

DISTRIBUTOR ACKNOWLEDGEMENT

The Company Distributor and Individual Distributor(s) (together, the "DISTRIBUTOR") hereby confirm that all of the information submitted in connection with this order and request for financing is true and complete in all respects.

Each Individual Distributor is an authorized representative of the Company Distributor with the power and authority to bind the Company Distributor.

DISTRIBUTOR understands that iPROMOTEu, in its discretion, may refuse to accept this order for any reason.

DISTRIBUTOR agrees that iPROMOTEu shall be permitted to contact and communicate with DISTRIBUTOR's customer via email and telephone as may be necessary or appropriate in connection with the review, approval, financing and processing of this order.

DISTRIBUTOR understands that iPROMOTEu shall keep confidential and not use (except as may be necessary to perform its responsibilities hereunder) or disclose to any unauthorized third party not associated with iPROMOTEu the contact information for DISTRIBUTOR's customer.

DISTRIBUTOR understands that iPROMOTEu will submit the vendor purchase order directly to the vendor and agrees that DISTRIBUTOR SHALL NOT submit the vendor purchase order to the vendor.

DISTRIBUTOR agrees that it shall review and approve the vendor purchase order prior to iPROMOTEu submitting the purchase order to the vendor.

DISTRIBUTOR agrees that only iPROMOTEu, at the direction of DISTRIBUTOR, may make changes to the vendor purchase order after it has been submitted to the vendor and that DISTRIBUTOR SHALL NOT make any changes to the vendor purchase order.

DISTRIBUTOR agrees that DISTRIBUTOR'S customer shall provide iPROMOTEu with written approval of all artwork and product proofs pertaining to this order before iPROMOTEu instructs the vendor to proceed with the production of the order.

DISTRIBUTOR understands that iPROMOTEu shall prepare a draft of the customer invoice for DISTRIBUTOR to review and approve. If DISTRIBUTOR does not approve the draft customer invoice within three (3) business days, then DISTRIBUTOR shall be deemed to have approved the draft customer invoice.

DISTRIBUTOR acknowledges that iPROMOTEu shall prepare and send the final customer invoice directly to the customer and agrees that DISTRIBUTOR SHALL NOT prepare or send an invoice to the customer.

DISTRIBUTOR agrees that all customer payments pertaining to this order must be made payable to iPROMOTEu and NOT to DISTRIBUTOR, and must be sent directly to iPROMOTEu and NOT to DISTRIBUTOR.

DISTRIBUTOR agrees that DISTRIBUTOR shall not seek to collect payment of the customer invoice from the customer and, if DISTRIBUTOR receives payment of the customer invoice from the customer, notwithstanding express instructions to the contrary, DISTRIBUTOR shall immediately remit such payment to iPROMOTEu.

DISTRIBUTOR agrees, as a condition to the final approval of this order by iPROMOTEu, that iPROMOTEu must receive from the customer a signed Customer Acknowledgement in the form prescribed by iPROMOTEu. [Click Here](#) to see the form of the required Customer Acknowledgement.

As consideration for iPROMOTEu evaluating, accepting, financing and processing this order, DISTRIBUTOR agrees to pay iPROMOTEu a transaction fee equal to 12% of the customer invoice (excluding freight and taxes). This fee shall be deducted from the customer's payment.

DISTRIBUTOR agrees to pay iPROMOTEu a credit card fee equal to 2.85% of the customer invoice if the invoice is paid via credit card.

DISTRIBUTOR understands and agrees that interest at the rate of 1.5% per month retroactive to the invoice date shall be assessed and charged to DISTRIBUTOR if iPROMOTEu has not received payment in full from the customer within 37 days from the invoice date.

DISTRIBUTOR agrees that it shall be required to pay iPROMOTEu the full amount of the customer invoice if iPROMOTEu has not received payment in full from the customer within 60 days from the invoice date.

DISTRIBUTOR acknowledges that, upon receipt by iPROMOTEu of the customer's payment, iPROMOTEu will deduct and retain the iPROMOTEu transaction fee pertaining to this order along with, if applicable, the credit card fee, interest and any other amounts that may be owing to iPROMOTEu, and shall deduct the amount of the vendor invoice pertaining to this order, and shall remit the balance to DISTRIBUTOR via check.

DISTRIBUTOR agrees that iPROMOTEu shall not be liable to DISTRIBUTOR or to DISTRIBUTOR's customer for any loss, damage, cost or expense incurred by DISTRIBUTOR or DISTRIBUTOR's customer as a result of any action or inaction on the part of iPROMOTEu.

DISTRIBUTOR agrees to indemnify, defend and hold harmless iPROMOTEu from any loss, damage, cost or expense incurred by iPROMOTEu in connection with this order without regard to the cause of such loss, damage, cost or expense.

DISTRIBUTOR agrees that any and all amounts owing from DISTRIBUTOR to iPROMOTEu must be received by iPROMOTEu within five (5) business days of its due date. If such amounts are not received by iPROMOTEu as required above, then DISTRIBUTOR agrees that such amounts shall incur interest at the rate of 1.5% per month. In addition, DISTRIBUTOR agrees that it shall reimburse iPROMOTEu for all legal fees, court costs, costs of collection and related expenses (including all legal fees, costs of collection and related expenses that are characterized as contingency or success fees) incurred by iPROMOTEu in its effort to collect what it is owed from DISTRIBUTOR.

To secure DISTRIBUTOR's payment obligations, DISTRIBUTOR hereby grants a security interest to iPROMOTEu in all assets and personal property of DISTRIBUTOR whether presently existing or hereafter created or acquired, and wherever located, including, but not limited to: (a) all accounts, chattel paper, commercial tort claims, deposit accounts, documents, equipment, general intangibles, goods, instruments, inventory, investment property, letter of credit rights, money, and all of Distributor's books and records with respect to any of the foregoing, and the computers and equipment containing said books and records; and (b) any and all cash proceeds and/or noncash proceeds of any of the foregoing, including, without limitation, insurance proceeds, and all

supporting obligations and the security therefor or for any right to payment. All terms above have the meanings given to them in the Commonwealth of Massachusetts Uniform Commercial Code, as amended or supplemented from time to time. DISTRIBUTOR further authorizes iPROMOTEu to file UCC-1 financing statements reflecting the grant of this security interest in DISTRIBUTOR's assets as described above. To further secure DISTRIBUTOR's payment obligations, the Individual Distributor(s) hereby agree(s) to personally guarantee the payment of all amounts owing from DISTRIBUTOR to iPROMOTEu.

DISTRIBUTOR agrees that this arrangement between DISTRIBUTOR and iPROMOTEu shall be governed by and interpreted in accordance with the laws of The Commonwealth of Massachusetts, without regard to the conflict of law principles thereof. DISTRIBUTOR agrees to voluntarily submit to the jurisdiction of the courts of The Commonwealth of Massachusetts in connection with any matter pertaining to this arrangement and agrees that it shall not institute legal proceedings against iPROMOTEu in any other jurisdiction.

DISTRIBUTOR authorizes iPROMOTEu to obtain a credit and background report concerning DISTRIBUTOR.

The DISTRIBUTOR hereby confirms that it has read and understands all of the provisions set forth in this Distributor Acknowledgement and hereby agrees to be bound by them.

DISTRIBUTOR intends to create a legally binding contract among the Company Distributor, the Individual Distributor(s), and iPROMOTEu on the terms and conditions set forth in this Distributor Acknowledgment. It is understood, however, that no legally binding and enforceable contract can be created unless and until iPROMOTEu provides its Final Approval regarding this order.