breach of this Agreement, including without limitation claims alleging fraud in the inducement, shall be resolved only by binding arbitration, at the request of either party, in accordance with the rules of the American Arbitration Association, modified as herein provided. The arbitrators shall be, to the fullest extent available, either retired judges or selected from a panel of persons trained and expert in the subject area of the asserted claims. If the claim seeks damages of less than \$250,000, it shall be decided by one arbitrator. In all other cases, each party shall select one arbitrator, who shall jointly select the third arbitrator. If for any reason a third arbitrator is not selected within one month after the claim is first made, the third arbitrator shall be selected in accordance with the rules of the American Arbitration Association. The arbitrators shall apply California substantive law to the proceeding, except to the extent Federal substantive law would apply to any claim. The arbitration shall be conducted in Los Angeles, California. An award may be entered against a party who fails to appear at a duly noticed hearing. The arbitrators shall prepare in writing and provide to the parties an award including factual findings and the reasons on which their decision is based. The arbitrators shall not have the power to commit errors of law or legal reasoning, and the award may be vacated or corrected on appeal to a court of competent jurisdiction for any such error. The parties agree and acknowledge that no class arbitration shall be permissible hereunder. The decision of the arbitrators may be entered and enforced as a final judgment in any court of competent jurisdiction. The parties shall share equally the arbitrator's fees and other costs of the arbitration.

(b) Notwithstanding the foregoing, the following shall not be subject to arbitration and may be adjudicated only by the Los Angeles County, California Superior Court or the U.S. District Court for the Central District of California:

(i) any dispute, controversy, or claim relating to or contesting the validity of DIRECTV's right to offer DIRECTV Service to the public or any of DIRECTV's Trade Secrets or Marks; and

(ii) the request by either party for preliminary or permanent injunctive relief, whether prohibitive or mandatory, or provisional relief such as writs of attachments or possession.

(c) This Section and any arbitration conducted hereunder shall be governed by the United States Arbitration Act (9 U.S.C. Section 1, et seq.). The parties acknowledge that the transactions contemplated by this Agreement involve commerce, as defined in said Act. This Section 17.12 shall survive the termination or expiration of this Agreement.

17.13 **ATTORNEYS' FEES.** In the event of any litigation or arbitration between the parties with respect to this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs of litigation, as the court or tribunal may determine.

**DIRECTV, LLC**

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

Date: \_\_\_\_\_

Address: DIRECTV, LLC  
2260 East Imperial Highway  
El Segundo, California 90245

\_\_\_\_\_  
**[COMPANY NAME]**

By: \_\_\_\_\_  
(signature)

Name: \_\_\_\_\_

Title: \_\_\_\_\_  
[E.g., President, Principal, Owner, etc.]

Location Address:

\_\_\_\_\_

City, State, Zipcode

Mailing Address:

\_\_\_\_\_

City, State, Zipcode

Facsimile No.: \_\_\_\_\_

Telephone No.: \_\_\_\_\_

Federal Tax I.D.: \_\_\_\_\_

Social Security Number: \_\_\_\_\_

E-Mail Address authorized representative: \_\_\_\_\_

**Check One:**

- ☐ Sole Proprietor  
☐ Partnership  
☐ Corporation

**NOTE: PLEASE ATTACH W-9, AS REQUIRED BY DIRECTV**

## **SCHEDULE 2.6(i)**

### **CREDIT POLICY**

#### **A. Credit Scoring Process.**

1. For any new prospective DIRECTV customers (the “Prospective Customers”), RETAILER shall submit information to DIRECTV through DIRECTV’s retailer website (the “Retailer Website”) or through other means as directed by DIRECTV from time to time (the “Alternative Method”) to enable DIRECTV to credit score each Prospective Customer through the use of DIRECTV’s proprietary credit tools (the “Credit Tools”). In order to enable DIRECTV to credit score a Prospective Customer, RETAILER shall obtain the following information from the Prospective Customer (collectively, the “Customer Information”):

- a. Name;
- b. Home Address;
- c. Home Telephone Number;
- d. Social Security Number; and
- e. Prospective Customer’s consent to have DIRECTV credit score.

RETAILER shall advise the Prospective Customer that the credit scoring is conducted on behalf of DIRECTV, LLC, 2260 E. Imperial Highway, El Segundo, California 90245, in connection with the provision of DIRECTV’s programming services.

2. Upon receipt of the Customer Information, RETAILER shall populate the appropriate fields with the Customer Information in the Retailer Website or the Alternative Method, as applicable, and submit the information through the Credit Tools. Based on the Customer Information, DIRECTV’s proprietary Credit Tool will return either (a) an approval for no fee payment to DIRECTV or (b) a requirement of a fee payment as described below by a Prospective Customer (i.e., generally failing to meet DIRECTV’s required credit score). For purposes of credit scoring, those Prospective Customers who will be required to make a fee payment shall also include those (x) who refuse to be credit scored; (y) who refuse to provide any portion of the Customer Information to enable DIRECTV to credit score or (z) who may not be credit scored/checked due to a variety of reasons (e.g., unable to verify the Customer Information, credit is “frozen” by the customer, etc.), excluding any systems issues related to the Credit Tools.

- B. Prospective Customers Approved for No Fee Payment. With respect to those Prospective Customers who were approved through DIRECTV’s Credit Tools, RETAILER may continue with its DIRECTV System transaction in its normal and customary manner and practices (i.e., “business as usual”).

