

Merchant Agreement (“Dealer”)

This Merchant Agreement (“Agreement”) is made and effective this _____ day of _____, 20 ____ (the “Effective Date”), by and between HK Enterprises, Inc., d/b/a K&B Wireless Inc (Prepaid Q), with its principal offices located at 140 Commerce Drive, Montgomeryville, PA 18936 (“K&B”) and _____ (Dealer Business Name), a _____ (State), with its principal dealer located at _____ (Dealer Address).

Dealer desires to use Company’s (“K&B”) experience, Confidential Information, and goodwill in order to promote and sell K&B’s products.

Business Name: _____

Business Address: _____

City: _____ State: _____ Zip: _____

Social Security Number: _____

Federal Tax ID: _____

Work Phone: _____

Cellular Phone: _____

Email: _____

DEALER PARTICIPATION

- This Merchant Agreement (“Agreement”) is between Company (“K&B”) and Merchant (“Dealer”) listed above.
- “Network Provider” means the supplier of wireless service (air-time for use on wireless or long distance telephone networks) or other non-telecom products and services.
- “Products” means the supplier from wireless service ‘Airtime for use on wireless or long distance telephone network’ or other non- telecom products and services in the form attached.
- “Terminal” means the OMNI 3750 and OMNI 3730 device, or such other similar device, including software, supplied by K&B to dealer.
- “ACH” means automated clearinghouse.
- “Merchant ACH Agreement” means the agreement executed by a Merchant (“Dealer”), substantially in the form attached, which dealer authorizes K&B or using third party ACH processing company to ACH debit such Dealer’s bank account for the proceeds of each K&B product transaction.
- Each dealer location shall have a Terminal Identification Number (Login and Password)
- K&B authorizes Dealer and Dealer agrees to sell K&B products to Customers only at Dealer assigned locations in accordance with the provisions of this Agreement.

Commencement

- This Agreement shall be effective as of the Effective Date listed above.

Payment

- Dealer shall collect all proceeds from the sale of K&B products and K&B shall collect such proceeds, less any agreed commission deductions and taxes, from dealer’s designated bank account(s) via ACH, on a daily basis.

Late Payment

- If the required amount is not received by K&B within two (2) days, Dealer shall be required to pay an NSF charge of thirty five dollars (\$35.00) and/or interest on the overdue balance at the rate of two percent (2%) over the prime rate, from the due date until the date of actual payment in full, whichever is greater.
- NSF charge will increase to fifty dollars (\$50.00) for more than three (3) ACH failures in any twelve (12) month period.

INITIAL _____

Web POS

- K&B will provide internet access to Dealer by mean of Web POS application that will enable Dealer to purchase PINs for various prepaid services utilizing the systems.
- Dealer agrees to participate in K&B's program for the acceptance of payment and processing of transactions ("Transactions") of service providers ("Network Provider") selected and provided by K&B and listed on Schedule "A" (Discount Rate) to this Agreement (the "schedule") as may be amended by K&B from time to time.

General

- Commencing on the date which is one (1) year following the Effective Date, K&B shall ACH debit Dealer for all Web POS based on the following schedule of monthly fees of \$10 if monthly Retail Volume does not exceed \$1,000 dollars each month.
- K&B shall provide all POS software that Dealer will require to access "K&B" in order to process the Transactions. Dealer acknowledges that K&B may replace any or all Web POS software with new versions from time to time during the term of this Agreement and Dealer agree to use such new versions provided by K&B pursuant to such agreement. K&B shall at all times remain the owner of the Web POS software and Dealer shall not be deemed to be granted any property interest in the Web POS software. Within ten days after termination of the Transactions Service Agreement, Dealer shall return to K&B all Web POS software or Terminal provided by K&B to Dealer hereunder.
- Dealer shall request the number of Web POS software media and/or access code required by Dealer and the location in which Dealer desires to have Web POS software installed and located in the form prescribed by K&B

Risk

- Dealer shall be liable for any damage to or loss or theft of POS software, if any, after such POS software has been delivered to Dealer at the location specified by Dealer above and any Transactions processed via any Web POS software that has been lost or stolen until Dealer has provided notice to K&B of the lost or stolen Web POS software or Terminal.
- Dealer shall notify K&B if any POS software or Terminal ceases to work properly and K&B shall use commercially reasonable efforts to replace the nonfunctioning Web POS software or Terminal, as K&B determines in its sole discretion.

