

VENDOR MERCHANDISE AGREEMENT

THIS VENDOR MERCHANDISE AGREEMENT ("Agreement") is made as of the date indicated below by and between ValueVision International, Inc., d/b/a ShopNBC ("ShopNBC"), a Minnesota corporation with its principal place of business at 6740 Shady Oak Road, Eden Prairie, Minnesota 55344, and the Vendor set forth on the signature page hereof.

WHEREAS, Vendor produces and/or sells certain products which ShopNBC may, from time to time, wish to purchase for resale to ShopNBC's retail customers ("Merchandise"); and

WHEREAS, ShopNBC and Vendor wish by this Agreement to provide terms and conditions for any purchases of Merchandise that ShopNBC may choose to order during the term of this Agreement;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and other terms and conditions contained herein, the parties hereto agree as follows:

1. **All Sales Subject to Purchase Order Terms and Vendor Policies**
 - 1.1 All transactions involving sales of Merchandise from Vendor to ShopNBC shall be initiated solely by ShopNBC placing firm written purchase orders ("Purchase Orders") with Vendor's designated representatives. All such Purchase Orders which Vendor chooses to accept shall be subject solely to the ShopNBC Purchase Order Terms ("Order Terms") and ShopNBC Vendor Compliance Manual then currently in effect, without regard for whether a copy of the Order Terms is attached to or included with the Purchase Order, and without regard for whether the Order is placed in-person, by mail, by facsimile, or by *Electronic Data Interchange* ("EDI") or other electronic ordering methods which the parties agree to use, and without regard for any other terms, acceptance acknowledgements, invoices, or other things which purport to be or amend the terms of sale under the Purchase Order.
 - 1.2 A copy of the Order Terms currently in effect as of the execution of this Agreement is attached hereto as Attachment A, and a copy of the current ShopNBC Vendor Compliance Manual is included in the accompanying materials. ShopNBC may amend the Order Terms and the Vendor Compliance Manual for any prospective Purchase Orders at any time by giving ten (10) days prior written notice to Vendor, and Vendor's acceptance of any subsequent Purchase Order shall constitute Vendor's acceptance of such amended Order Terms and Vendor Guidelines.

2. **Term; Termination**

- 2.1 This Agreement shall become effective on the date on which ShopNBC submits its first Purchase Order to Vendor under this Agreement (the "Effective Date") and shall continue in force for a period of 1 year from the Effective Date.
- 2.2 This Agreement will automatically be extended for additional periods of 1 year at the end of the initial term and each subsequent term, unless written notice of termination is given by either party at least 90 days prior to the expiration of the then current term.
- 2.3 The failure of a party substantially to perform any obligation assumed by it hereunder within 30 days after written notice by the other party of such nonperformance shall entitle the other party to terminate this Agreement effective immediately on written notice of termination.

3. **Insurance**

Vendor shall obtain and maintain, at its own expense, insurance coverage as specified in the Order Terms and any additional coverages or amounts as may be specified on the face of specific Purchase Orders.

4. **Indemnification**

Vendor shall indemnify and hold ShopNBC harmless from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) imposed upon, incurred by or asserted against ShopNBC that result from any act, omission or breach of any provision of this Agreement by Vendor, its employees or agents under this Agreement or under any agreement with third parties. This indemnification obligation is in addition to any indemnification obligation set forth in any applicable Order Terms.

5. **Notices**

Any notice or other communication required or permitted herein shall be given in writing and shall be delivered in person or sent by telefax (provided a hard-copy is mailed within 24 hours of the sending of the telefax), Certified Mail or Registered Mail (postage pre-paid and return receipt requested), or express courier (e.g., Federal Express overnight delivery) to the addresses and telecopy numbers specified on the signature page of this Agreement.

6. **Assignment**

This Agreement shall be binding on and inure to the benefit of the parties hereto and their respective representatives, successors and permitted assigns. Neither party may assign, transfer or otherwise delegate this Agreement or any of its rights or obligations hereunder without the prior written consent of the other party; provided, however, that ShopNBC may, without obtaining Vendor's consent, assign this Agreement (i) to any entity affiliated with ShopNBC, or (ii) in connection with a transfer of substantially all of the assets of ShopNBC's business or a sale of majority ownership in ShopNBC's capital stock.

7. **Waiver, Amendment, Modification**

Any waiver, amendment or other modification of this Agreement shall not be effective unless in writing and signed by the party against whom enforcement is sought.

8. **Severability**

The holding of any provision of this Agreement to be void, invalid or unenforceable shall not affect the validity of the other provisions of this Agreement, unless the party to whose benefit the void, invalid or unenforceable provision was intended to operate deems the provision to be essential to this Agreement, in which case such party may terminate this Agreement effective immediately upon notice.

9. **Governing Law**

This Agreement shall be construed and enforced in accordance with the laws of the State of Minnesota applicable to contracts to be performed wholly therein, regardless of the place of acceptance. The parties expressly exclude the application of the United Nations Convention on Contracts for the International Sale of Goods, if applicable. The parties agree that any legal action between them arising out of or in connection with this Agreement or any Purchase Order placed under this Agreement shall be commenced and maintained only in the state or federal courts located in Minneapolis or St. Paul, Minnesota and that such courts shall have exclusive jurisdiction of and shall provide the exclusive venue for any such action.

VENDOR HEREBY UNCONDITIONALLY AGREES THAT IT IS PERSONALLY SUBJECT TO AND HEREBY CONSENTS TO THE JURISDICTION OF SUCH COURTS AND AGREES THAT IT WILL NOT CONTEST THE JURISDICTION, VENUE OR CONVENIENCE OF SUCH COURTS IN ANY ACTION COMMENCED BY SHOPNBC RELATING TO THIS AGREEMENT OR ANY PURCHASE ORDER PLACED UNDER THIS AGREEMENT.

10. **Entire Agreement; Conflicting Terms**

This Agreement constitutes the complete and entire statement of all terms, conditions and representations of the Agreement between Vendor and ShopNBC with respect to its subject matter. In the event of a conflict between terms and conditions stated in any Purchase Order or other document provided by ShopNBC and any acknowledgment or other document provided by Vendor, the former shall prevail; and in the event of a conflict between this Agreement and such document of ShopNBC, the terms of this Agreement shall prevail.

11. **Relationship of the Parties**

The relationship between the parties hereunder is that of buyer and vendor, not principal and agent or partners, with ShopNBC purchasing merchandise for resale for its own account. Neither ShopNBC nor Vendor has authority to act on behalf of the other or to bind the other by any promise or representation unless specifically authorized in writing to do so.

12. **Counterparts**

This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which shall constitute but one instrument.

IN WITNESS WHEREOF, Vendor and ShopNBC have caused this Agreement to be executed by their duly authorized representatives identified below as of the date first written above.

("Vendor")

By:_____

Name:_____

Title:_____

Date:_____

Address:_____

Telecopy:_____

ValueVision International, Inc.
("ShopNBC")

By:

Name: Nathan E. Fagre

Title: Sr. Vice President
& General Counsel

6740 Shady Oak Road

Eden Prairie, MN 55344

Telecopy: (952) 943-6111