#### **C. Prospective Customers Fee Payment Required.**

1. With respect to those Prospective Customers who are required to make a fee payment to DIRECTV based upon the credit score generated by DIRECTV’s proprietary Credit Tools, RETAILER shall:
  - (a) Advise the Prospective Customer of his/her fee payment requirement;
  - (b) Advise the Prospective Customer that DIRECTV will require a payment of a fee in the amount of (i) \$99 if Prospective Customer is so designated by DIRECTV (ii) \$300 if Prospective Customer is so designated and the transaction includes DIRECTV advanced receiver equipment or products, or (iv) such other amounts

and the type of receivers as designated by DIRECTV in writing from time to time (the “Fee Payment”);

- (c) Provide any information, written, oral or otherwise, as designated by DIRECTV regarding the terms and conditions of the Fee Payment, including any materials which must be provided to each Prospective Customer in accordance with all applicable laws.
- (d) If the Prospective Customer desires to proceed with the DIRECTV System transaction, assess and process the applicable Fee Payment on behalf of DIRECTV.
- (e) Establish an Order (i.e., a pending account) for the Prospective Customer based upon the Customer Information, or if different, use other/additional information provided by the Prospective Customer (e.g., different billing/mailling address, different telephone number, etc.).
- (f) Upon establishment of an Order, provide the pending account number to the Prospective Customer.
- (g) Advise the Prospective Customer to maintain and utilize the pending account number when activating his/her DIRECTV service following installation.
- (h) For those Prospective Customers who are required to make a Fee Payment in the amount of \$300 as described above, advise the Prospective Customer that he/she qualifies for an offer from DIRECTV for those Prospective Customers required to make such Fee Payment (the “Special Offer”). The Special Offer will be an offer in which such Prospective Customer will receive a \$5.00 programming discount on his/her DIRECTV account for each month that he/she maintains and pays for qualifying DIRECTV Programming Package (i.e., maintains his/her account in “good standing”) up to 60 months for a customer purchasing any advanced-type DIRECTV Receiver. If the Prospective Customer disconnects, terminates, cancels or suspends his/her DIRECTV account (i.e., the Customer does not maintain continuous service), the programming discount is cancelled and cannot be reinstated. DIRECTV reserves the right to change or discontinue making a Special Offer to Prospective Customers required to make a Fee Payment in the amount of \$300 at any time upon written notice to RETAILER and DIRECTV will use its commercially reasonable efforts to provide RETAILER no less than thirty (30) days’ notice of any changes or discontinuation of the Special Offer. The Prospective Customer who is only required to make a Fee Payment in the amount of \$99 does not qualify for the Special Offer, but may qualify for a different offer as DIRECTV may make available from time to time.

- 2. In connection with any Qualifying Subscribers who make a Fee Payment, there will be no changes to the chargeback amounts or the rules associated with the Prepaid Programming Commissions.

D. Other Terms and Conditions.

- 1. RETAILER shall only use the Credit Tools as permitted by DIRECTV herein. RETAILER is not authorized to utilize the Credit Tools for any other purpose whatsoever, including conducting credit checks on Prospective Customers or any other customers’ purchase of any other products or services (e.g., television sets, home theater systems, etc.).
- 2. RETAILER shall not use, utilize, disclose, sell, market, divulge or disseminate the Customer Information, in whole or in part, except as otherwise permitted by the Prospective Customer or DIRECTV, for the purposes designated or directed by the Prospective Customer or DIRECTV.

3. RETAILER shall not mislead, deceive, misrepresent or otherwise misinform the Prospective Customers regarding the results of the credit check or any other information related to the matters described in C.1 above.
4. RETAILER shall comply with any and all applicable laws in connection with this Credit Policy process.
5. RETAILER agrees to indemnify and hold harmless DIRECTV, Equifax, any other credit reporting bureaus utilized by DIRECTV and any other third parties providing services to DIRECTV in connection with the Credit Policy process, and their respective parents, subsidiaries, affiliates, members, directors, officers, employees, agents, contractors, successors and assigns from and against any and all actions, claims, liabilities, damages, costs, losses, judgments, fee and/or expenses (including reasonable attorneys' fees) caused by, arising out of, in connection with or resulting from any breach or alleged breach by RETAILER of any representation, warranty, covenant, obligation or agreement made or required by RETAILER under this Credit Policy process.

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## SCHEDULE 2.6(ii)

### DIRECTV, LLC. "POLICY STATEMENT"

#### Statement for Independent Retailers Regarding DIRECTV's Policies Relating to Telemarketing, Internet Marketing, and Home Solicitation

Today's technology provides a variety of methods for marketing to consumers, many of which may be used effectively to produce sales. However, several of these methods present particular risks and concerns which are the subject of this Policy Statement. In addition, virtually every method of marketing is subjected to a variety of state and federal laws - ranging from laws protecting consumers from unfair and deceptive practices to home solicitation laws. A general overview of these types of laws is also provided; however, it is your responsibility to determine which specific laws are applicable to your activities. **Please review this Policy Statement carefully. You, the Retailer (including your employees), are expected to know and comply with all marketing laws applicable to your activities.**

The retailer agreement (the "Agreement") you have with DIRECTV creates an independent contractor relationship due to the fact that DIRECTV does not have control over how you run your business. However, your Agreement requires that you conduct your activities in a manner that will not impugn DIRECTV's reputation and goodwill, and that you comply with all applicable laws and DIRECTV policies. As an independent business, you must properly identify yourself in all marketing activities, and cannot hold yourself out as DIRECTV. In all telephone contacts with consumers, whether inbound calls or the limited outbound calls addressed in this Policy, you must use your company name and cannot state that you are answering calls or calling as DIRECTV or "on behalf of" DIRECTV. You are not authorized to hold yourself out as an agent of DIRECTV.

DIRECTV's policy is to adhere to all laws and regulations, including those relating to marketing activities. Each retailer is responsible for making sure that its own marketing activities conform to the law. **Retailers must identify themselves in all marketing, and cannot hold themselves out as DIRECTV. Moreover, in making any outbound or taking any inbound calls, retailers cannot state that they are calling or answering calls "on behalf of" DIRECTV. You are not authorized to hold yourselves out as an agent of DIRECTV.**

The purpose of this Policy Statement is to alert you to the existence of certain types of marketing laws and DIRECTV's policies in regards to certain marketing activities. You must take all steps necessary to tailor your marketing efforts to conform to the law and DIRECTV's policies. DIRECTV maintains the right to immediately terminate its Agreement with any retailer that DIRECTV believes, in its sole discretion, may have breached the Agreement, violated DIRECTV's policies, or otherwise engaged in illegal, objectionable, inappropriate, or otherwise forbidden marketing activities. DIRECTV will also immediately terminate the Agreement of any retailer found to have made misrepresentations to DIRECTV about its marketing activities.