Pricing

- Dealer agrees to pay
 - The fee listed in the schedule, as amended by K&B from time to time, for the services other than Account Services (such as programming and training) purchased by Dealer as part of the K&B program,
 - Each Transaction processed by Dealer according to the Schedule
- Dealer is entitled to receive a discount which is equal to the percentage of each Transaction denomination for each Network Provider service as set forth in the Schedule (a "Dealer Discount") less retailer discount rate assigned by Dealer. Dealer shall not be entitled to Dealer Discount for any Transactions
 - Disputed by customer,
 - That fail to comply with this Agreement, including, without limitation, the failure by Dealer to process, or the improper processing, the Transaction through the Web POS software (unless different means are authorized in writing by K&B),
 - That fail to comply with the requirements of any Network Provider,
 - That appear to K&B to be fraudulent
 - That appears to K&B to be excessive and resulting from lost, stolen or counterfeit Personal Identification Numbers ("PINS").
- Any fee set forth in the schedule, the Dealer Fees set forth in the Schedule, may be amended by K&B from time to time upon 30 days notice of such change from K&B to Dealer, unless such change is due to a pricing change from a Network Provider or required by a Network Provider in which event such pricing change shall be effective as of the date of the notice. All amounts are subject to final audit and checking by K&B and K&B may debit or credit or credit Dealer's Accounts without prior notice for any error, deficiency or overage as necessary.
- If K&B makes any such adjustment, K&B shall provide to Dealer within 30 days of such adjustment notice setting forth the amount of and brief description of the reason for such adjustment.

DEALER OBLIGATIONS

As long as Dealer is participating in "K&B" Dealer shall:

- Have the option to offer the services of all Network Providers listed on the Schedule and it the denominations listed on the Schedule, as may be amended by K&B from time to time, without discrimination.

- Not impose or add any charge or fee to the customers for the Transactions. Dealer's sole compensation for participating in "K&B" program and for selling and processing service hereunder shall be Dealer Discount set forth on the Schedule.
- Not enter into any agreement or arrangement with any other company or person that sells pre-paid transaction products or service from multiple service providers in a manner other than through a pre-printed card.
- Collect from its customers all tax required to be collected in connection with the sale of the services and remit such tax to the appropriate governmental agency. Dealer also shall provide, upon request by K&B any resale or exemption certificates or other appropriate documentation in the form prescribed by K&B requested in connection with tax issues with respect to such sales.
- Be liable for any Transaction generated by Dealer for an incorrect Network Provider or in an incorrect denomination.
- Be liable for all Transactions processed through the POS software including Transaction Fees, if any, in accordance with the Schedule.
- Make all the payments to K&B in accordance with this Agreement.
- Comply with all requirements of third-party Network Provider as provided by K&B to Dealer.
- Be liable for and shall pay to K&B upon demand, the amount of any penalty, assessment, fee, as a result of any violation by Dealer of this Agreement or applicable law.
- Be liable for any Transactions processed via any POS terminal, if applicable, that has been lost or stolen until Dealer has provided notice to K&B of lost or stolen POS terminal.
- At Dealer's expense, provide telephone connections and any other third party services and products necessary to permit K&B to process the Transactions.

K&B'S RIGHT AND OBLIGATIONS

- *Processing.* K&B in its sole discretion may refuse to process or may delay the processing of any Transaction initiated by Dealer and K&B shall have no liability to Dealer for any loss, expense or damage incurred by Dealer directly or indirectly as the result of such refusal or delay.
- *Audit.* Upon reasonable notice and at any reasonable time, K&B may audit, examine and verify all procedures and records of Dealer pertaining to Dealer's processing of, acceptance of payment from customers for, and payment to K&B for, all Transactions sold under K&B program.
- *Account Service.* K&B will provide the following service: transaction processing, account web access, settlement service, and customer care (collectively, the "Account Service"). K&B will determine from time to time and in its sole discretion, the scope of the Account Service to be provided by K&B and may change or terminate all or any portion of such Account Services at any time without notice to Dealer.
- *Proof of I.D.* K&B requires "Copy of I.D. (issue from State or Federal Government)" from Dealers. Copy of I.D. should be readable

INDEMNIFICATIONS; LIMITATION OF LIABILITY

- Indemnification by Dealer. Dealer shall indemnify K&B its affiliates, employees, officers and directors (collectively, the "K&B Indemnities"), and agrees to defend and hold the K&B Indemnities harmless, from and against any and all claims, causes of action, demands, judicial and administrative proceedings, losses, liabilities, damages, costs and expenses, including, without limitation, court costs and reasonable attorney's fees (collectively, "Claims"), arising out of or directly or indirectly relating to any:
 - Breach or non- performance by Dealer of this Agreement or any non-compliance with applicable law,
 - Non-compliance with the requirements of any Network Provider,
 - Dispute, claim or demand by any customer related to transactions tendered or processed by Dealer, whether or not such dispute, claim or demand is valid,
 - Taxes (other than income tax) payable in connection with the sale of the service hereunder:
 - Fraud, gross negligence or willful misconduct to the part of Dealer or Dealer's agents or employee:
 - Loss or theft of POS software, POS access code or PIN; or terminal, if any, or
 - Any Transactions processed via a lost or stolen POS user ID and/or password (until notice of such loss or theft is received by K&B)
 - Damages caused by willful or negligent use of POS software.
- Indemnification by K&B. K&B shall indemnify Dealer, its affiliates, employees, officers and director (collectively, the "Dealer Indemnities"), and agrees to defend and hold the Dealer Indemnities harmless from and against any all Claims arising out of or directly or indirectly relating to any fraud, gross negligence or willful misconduct on the part of K&B or K&B agents or employees.
- *Limited Liability.* Except as expressly provided hereunder:
 - K&B MAKES NO WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO ANY SERVICE OR GOODS PROVIDED UNDER THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

- K&B's sole liability to Dealer hereunder shall be to correct, repair or replace, to the extent commercially reasonable, any payment errors caused by K&B or any malfunctioning software not caused by Dealer; provided that Dealer notifies K&B in writing of any such payment error or malfunction within ten business days after such payment error or malfunction is discovered by Dealer.
- K&B shall have no other liability whatsoever to Dealer and Dealer hereby expressly waives any claim against K&B for indirect, special, incidental or consequential damages, lost profits or interest. Without limitation of the foregoing, K&B shall not be liable to Dealer for delays in data transmission. Dealer acknowledges that any losses hereunder are commercial in nature.
- Without limiting the foregoing, K&B shall have no liability to Dealer's customers for (A) any failure of the systems of K&B or any third party, which results in the failure to process the Transactions or provide any services, or (B) the quality of the products and services provided by the Network Providers to Dealer's customers.
- Dealer hereby acknowledges that the prepaid services are provided to the customers by the Network Providers and not by K&B.

TERMS: TERMINATION

- The initial term of this Agreement ("term") shall be for a period of one year beginning from the signed date. The term shall be automatically renewed for successive one year period unless a party sends a written notice of non-renewal to the provider no later than 30 days prior to the expiry of the term. If Dealer terminates this Agreement during the Initial Term, K&B shall be entitled to recover liquidated damages from Dealer in the total amount equal to:
 - The average monthly volume (in dollars) of gross sales for all POS Terminals operated directly or indirectly by Dealer;
 - Multiplied by .03 and
 - Multiplied by the number of months remaining during the Initial Term of this Agreement.
- If there are any physical damage to the Terminal such as, lost, stolen, broken or as a result of Dealer negligence, then K&B, will levy \$500 upon a Dealer which the Terminal Price. Dealer that wants to terminate agreement must provide a written notice.
- K&B may terminate this Agreement upon the occurrence of any of the following events:
 - Dealer fails to pay any amount due to K&B
 - Dealer fails to perform any other term or conditions of this Agreement

TRADEMARKS AND ADVERTISING

License to Use K&B and Network Provider Marks in K&B -provided pre-printed Marketing and Promotional Material. K&B hereby grants to Dealer a limited, non-exclusive and non-transferable license to use the pre-printed marketing and promotional materials containing the names, trademarks, service marks and logos of K&B and the Network Providers, as provided by K&B to Dealer from time to time.