**The information provided in this Policy Statement is in summary form only and is not intended to provide legal advice or counsel, nor is it an exhaustive list of all laws and regulations applicable to your activities. Legal requirements differ from jurisdiction to jurisdiction, and are constantly evolving. You are solely and independently responsible for complete compliance with, and consequences of noncompliance with, applicable laws and regulations. Therefore, it is imperative that you consult your legal counsel for full details on**

## **the requirements of all applicable marketing laws and regulations before undertaking any marketing campaign.**

### ***I. Telemarketing***

The federal Telephone Consumer Protection Act, 47 U.S.C. § 227 et. seq., (“TCPA”) places restrictions on the use of telephone equipment to market or promote products and services. Numerous states have adopted statutes modeled after or more restrictive than the TCPA, each with its own penalty scheme. Another related and significant regulatory regime in this area is the Telemarketing and Consumer Fraud Prevention Act, 15 U.S.C. § 6101 et. seq., as implemented by the Federal Trade Commission in the Telemarketing Sales Rule, 16 CFR Part 310 (“TSR”). In 2003, the FTC and FCC established and began enforcement of a National Do Not Call Registry. The FCC has also implemented stricter rules for enforcing the TCPA which began to take effect in 2012. Many states also have their own Do Not Call Registries, as well as telemarketer registration and bonding requirements. They also often impose stricter requirements than the federal law. In many instances these state laws apply to **all forms** of outbound and inbound telemarketing. Thus, even if you are otherwise making a permitted call, you may still be required to register and/or post a bond in certain states prior to placing or receiving a telemarketing call.

The potential penalties for violating these laws are serious. For example, the government can impose \$16,000.00 in penalties “for each such violation” of the TCPA or the Telemarketing Sales Rule. In addition, under the TCPA, consumers can bring private rights of action to seek the greater of actual damages or \$500 for each violation, which can be trebled to \$1,500 by the Court if the conduct is deemed willful. Because of the myriad of laws making compliance difficult, as well as the penalties and loss of reputation and goodwill associated with non-compliance, DIRECTV does not provide discretionary marketing funds for use in connection with outbound telemarketing solicitations.

Following are DIRECTV’s specific policies and guidelines regarding particular forms of outbound telemarketing:

#### ***A. Facsimile advertising.***

Facsimile advertising is a form of outbound telemarketing solicitation that is **expressly disapproved of for ANY use in advertising “DIRECTV” branded products and services**. In addition, it is considered a violation of this Policy Statement for any independent retailer to use facsimile advertising in connection with Dish Network or any “satellite television” product if such advertisement is likely to lead to consumer confusion and the mistaken belief that such advertising relates to DIRECTV-brand products or services.

#### ***B. Pre-recorded messages.***

Pre-recorded message advertising is also a form of outbound telemarketing solicitation that is **expressly disapproved of for ANY use in advertising “DIRECTV” branded products and services**. In addition, it is considered a violation of this Policy Statement for any independent retailer to use pre-recorded message advertising in connection with Dish Network or any “satellite television” product if such advertisement is likely to lead to consumer confusion and the mistaken belief that such advertising relates to DIRECTV-brand products or services.

#### ***C. Text or SMS messages.***

Several courts have determined that text or SMS messages are legally the same as phone calls or pre-recorded messages. Therefore, text message advertising is also a form of outbound telemarketing solicitation that is **expressly disapproved of for ANY use in advertising “DIRECTV” branded products and services**. In addition, it is considered a violation of this Policy Statement for any independent retailer to use text message advertising in connection with Dish Network or any “satellite television” product if such

advertisement is likely to lead to consumer confusion and the mistaken belief that such advertising relates to DIRECTV-brand products or services.

*D. Outbound unsolicited telephone calls by live operators (“cold calling”).*

Using live operators (with or without using dialing equipment) to place unsolicited (no applicable existing business relationship or qualifying inquiry) outbound telemarketing calls, sometimes also referred to as “cold calls,” **is expressly disapproved of for ANY use in advertising “DIRECTV” branded products and services.** In addition, it is considered a violation of this Policy Statement for any independent retailer to place such calls in connection with Dish Network or any “satellite television” product if such advertisement is likely to lead to consumer confusion and the mistaken belief that such advertising relates to DIRECTV-brand products or services.

*E. Returning Calls to Prospective Customers who have made a “qualified” inquiry, and calls to existing or former customers*

*i. Inquiries from prospective customers.* Retailers may *generally* make or return telephone calls to prospective customers who initiate contact with them to inquire about DIRECTV products and services, notwithstanding the consumer’s registration in the federal Do Not Call registry. Current federal law permits an outbound telemarketing call to a consumer if the consumer has made an inquiry within the past 90 days regarding a product or service offered by the retailer, **unless** the consumer has previously asked to be placed on the retailer’s *internal* Do Not Call list. Some state laws do impose more restrictive time frames, require registration and/or bonding requirements or even prohibit return calls to consumers on their state Do Not Call registries altogether, so obtaining advice of counsel regarding the laws in the jurisdictions within which you plan to operate is imperative. Moreover, in recent years, states have become increasingly active in restricting the scope of traditional EBR calls (e.g. New York). You must review any state’s telemarketing laws before you choose to place any type of telemarketing call into a state.

You must also have a written Do Not Call policy, train your operators on the policy, enforce compliance with the policy, provide it upon a consumer request, and timely honor all requests to be placed on your internal Do Not Call list. You must scrub against your internal list (and more restrictive state lists) before making return calls to consumers who have made an inquiry.

Typically, in order to qualify for an “inquiry” exemption to Do-Not-Call registries, the inquiry by the consumer must be made to you, the actual retailer, and not to a third party marketer or lead generator (unless that generator clearly and conspicuously identifies you and that it is acting on your behalf; note *infra* that use of third parties is expressly prohibited absent DIRECTV’s written approval). The inquiry must also be specific to DIRECTV products or services, not simply, for example, a general consent to receive more information about “electronic products” or “satellite systems.”