CREDIT REPORT AUTHORIZATION AND RELEASE

- Authorization hereby grants K&B to obtain a standard credit report through a credit reporting agency chosen by K&B.
- Dealer's signature below authorizes the release to the credit reporting agency a copy of my credit application and authorizes the credit reporting agency to obtain information regarding my employment, savings accounts and outstanding credit accounts (mortgages, auto loans, personal loans, charge cards, credit union, etc.).
- Any reproduction of this credit report authorization and release made by reliable means (for example, photocopy or facsimile) is considered an original.

MISCELLANEOUS

- *Business and Other Financial Information.* Dealer agrees to furnish to K&B upon ten days written notice such financial statements and information concerning itself or its parent, subsidiaries or affiliated entities as K&B from time to time reasonably requests. In the event that K&B has a good faith concern over Dealer's compliance, financial condition, business activities or possible fraud, K&B or its duly authorized representative, without prior notice to Dealer, may visit Dealer's business premises and Dealer agrees to provide reasonable access for K&B to examine that part of the books and records of Dealer pertaining to Dealer's practices regarding Transactions under LPOS' program. Dealer agrees to provide K&B at least ten days prior written notice of;
 - Its intent to change in any way the basic nature of its business
 - Any change in Dealer's ownership structure affecting fifty percent or more of Dealer's ownership rights.
- Dealer agrees to provide K&B with prompt written notice if Dealer or any parent, subsidiary or affiliate entity of Dealer is the subject of any voluntary or involuntary bankruptcy or insolvency petition or proceeding.

- *Other Equipment.* Dealer shall obtain and maintain all equipment and software (other than that listed on the schedule) necessary for its participation in LPOS program, and Dealer shall ensure that all such equipment and software conforms with the requirements established from time to time by K&B Dealer will provide adequate electrical and telephone connections, and install and operate such equipment and software in accordance with any K&B guidelines.
- *Other Services.* If Dealer receives any services utilized in connection with LPOS program from any third person, such as, without limitation, network or telecommunication services:
 - Dealer shall ensure that such services and the third party providing such services conform to the requirements established from time to time by K&B.
 - Dealer will release, defend, indemnify and hold K&B harmless from and against any damages, costs, liability or expense (including reasonable attorneys' fees) incurred by Dealer caused by the action or inaction of such third party.
 - Dealer agrees to be responsible for damages caused by negligence or willful misuse of POS.
- *Attorneys' Fees.* In the event that Dealer breaches this Agreement, in addition to any remedies provided by the terms hereunder, there under or by applicable law, K&B shall be entitled to recover any and all costs, damages, and liabilities which K&B may incur on account of such breach, including without limitation reasonable attorneys' fees and expenses, court costs and the fee and expenses of consultants incurred in connection with any judicial or arbitration proceedings relating to such a breach.
- *Amendments.* This Agreement and the Schedule may be amended only:
 - As specifically set forth herein,
 - By a written amendment signed by both parties or
 - By K&B upon 90 days prior written notification to Dealer.
- *Counterparts.* The pre-paid Transaction Services Agreement may be signed in two or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same agreement.
- *No Waiver.* The failure by K&B to exercise or delay in exercising any of the rights or remedies under this Agreement shall not constitute a waiver by K&B of its rights or remedies, and no single or partial exercise by K&B of its rights or remedies shall limit the exercise of any other right or remedy. Except as expressly provided in this Agreement, the rights and remedies of K&B contained in this Agreement are cumulative and not exclusive of any other rights or remedies of K&B provided by law.
- *Governing Law and Jurisdiction.* This Agreement shall be governed by the laws of the State of Pennsylvania. Exclusive venue for any legal action related to this Agreement shall lie exclusively in Montgomery County, Pennsylvania.

IN WITNESS WHEREOF, Dealer and K&B have caused this Agreement to be duly executed by their respective officers' thereunto duly authorized as of the date last written below and effective as of the Effective Date.