***DIRECTV’s policy requires that return calls be made by a live operator – no pre-recorded messages, including “Press 1” or other approaches may be used. Any other method could result in violation of the law.***

***In addition, the FCC’s stricter rules under the TCPA announced in 2012 do not allow telemarketing calls to be made using automatic dialing equipment unless the marketer has proof of the consumer’s prior express consent to receive calls. In the case of calls to cellular phones, the proof of consent must be written (requiring written or ESIGN consent proof). Therefore, return calls should not only be made by live operator – no pre-recorded messages – but best practices suggest having operators manually dial to return calls in order to avoid potential problems in proving consent.***

***If automatic dialing equipment is to be used to return customer inquiries, special steps must be taken to avoid violations. First, return calls should not be made with automatic dialing equipment to any number simply “captured” through a caller ID or other system. Return calls should only be placed to consumers who talked to an agent and provided consent to future calls. Consent must be clearly and expressly given (e.g., “may I call you back at this number --- --- ----?” and/or “would you like to provide a number so I may call you back?”). If the consumer says no or refuses to provide a number, the consumer may not be called back using automatic dialing equipment. If the agent is unable to ask for consent (e.g., the caller hangs up or the call drops), the consumer may not be called using automatic dialing equipment. Second, because using automatic dialing equipment to make telemarketing calls to cellular phones requires consent to be written, calls in which consent is obtained must be recorded and stored to maintain ESIGN proof of consent. Either all calls need to be recorded and preserved, or, policies and procedures could be developed for identifying cellular telephones (including asking the consumer if the number they are providing is a cellular number) and recording and maintaining written consents only insofar as cellular phones are concerned. Finally, all call abandonment rules must be adhered to, including the FCC’s 2012 rule change requiring abandoned call messages to include an interactive opt out for DNC requests.***

There are several key aspects to remember when claiming “inquiry” call exemptions to DNC registry scrubs:

- Time frames in which calls can be returned must be strictly obeyed, both in terms of overall call return period (as noted, federal law permits return calls within 90 days of inquiry, but some state laws are more restrictive) and hour, day of week and holiday restrictions (e.g., no calls before 8 AM or on holidays). In addition, some states impose registration and bonding requirements which may apply to all types of telemarketing calls, including calls to consumers who have made an inquiry, and to inbound calls. You must consult with legal counsel to ensure compliance in every state to which you return or place calls to inquiring consumers.
- Consumer inquiries to third parties do not create an exemption unless, in the process of obtaining the lead, the affiliate clearly and conspicuously discloses that the consumer will receive a call from you, the actual retailer/seller.
- That is true even as to subsidiaries and affiliated companies. Consumer inquiries to your subsidiary or affiliate do not provide you an exemption to call the consumer back, unless, the consumer would reasonably expect you to respond to the inquiry. Similarly, your subsidiaries and affiliates cannot return calls to consumers who make an inquiry to you, unless, the consumer would reasonably expect the subsidiary or affiliate to call. And finally, such permissible return calls must involve the product the consumer originally inquired about.
- **Remember:** DIRECTV’s approval is required if you plan on using a third party to generate leads, and under no circumstance should you call a consumer whose name and phone number was provided by a lead generator unless the consumer is aware of your identity and you can prove the consumer consented to receiving a call from you, as the actual retailer/seller, about DIRECTV products or services.
- The burden is on you to maintain records and documents to “prove that an inquiry was made by the consumer” and to the extent autodialing equipment is used, the appropriate consent was obtained, including proof of written/ESIGN consent for returning calls to cellular phones. This is not only a DIRECTV policy requirement, but a legal requirement. You should never place a return call to a consumer unless you have proof that the consumer made

an inquiry and consented to receiving calls from you. Relying on capturing a call number through caller – ID technology is not sufficient. You must provide such proof upon the request of DIRECTV or any regulatory enforcement agency.

ii. *Calls made to a consumer where there is an existing prior business relationship which includes a financial transaction.* Under federal law, you may also generally call consumers who have engaged in a financial transaction with you within the past 18 months prior to the telemarketing call, notwithstanding the consumer's registration in the federal DNC registry. Again, however, several states have stricter laws (with some not recognizing any such exemption) and it is incumbent upon you to consult with counsel to ensure compliance in every jurisdiction in which you plan to make such calls, as every year more states pass more restrictive laws. Further, as with the consumer inquiry exemption to DNC registry scrubs described above, the following restrictions apply:

- This exemption does not apply if the consumer has asked to be placed on your internal Do Not Call list; your internal DNC must always be scrubbed.
- This exemption does not apply to your affiliates or subsidiaries, as described above.
- The burden is on you to maintain documents and records in order to establish that the exemption exists. These documents proving the relationship must be produced upon the request of DIRECTV or any regulatory enforcement agency.
- Some state laws are more restrictive, so you must consult with local counsel to determine whether or not existing business relationship telemarketing calls can be made to consumers in particular states.

#### *F. General Telemarketing Requirements*

In addition to the national database Do Not Call provisions, the Telemarketing Sales Rule also sets forth significant requirements which must be complied with when engaging in any type of telemarketing (including calls made in response to a consumer's inquiry or to customers with whom you have an existing business relationship). Similar requirements also exist at the state level. At a minimum, independent retailers engaging in any type of telemarketing sales call must comply with the following requirements:

- Immediate disclosures. You must immediately and promptly disclose at the beginning of the call your identity, the purpose of the call, the nature of products being sold and certain other disclosures.
- Calling time restrictions – you can generally only make calls between 8:00 a.m. and 9:00 p.m. in the consumer's time zone. Some states have more restrictive time restrictions.
- Maintenance of internal Do Not Call policies – all retailers who call consumers must maintain a written Do Not Call policy, train all employees about that policy and police for compliance. Further, upon request, a copy of the written policy must be sent to any consumer requesting the same. Lastly, you must maintain and scrub against your internal Do Not Call list and place consumers on that list immediately after receiving the request.
- Additional disclosures. Prior to the conclusion of the call, you must disclose the total cost including shipping and handling charges of any product purchased, all material conditions of the sale including any material limitations on free equipment or installation offers (such as any

DIRECTV requirement to maintain a certain level of service for a specified period of time) and certain additional disclosures regarding any prize promotions.