Dealer: _____

HK Enterprises, Inc., d/b/a K&B Wireless, Inc.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Schedule "A"

T-Mobile Product	Dealer Discount
T-Mobile Authorized Non-Exclusive Dealer (RTR- \$10-\$100)	7.25%

Wireless Product	Dealer Discount
Access Wireless	8.00%
Airfair	7.00%
Airlink	9.00%
Air Voice GSM	12.00%
Air Voice Unlimited	9.00%
Alltel	11.00%
AT&T(RTR-\$15-450)	17.00%
Boost (RTR-\$10-\$99)	2.00%
Cricket PayGo	6.00%
Einstein	17.00%
Good2Go	9.00%
I-Wireless	9.00%
I-Wireless Lifeline	9.00%
Locus H2O CDMA	7.00%
Locus H2O \$2Day Unlimited GSM	12.00%
Locus H2O CDMA 29.99	14.00%
Locus H2O CDMA 39.99	11.00%
Locus H2O Month (Unlimited)	7.00%
Locus H2O PURE (Unlimited)	7.00%
Locus H2O Minute 29.99	14.00%
Locus H2O Minute & Day	15.00%
Locus H2O Bolt-Broadband	6.00%
Mojo Mobile	14.00%
Movida	11.00%
Net 10	12.00%
Page Plus	12.00%
Powerlink Unlimited	9.00%
Pure Prepaid	12.00%
Pure Prepaid Unlimited	14.00%
ReadyMobile PCS	11.00%
Ready Mobile PCS Flat Rate	8.00%
Ready Mobile Broadband	8.00%
Red Pocket Mobile	11.00%
RedPocket UNL	11.00%
Southern LINC	13.00%
Simple Mobile	8.50%
STI Mobile	14.00%

Wireless Product	Dealer Discount
Total Call 1000/1000	11.00%
Total Call Anytime (5/10/20)	12.00%
Total Call Specialty PINS	13.00%
Total Call Unlimited (\$39.99/Unl. TNT)	3.00%
TracFone (20/24.99/30/40/80/100/124.99)	12.00%
Tuyo Mobile (10/20/50)	14.00%
Verizon (RTR)	9.00%
Virgin (RTR)	3.00%
Xtreme Mobile (10/20/50)	10.00%
Xtreme Unlimited X (10/20/50)	11.00%
Zapp (10/15/14.99 7day Unl/Int)	8.00%
Zapp Unlimited 939/44.99/49.99/59.99 BlackBerry & BBM	7.00%

Online Gaming/Entertainment	Dealer Discount
Canta Y Llama (6/10/15/25/50/100 Latin Prepaid Music)	8.00%
Rixty (10/20/50)	6.00%
Wally	6.00%

Gift Cards	Dealer Discount
Array Card	2.00%

International Mobile Recharge	Dealer Discount
Claro El Salvador (5/10)	7.00%
Claro Guatemala (5/10)	7.00%
Claro Honduras (5/10)	5.00%
Claro Nicaragua (5/10)	7.00%
Claro Dominican Republic (10)	8.00%
Globe – Phillippines (6/10)	10.00%
Tigo Colombia (5/10)	5.00%
Tigo El Salvador (6/10)	5.00%
Tigo Guatemala (7/10/14)	3.50%
Tigo Honduras (6/12)	5.00%
Voila Haiti (5)	9.00%
Comcel Colombia (7/14)	9.00%
Movistar Mexico (6/10/14/17)	9.00%
Movistar Colombia (6/10/14/17)	9.00%
Movistar Ecuador (6/10/14/17)	9.00%
Movistar El Salvador (6/10/14/17)	9.00%
Movistar Guatemala (6/10/14/17)	9.00%
Movistar Peru (6/11/17/23/34/56)	9.00%

Long Distance PIN/ PINless	Dealer Discount
AT&T Domestic (5/10)	40.00%
AT&T Worldwide (5/10)	40.00%
Homies No Mas (3/5/10/20)	17.00%
Llamex	17.00%
MobileNet	17.00%
Ria (2-200)	17.00%
Sti Extreme (5)	13.00%
Sti Extreme Africa (5)	13.00%
Sti Family (3/5)	13.00%
Sti African King (3/5)	13.00%
Sti Clarito (3/5)	13.00%
Sti Edge (3/5)	13.00%
Sti Free (3/5)	13.00%
Sti Digame Gold (5)	13.00%

These Discount Rates are subject to change. Dealer's Discount Rate for each K&B product shall be the specific discount percentage indicated above. K&B reserve the right to alter the Discount Rates, in its sole discretion, based on its own costs in connection with the K&B Products.