- **Record Keeping Requirements.** In addition to maintaining records concerning any claimed exemption from a Do Not Call registry, you are also required to maintain other records concerning the telemarketing sale of products or services, including copies of all advertisements and promotional materials, sales and prize records, and certain contact information concerning telemarketing employees.
- **Bonding and Registration Requirements:** Some states require telemarketers to be registered and/or provide a bond, even for inbound calls in some states. You must consult with counsel to determine whether or not these requirements are triggered by your intended activities.
- **Miscellaneous requirements:** You may not engage in threats of intimidation, repetitive and annoying calls, or make false and misleading statements.

#### *G. Recording and Monitoring Your Calls*

In the event you choose to record and/or monitor your inbound and/or outbound calls with customers or prospective customers who have made a qualified inquiry, whether for training or quality assurance or any other purposes, you must consult your legal counsel for advice on compliance with all recording consent or notice requirements under applicable state law, and you must implement policies and procedures to achieve full compliance. NOTE: The restrictions on call recording/monitoring apply to **any** inbound/outbound call, not just telemarketing calls.

## **II. No Third Party Solicitors/Marketing Agents**

**Your Agreement with DIRECTV does not allow the use of third parties to solicit sales absent express written approval of DIRECTV. Approval must be given by both the Vice President – Sales and Business Affairs, Director. No other employee is authorized to provide approval, written or otherwise. Thus, you are not authorized to use any agent, independent contractor or any other third party to conduct marketing campaigns as addressed in this Policy Statement. In the event that DIRECTV suspects you are using a third party to telemarket, email, text, conduct home solicitations, or any other similar form of marketing, DIRECTV may immediately terminate your Agreement.**

## **III. Internet Marketing**

### *A. E-Mail*

A federal law (The Can Spam Act), effective January 1, 2004, places numerous restrictions on e-mail marketing messages that companies may send to users. The Can Spam Act creates tough penalties such as criminal sanctions with up to 5-year jail sentences and fines including statutory damages of up to \$2 million per incident (trebled to \$6 million for knowing violations). The law prohibits deceptive practices that mislead consumers, such as using misleading subject lines or headers, masking the marketer's identity in the reply address, or falsifying registration information. This federal law pre-empts most state laws related to e-mail regulation, but you need to check with counsel to ensure no additional state requirements apply.

DIRECTV does not engage in nor does it condone illegal e-mail marketing, sometimes referred to as "spamming." Accordingly, DIRECTV will not tolerate spamming from independent retailers. Your Agreement requires you to comply with all applicable laws, and also requires that in all of your activities as an independent contractor for DIRECTV, as well as in your separate equipment business, you engage in no

practice which impugns DIRECTV's commercial reputation and goodwill. Spamming not only may result in the violation of laws, but also reflects poorly on the DIRECTV-brand name.

If you choose to market via e-mail, you are responsible for adopting and adhering to policies and procedures that will prevent illegal spamming. You need to speak with your legal counsel to ensure compliance with all applicable federal and state laws and regulations, but at a minimum, your policies should address the following: E-mail messages containing advertisements are required to include a clear and conspicuous identification that the message is an advertisement or solicitation. Further, the law prohibits misleading practices such as using misleading subject lines or headers, masking the marketer's identity in the reply address, or falsifying registration information. Messages must also include a clear and conspicuous notice that recipients can "opt-out" of receiving future messages, and the message itself must include an immediate opt-out mechanism – either a functioning return address or an automated opt-out method. The opt-out mechanism must work for at least 30 days after the e-mail was sent. The sender has 10 days to remove an opt-out from its marketing list. Messages must further contain a valid physical postal address. Harvesting of e-mail addresses on the Internet or randomly generating electronic mail addresses by computer is strictly prohibited. Harvesting activities constitute aggravated violations which may result in trebled fines.

Some prohibitions (not any related to deceptive practices) may not apply if the advertiser has the recipient's express affirmative consent to receive e-mail advertisements. However, consent can only be demonstrated where the recipient expressly consented to receive e-mail advertisements from that advertiser either in response to a clear and conspicuous request for consent or at the recipient's own initiative. Finally, e-mail messages sent to facilitate, complete or confirm a commercial transaction are exempt. This includes messages that reflect account statements, change of status or terms, product updates and upgrades, warranty information, safety or security information, subscriptions, memberships and other similar commercial relationships. However, this exemption does not provide marketers with a broad "existing business relationship" exemption. Thus, before undertaking any campaign, you should consult with your legal counsel to ensure compliance with all new developments in the law.

**DIRECTV expects you to keep, maintain and utilize the required "opt-out" list to prevent sending messages to consumers who have expressed a desire not to be contacted via e-mail. You must have in place, and train all employees involved in this marketing activity on, written policies and procedures to ensure that all requests – including any that may be made to your postal address – are timely addressed and honored. These written policies and procedures must be made available to DIRECTV upon request.**

**To the extent you claim exemption from the law due to affirmative consent or completion or confirmation of a commercial transaction, you must preserve and maintain proof of such exemption status. Such proof must be made available to DIRECTV upon request.**

**Failure to comply or produce materials to DIRECTV upon its request may result in termination of your Agreement.**

## **B. Banner Ads and Other Website Marketing**

State, federal, and foreign laws generally related to advertising apply in both the online and off-line environments. Accordingly, when using or operating banner ads or otherwise advertising on websites or through other Internet channels, you should consult with your legal counsel to ensure compliance with all such laws. This includes ensuring that the content of any banner ads or other advertisements contain no misrepresentations or misleading statements about DIRECTV-branded products or services, and that all material information is clearly and conspicuously disclosed to consumers, including a clear and conspicuous

disclosure in close proximity to any offer of the material limitations and requirements associated with such offer. In March 2013, the FTC released staff guidance entitled “[.com Disclosures: How to Make Effective Disclosures in Digital Advertising](#).” This guidance takes into account the growing use of small screen devices by consumers, and provides examples of advertising that may be problematic, so should be reviewed by you and your counsel.

Your legal counsel can provide information and advice about other required disclosures in the on-line environment, but at a minimum, your on-line marketing should clearly and conspicuously provide your identity and contact information (to avoid confusion that the advertising was placed by DIRECTV), the nature of the products and services being offered, all material terms associated with that offer, and the types of information (including personally identifiable information) that you collect from and about consumers.

With regard to the collection of information, you should be certain to disclose the types of information collected **passively** from the consumer, such as through cookies, Internet Protocol (“IP”) addresses, web bugs, and other passive collection devices. Independent retailers should also fully disclose to consumers information about any **third parties** that help support, or otherwise obtain information from, the independent retailer’s Internet marketing activities (such as DoubleClick, Coremetrics, etc.). You should realize that the failure to fully disclose and otherwise properly handle information collection, use, and disclosure might violate any number of applicable state, federal, and/or foreign consumer protection and privacy laws. DIRECTV has the right to immediately terminate its Agreement with any independent retailer that DIRECTV believes might have engaged in illegal or inappropriate banner or other website advertising.

Independent retailers must also comply with all applicable laws and intellectual property rights when using search engines and search engine listings. In particular, independent retailers must observe all such laws and rights protecting DIRECTV’s company name, logos and/or trademarks. Independent retailers must not use DIRECTV’s marks in their web addresses or metatags, and must identify themselves as independent retailers that sell DIRECTV-branded products.

*Finally, it is important to note that internet marketing cannot be used to generate consumer “inquiries” for subsequent telemarketing activities unless the e-mail, web-form, etc., clearly and conspicuously identifies your business and you obtain the consumer’s demonstrable consent to receive a follow-up telephone call from you about DIRECTV products or services. For more information on this topic, see Section I on Telemarketing above.*

#### **IV. Cooling-Off Laws**

Federal, state and local jurisdictional laws govern the sale of goods or services at a consumer’s place of residence. Under the FTC Rule, 16 CFR 429, a buyer in a home solicitation sale must be given a “cooling off” period which consists of three business days during which he or she may cancel an agreement without obligation. The seller may not collect or retain any cancellation fee. The Federal Rule defines a door-to-door sale as the sale of consumer goods or services in which seller or his representative solicits the sale (including those in response to buyer invitation) and the buyer’s agreement or offer to purchase is made at a place other than the seller’s place of business. Many states have similar statutes which address sales that result from direct contact by the supplier at a place other than the seller’s place of business. It is important to note that several state home solicitation statutes also apply to sales that are conducted through telemarketing activities. Various local ordinances also apply to such sales activities, including peddler registration requirements. Similarly, some local municipalities prohibit door-to-door sales.

If you are conducting sales of goods or services which fall under these criteria, you should consult your legal counsel before undertaking any home solicitation marketing activities. At a minimum, in order to comply with the FTC Rule, state statutes and local ordinances, you must provide the buyers with all required



documents and information. You should use a signed agreement or offer to purchase form that is signed by the buyer. This form should include a statement regarding the buyer's right to cancel. Several states also require that the seller provide a Notice of Cancellation form that the buyer can complete and submit to the seller in the event he wishes to cancel the contract. You must also orally advise the customer of the right to cancel, and any misrepresentation regarding this right is a violation of the FTC Rule. One example of these forms is provided below; however, you must consult your legal counsel to ensure compliance with varied federal, state and local laws:

#### **BUYER'S RIGHT TO CANCEL**

You, the buyer, may cancel this transaction at any time prior to midnight of the third business day after the date of this transaction. See the attached notice of cancellation form for an explanation of this right.

#### **NOTICE OF CANCELLATION**

(Date)

You may CANCEL this transaction, without any Penalty or Obligation, within THREE BUSINESS DAYS from the above date.

If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within TEN BUSINESS DAYS following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be cancelled.

If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale, or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your Notice of Cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the seller, or if you agree to return the goods to the seller and fail to do so, then you remain liable for performance of all obligations under the contract.

To cancel this transaction, mail or deliver a signed and dated copy of this Cancellation Notice or any other written notice, or send a telegram, to [Name of Seller], at [address of seller's place of business] NOT LATER THAN MIDNIGHT OF [date].

I HEREBY CANCEL THIS TRANSACTION. (Date) \_\_\_\_\_

Buyer's Signature \_\_\_\_\_

#### ***V. Complaints***

If DIRECTV receives any individual complaints regarding your telemarketing practices, Internet Marketing, home solicitation practices, or any other related matter, we will forward such complaints to your attention. We require that you respond appropriately and in a timely fashion to the individuals concerned. We also require that you forward to DIRECTV a complete copy of your response and all related documents, records, and/or correspondence. With respect to any complaints that you receive directly from individuals about your practices, we expect that you will respond appropriately and in a timely fashion. We also expect that, upon our request, you will provide us with access to the individual complaints you have received, as well as a complete copy of your response and all related documents, records, and/or correspondence.

In the event that you receive an inquiry or complaint from a regulatory or government authority, we require you to immediately forward the complaint to us, along with all related documents, records, and correspondence, and a written explanation of what occurred. We also expect that you will allow us to participate in the response to any such government inquiry or investigation, to the extent that we wish to participate.