PERSONAL GUARANTY (hereinafter "Guaranty")

I, _____ ("hereinafter referred to as Guarantor"), residing at _____, for and in consideration of your extending credit at my request to _____, (hereinafter referred as "Dealer"), of which I am _____ (and the owner of a direct or indirect interest in Dealer such that this guaranty may reasonable be expected to be benefit me directly or indirectly), hereby personally guarantee to HK Enterprises, Inc., d/b/a K&B Wireless Inc., a Pennsylvania Corporation ("K&B") under the Merchant Agreement (and any amendments thereto) executed or to be executed by and between the Dealer and K&B, and its affiliates and related entities.

This Guaranty shall apply to any and all obligations of the Dealer of every kind and character, irrespective of the amount of said obligations, whether now existing or hereafter arising, including interest on any of the obligations and any and all costs, attorney's fees, and expenses suffered by K&B or its assigns by reason of Dealer's or Guarantor's default in payment of any of the foregoing indebtedness, and any renewal, extension or rearrangement of the indebtedness, costs, or expenses associated with such default.

Guarantor hereby agrees to pay K&B promptly on demand any sum which may become due to K&B by the Dealer whenever the Dealer shall fail to pay the same. It is understood that this Guaranty shall be a continuing, unconditional, and irrevocable guaranty and indemnity for such indebtedness of the Dealer

Guarantor hereby agrees with K&B that all rights, remedies and recourses afforded to K&B by reason of this Guaranty or otherwise are separate and cumulative and may be pursued separately, successively or concurrently, as occasion therefore shall arise, and are nonexclusive and shall in no way limit or prejudice any other legal or equitable right, remedy or recourse which K&B may have.

This Guaranty is for the benefit of K&B and its successors and assigns, and in the event of an assignment of the Guaranteed Indebtedness, or any part thereof, the rights and benefits hereunder, to the extent applicable to the indebtedness so assigned, may be transferred with such indebtedness.

Guarantor hereby waives notice of default, nonpayment, and notice thereof, and consent to any modification or renewal of the Direct Merchant Agreement hereby guaranteed. This Guaranty is binding on Guarantor and Guarantor's heirs, personal representatives, successors and assigns. If any provision of this Guaranty or the application thereof to any person or circumstance shall, for any reason and to any extent, be invalid or thereby, but rather the same shall be enforced to the greatest extent permitted by law.

K&B AND GUARANTOR HEREBY WAIVE (1) ANY RIGHT TO A JURY TRIAL, (2) ANY CLAIMS TO RECOVER PUNITIVE, EXEMPLARY, INCIDENTAL OR CONSEQUENTIAL DAMAGES, AND (3) ANY RIGHT TO PURSUE, OR PARTICIPATE AS A PLAINTIFF OR AS A CLASS MEMBER IN, CLAIMS ON A CLASSWIDE, CONSOLIDATED, OR REPRESENTATIVE BASIS.

NOTICE: This Guaranty Agreement results in your waiver of certain legal rights and defenses. It is recommended that you consult with your own attorney before entering into this agreement.

GUARANTOR:

Signature: _____ **Date:** _____

Print Name: _____

Address: _____

Phone: _____

By signing below, Guarantor authorizes K&B to check Guarantor's credit and financial history.

Signature: _____ **Date:** _____

Social Security Number: _____

I, _____, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that _____, personally known to me to be the same person(s) whose name(s) is/are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he/she/they signed, sealed and delivered the said instrument as his/her/their free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and notarial seal this _____ day of _____, 20__

_____ Notary Public

My Commission Expires: _____

Merchant ACH Agreement "Dealer"

Business Name: _____

Business Address: _____

City: _____ State: _____ Zip Code: _____

Phone Number: _____

Email Address: _____

State Sales Tax ID #: _____

Please attach a copy of your Reseller's Certificate

ACH Authorization (Must include Voided Check)