\* \* \* \* \*

While telemarketing, Internet marketing, and home solicitation may be effective means of reaching consumers, these marketing activities are fraught with difficulties. The risks involved may in fact exceed the potential benefits; you must therefore carefully consider your company's independent marketing decisions. The costs associated with defending against even frivolous claims can be enormous. And, your contracts with DIRECTC obligate you to defend and indemnify DIRECTV in the event that claims and allegations are asserted against DIRECTV as a result of your independent marketing activities. Thus, please proceed responsibly and in accordance with DIRECTV's policies as stated herein, and only after consultation with your legal counsel. Finally, as with any other form of advertising, you must ensure that your advertisements: (1) properly identify your company as the source; (2) comply with all applicable advertising laws and regulations, and are truthful and not misleading; (3) comply with DIRECTV's Brand Book or Style and Usage Guide, if you intend to include a DIRECTV brand logo; and (4) comply with DIRECTV's then-applicable national offers. Keep in mind that advertising text submitted to DIRECTV for brand and national offer review, and potentially for co-op payment, is not endorsed or approved by DIRECTV as compliant with all potentially applicable laws, and that DIRECTV does not approve, make recommendations or determine what medium you use for advertising. Only you can take the steps necessary to ensure that your marketing efforts comply with all applicable laws.

Thank you in advance for your attention to these matters and for your responsible promotion of DIRECTV-brand DBS Products and Service in a positive and lawful manner.

## **EXHIBIT A**

### **DIRECTV PROGRAMMING PACKAGES**

(Effective until replaced by DIRECTV)

**Annual Family™ Programming Package and above\*** (containing those video, audio and data programming services selected by DIRECTV)

\$29.99 per month per Qualifying Subscriber

**Annual Mas Latino™ Programming Package and above\*** (containing those video, audio and data programming services selected by DIRECTV – a portion of programming available from a satellite located at 119° West Longitude – requires a multi-satellite capable DIRECTV® Receiver with a DIRECTV Multi-Satellite Dish Antenna)

\$34.99 per month per Qualifying Subscriber

**Annual DIRECTV® BASIC plus any WorldDirect® International Language Service** (containing those video, audio and data programming services selected by DIRECTV – available from a satellite located at 95° West Longitude – requires a multi-satellite capable DIRECTV® Receiver with a 36" DIRECTV Multi-Satellite Dish Antenna)

\$15.99 per month per Qualifying Subscriber plus the cost of the selected WorldDirect® service

**Annual DIRECTV® PREFERRED CHOICE™ plus any WorldDirect® International Language Service** (containing those video, audio and data programming services selected by DIRECTV – available from a satellite located at 95° West Longitude – requires a multi-satellite capable DIRECTV® Receiver with a 36" DIRECTV Multi-Satellite Dish Antenna)

\$39.99 per month per Qualifying Subscriber plus the cost of the selected WorldDirect® services

\*Excludes any sports subscriptions and a la carte packages. Programming Package prices will be \$3.00 less in those designated market areas where DIRECTV does not offer local channels or for customers who are unable to receive local channels due to technical issues (e.g., line of site issues, 72.5° local channel markets).

## EXHIBIT B

### ORDER PROCEDURES

#### Placing Orders

Subject to other applicable terms and conditions of the Agreement, in order for COMPANY to potentially qualify to receive credit for an Approved Activation for a Qualifying Subscriber, COMPANY must notify DIRECTV by setting up a "Pending Account" (i.e., an "Order") for the customer as described herein. A "Pending Account" consists of a prospective customer's information (name, address, phone number, dealership information, equipment and programming selection) and is set up in DIRECTV's customer database. **There are two (2) methods that may be utilized for customer setup; ordering via DIRECTV's Retailer Website or via transactional model integration.** Once a prospective customer's DIRECTV System is installed and DIRECTV® programming service is activated, the Pending Account will be switched from pending to active status.

**Note:** To ensure timely payment of Compensation under the terms of the Agreement, Pending Accounts shall be setup at least twenty-four (24) hours prior to installation of DIRECTV System(s) and subsequent account activation.

#### Report Lease Transaction

To set up a Pending Account, use the "Report Lease" function on the DIRECTV Retailer Website (Retailer.DIRECTV.com) by following the simple steps below:

- Login to the DIRECTV Retailer Website (<http://Retailer.DIRECTV.com>).
- Select "Report Lease" under the Lease Reporting menu.
- Select your store information from the drop down menu listing your retail locations.
- Enter your Employee Information.
- Confirm the customer information you entered on the Customer Confirmation page and hit "Continue."
- Complete the Order Summary page and click the "Submit" button.
- A Confirmation Page will appear which includes address scrubbing and customer validations for the lease transaction entered. Confirm the address and customer information is correct and submit the lease transaction to DIRECTV. You may wish to print this screen for your records.

To set up a Pending Account using the "Report Lease" function on the transactional model integration, utilize the simple steps below (this method assumes the transactional model integration has occurred and the Retailer has been certified by DIRECTV). Certified transactions for reporting sales include Validate Customer and Create Order. Additional transactions include Cancel Order and Update Order:

- Establish connectivity via authorized connectivity link
- Using Company's proprietary application, select "Report Lease" or as designated by Company
- Establish your store information from Company's application listing your retail locations.
- Establish your Employee Information as required by the certified transactions
- Confirm the customer information you entered on the Company application for reporting a sales transaction
- Submit transaction
- A transaction response is provided for validation and will include address scrubbing and customer validations for the lease transaction entered. Confirm the address and customer information is correct and submit the lease transaction to DIRECTV.

#### Cancel Order/Report Return

To cancel a Pending Account, Update an Order, or report a hardware return on DIRECTV's Retailer Website, follow the steps below:

- Login to the DIRECTV Retailer Website.
- Select "Edit Lease Order" under the Lease Reporting menu.
- Using the search options, (date of lease transaction, DIRECTV pending account number, customer last name and or phone number) search for the order you wish to cancel.
- Select/flag the order that you would like to edit from the search results and click the 'Submit' button. Note: You may only edit orders that were entered within the previous 180 days.
- A Confirmation Page will appear displaying the order you've selected.
- Click "Cancel" to cancel or "Add Hardware" to change hardware information.

To cancel a Pending Account, Update an Order, or report a hardware return (Cancel Order) utilizing the transactional model, follow the steps below:

- Establish connectivity via authorized connectivity link
- Using Companys proprietary application, select "Edit Lease Order" or as designated by Company
- Establish your store information from Company's application listing your retail locations
- Establish your Employee Information as required by the certified transaction
- Using the search options of the certified transactions, (date of lease transaction, DIRECTV pending account number, customer last name and or phone number) search for the order you wish to cancel or update
- Select/flag the order that you would like to edit from the search results and either cancel the selected order (Cancel Order) or update the selected order with hardware details (Update Order)

Submit applicable transaction

## EXHIBIT C

### COMMISSION SCHEDULE

(Effective upon execution of this Agreement by the parties)

DIRECTV shall pay Company a Prepaid Programming Commission, for its services in referring Orders for DIRECTV Programming Packages, on the terms and conditions in the Agreement and as described below, in the amount of **\$80** per Qualifying Subscriber activated as an Approved Activation. Payment of the Prepaid Programming Commission is subject to the restrictions described in the Agreement, including, without limitation, those set forth in Section 5.4 thereof. The Commissionable Term for Prepaid Programming Commissions shall be one year.

1. DIRECTV will pay Prepaid Programming Commissions upon activation of the applicable Approved Activation. Such payments are subject to chargeback if for any reason the subscriber fails to pay for the entire Commissionable Term on which the Prepaid Programming Commission is based, on the terms described in this Agreement.

2. Chargebacks are applied as follows:

<b>If a customer disconnects/cancels/terminates or fails to pay after this many days of initial activation...</b>	<b>The Prepaid Programming Commissions will be subject to this chargeback percentage</b>
1-180 days	100% chargeback
181-270 days	50% chargeback
271-365 days	25% chargeback

3. Prepaid Programming Commissions are payable only for Orders referred by Company and delivered to DIRECTV after the effective date of this Schedule. Upon termination of this Agreement, Prepaid Programming Commissions are payable only as provided herein.
4. This Schedule replaces all prior schedules and agreements regarding the payment of Prepaid Programming Commissions to Company.
5. This Schedule is subject to change by DIRECTV in accordance with this Agreement.

## **EXHIBIT D**

### **CONTINUING SERVICE FEE SCHEDULE**

(Effective upon execution of this Agreement by the parties)

DIRECTV shall pay to Company the following Continuing Service Fees, on a monthly basis, for its promotional support and services to Qualifying Subscribers procured on and after the effective date of this exhibit on the terms and conditions in the Agreement and as described below:

Subject to Section 6 and in addition to other terms and conditions under this Agreement, the Continuing Service Fee monthly rate for the Qualifying Subscribers who are activated as an Approved Activation and remain a paying Qualifying Subscriber in good standing receiving at least one Approved Programming Package shall be initially determined on a quarterly basis based on the number of Qualifying Subscribers procured by Company during the previous DIRECTV calendar quarter.

Should Company meet the requirements of the Exclusive Preferred Program (for purposes of this Exhibit, the Exclusive Preferred Program shall mean Company meets the criteria of; (a) 1<sup>st</sup> Year AVDR three (3) month average below 1.51%; (b) thirty (30) approved activations during a three (3) month qualifying period; and (c) exclusivity as defined in Section 1.3 and subsequent amendments), the Continuing Service Fee monthly rate shall pay as set forth below:

#### **Exclusive Preferred Program**

##### **Approved Activations**

##### **in a DIRECTV Calendar Quarter**

##### **Continuing Service Fee Monthly Rate**

750 or more	\$2.50 per month per Qualifying Subscriber
180 – 749	\$2.25 per month per Qualifying Subscriber
90 – 179	\$2.00 per month per Qualifying Subscriber
46 – 89	\$1.75 per month per Qualifying Subscriber
15 – 45	\$1.50 per month per Qualifying Subscriber
14 or less	\$0.00 per month per Qualifying Subscriber

By way of example, if Company activates 450 Qualifying Subscribers for DIRECTV 1<sup>st</sup> CalendarQuarter, the Continuing Service Fee rate for those Qualifying Subscribers activated during DIRECTV 2<sup>nd</sup> Calendar Quarter shall be set at \$2.25 and shall remain so thereafter. If, then, during DIRECTV 2<sup>nd</sup> Calendar Quarter, Company refers 800 Qualifying Subscribers, the Continuing Service Fee rate for those Qualifying Subscribers referred during DIRECTV 3<sup>rd</sup> Calendar Quarter shall be set at \$2.50, but the rate shall remain at \$2.25 for those Qualifying Subscriber referred during DIRECTV 2<sup>nd</sup> Calendar Quarter.

Should Company fail or choose not to maintain exclusivity or fail to meet the 1<sup>st</sup> Year AVDR and/or Approved Activations metrics criteria of the Exclusive Preferred Program the Continuing Service Fee for all Qualified Subscribers procured under this Agreement (including those procured under the Exclusive Preferred Program) shall adjust to the Standard Program as set forth below:

**Standard Program  
Approved Activations  
in a DIRECTV Calendar Quarter**

**Continuing Service Fee Monthly Rate**

750 or more	\$1.50 per month per Qualifying Subscriber
180 – 749	\$1.25 per month per Qualifying Subscriber
90 – 179	\$1.00 per month per Qualifying Subscriber
46 – 89	\$0.75 per month per Qualifying Subscriber
15 – 45	\$0.50 per month per Qualifying Subscriber
14 or less	\$0.00 per month per Qualifying Subscriber

**General**

1. Approved Programming Packages consist of the DIRECTV Programming Packages set forth in **Exhibit A** hereto.
2. DIRECTV may elect for administrative convenience to pay Continuing Service Fees based initially on billings for Approved Programming Packages to Qualifying Subscribers, subject to later adjustment and recapture of excess payments if receipts by DIRECTV are less than billings. COMPANY shall acquire no right to receive Continuing Service Fees based on billings by reason of such practice. DIRECTV may at any time recapture any such excess payments from COMPANY, by set-off or direct collection.
3. Upon termination or expiration of this Agreement, the Continuing Service Fees are payable only as provided herein.
4. This Schedule replaces all prior schedules and agreements regarding the payment of Continuing Service Fees to COMPANY.
5. This Schedule is subject to change by DIRECTV in accordance with the Agreement.