In order to accommodate electronic access for settlement of sales of K&B Products and services, I, the undersigned, authorize and instruct K&B to access my designated depository account and to initiate credit and/or debit entries by bankwire, payment order or Automated Clearing House ("ACH") transfer and to authorize the banking institution ("Depository") named on the attached business check to block or to initiate, if necessary, reversing entries and adjustments for any original entries made to the depository account indicated above and to authorize Depository to provide such access and to credit and/or debit or to block the same to such account. This authorization is without respect to the source of any funds in the depository account, and this authority shall remain in full force and effect until K&B has received written notification of my termination in such time and manner as to afford K&B and Depository a reasonable opportunity to act on it. In order to insure that transactions are properly handled, I have attached a specimen-voided business check

ACH Payment Schedule: **Daily (*Monday thru Friday*)**

To the account number of which is indicated below at the depository financial institution named below (the "Depository"), and to debit amounts to such accounts. K&B acknowledges that the origination of ACH transaction to its account must comply with the provisions of U.S. law.

Depository

Bank Name: _____

City: _____ State: _____ Zip Code: _____

Name on the Account: _____

(As it appears on checks & statements)

Routing Number: _____ **Account Number:** _____

(9 digits)

- This authorization Agreement is to remain in effect until K&B, receives a written notification from the "Merchant", "Company" and/or "Financial Institute" of its account termination/cancellation or until a new ACH authorization form has been submitted to "K&B".
- Please allow "K&B" a reasonable opportunity to act on it (***minimum of 14 days***).

Your signature acknowledges that you are authorized to execute on behalf of your company, are a signatory on the attached business check and have read and understand all information contained herein, the terms and conditions of the "Merchant Agreement" and any addenda, amendments, schedules, or attachments, all of which are incorporated into this Agreement.

Merchant Acceptance:

Print Name and Title: _____
(Please Print)

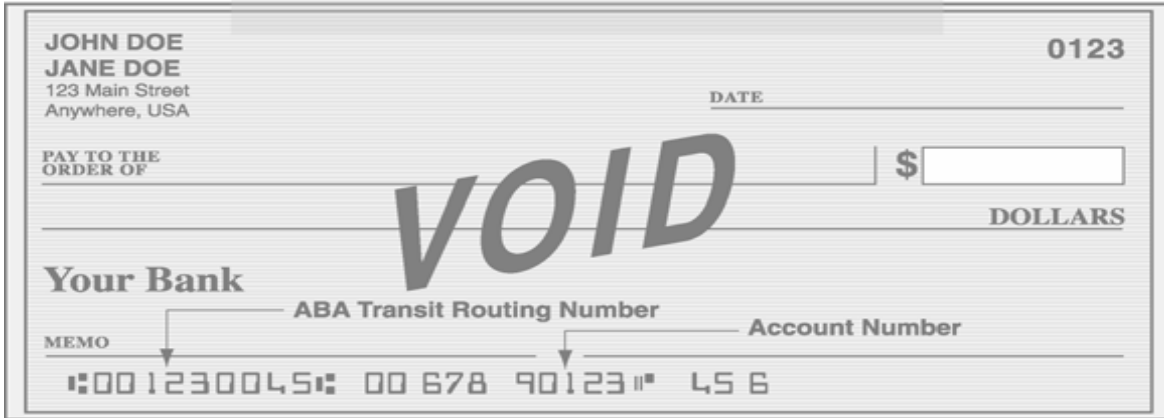
Authorized Signature: _____ Date _____

Social Security Number: _____ - _____ - _____

Please attach a voided check from the account specified, above for verification purposes

****Business Name MUST appear on the check****

Tape Voided CHECK HERE



Additional Information:

1. **STARTER CHECK will NOT be accepted!!!**
2. If you have NO checks, you must provide "K&B" with a letter from your Financial Institute, verifying the Account Name, Account Address, Account Type, ABA Transit Routing Number & Account Number
3. A new "ACH Authorization Agreement" must be completed when changing bank account information
4. If scheduled "ACH" occurs on a holiday, funds will remit the next business day
5. One form must be completed for each account in which ACH transfers are to be made

Return Payment Fees:

1. First two (2) return payment; there will be a charge of \$35.00 each.
2. \$50.00 charges for more than three (3) ACH failures in any twelve (12) month period.