



VIP Wireless, Inc.
 14061 Townsend Road, Philadelphia, PA 19154
 (215) 975-0220 Phone / (215) 975-0233 Fax

PRE-PAID TRANSACTION SERVICES AGREEMENT

THIS AGREEMENT, together with the then-effective Terms and Conditions and Schedule (collectively, the "Agreement") is entered into by and between VIP Wireless, Inc. ("VIP"), whose principal place of business is 14061 Townsend Road, Philadelphia, PA 19154, and the undersigned merchant ("Merchant"), whose principal place of business is set forth under its signature hereto. The attached Terms and Conditions and Schedule are hereby incorporated herein and made a part of this Agreement by this reference.

Therefore, in consideration of the foregoing recitals, upon which the parties agree, and of the parties' mutual promises and obligations set forth below, the parties agree as follows:

1. **AUTOMATED CLEARING HOUSE SETTLEMENT.** VIP, or its designee and Merchant will utilize Automated Clearing House or Fed wire settlement procedures (collectively, "ACH Procedures") for payment of amounts owed by the parties under the Agreement and agree to do so in accordance with the following:
 - a) Merchant's Designated Accounts (as designated below) will be debited and credited for amounts determined in accordance with the Terms and Conditions.
 - b) Merchant hereby authorizes VIP or its designee to initiate credit entries, debit entries and adjustments to the Designated Accounts by ACH Procedures and further authorizes Merchant's depository financial institution identified below ("Depository") to debit, credit, withdraw or transfer funds from the Designated Accounts to or from VIP in accordance with any such debit entry, credit entry or adjustment.
 - c) Merchant hereby authorizes VIP or its designee to reverse any credit or debit entry made to the Designated Accounts, whether such reversal is made due to an error, or any other reason.
 - d) Merchant hereby authorizes Depository to grant VIP or its designee access to any and all information or records regarding the Designated Accounts.
 - e) Merchant hereby authorizes VIP or its designee to direct Depository to hold funds in the Designated Accounts or block or restrict Merchant's or others' access to funds in the Designated Accounts in an amount which VIP, in its sole judgment, deems sufficient to fully protect VIP's rights under this Agreement. Merchant directs Depository to immediately comply with any such direction from VIP.
 - f) Merchant agrees that VIP and Depository may act pursuant to any provision of this Agreement without prior notice to Merchant.
 - g) Merchant acknowledges and agrees that in order for Merchant and VIP or its designee to use ACH Procedures under this Agreement, Depository must be a member of the Federal Reserve System and of the National Automated Clearing House Association, and a blank, voided check for each of the Designated Accounts must be submitted by Merchant to VIP with this Agreement.
 - h) Merchant agrees to notify VIP of any change of its Depository or Designated Accounts in writing at least twenty days prior to the effective date of such change.
 - i) Merchant and VIP hereby agree that any agreement or other document (including instruction letters) required by the Depository to effectuate the intent of this Section 1 shall be attached to this Agreement as an Exhibit and deemed to be incorporated herein. To the extent that such agreement or other document is inconsistent with this Agreement, the terms of the Depository's agreement or document shall be deemed to govern.
 - j) Merchant hereby warrants that the following information is true and hereby designates the account(s) listed in the Automated Clearing House Settlement Agreement ("ACHSA") (the "Designated Accounts") from the financial institution listed in the ACHSA (the "Depository") to be used for payments made via the ACH Procedures:

2. **CREDIT REPORT AUTHORIZATION.** Merchant hereby provides its consent to and authorizes VIP, or its designee to investigate the personal and business history of Merchant and each of its principals, partners, stockholders and members (collectively, the "Investigatees") and to obtain credit bureau reports for each Investigatee and information from any other source which may bear upon the financial responsibility or acceptability of an Investigatee for VIP's program under this Agreement.

3. **TERMINAL REPLACEMENT FEE.** Merchant will be liable for VIP's current replacement cost of each POS terminal that is not returned to VIP within thirty days of termination of the Transaction Services Agreement, not to exceed \$500 per POS terminal.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of this ____ day of _____, 2010.	
VIP VIP Wireless, Inc. By: _____ Name: _____ Title: _____ VIP Sales Rep: _____	Merchant Name: _____ By: _____ Printed Name: _____ Title: _____ E-mail Address: _____ Weekly Credit Limit Requested: _____

Merchant Initials _____

TERMS AND CONDITIONS TO PRE-PAID TRANSACTION SERVICES AGREEMENT

1. MERCHANT PARTICIPATION.

Merchant agrees to participate in VIP's program for the acceptance of payment and processing of pre-paid transactions ("Transactions") of service providers ("Providers") selected and provided by VIP and listed on Schedule 1 to these Terms and Conditions to Pre-paid Transaction Services Agreement (the "Schedule") as may be amended by VIP from time to time. Merchant shall (1) accept payment from customers for Transactions on behalf of VIP; (2) process such Transactions via point-of-sale ("POS") terminals/POS software provided by VIP to Merchant and (3) make payment to VIP for such Transactions, all in accordance with these Terms and Conditions. Terms not defined herein shall have the meanings given to them in the Pre-paid Transaction Services Agreement.

2. EQUIPMENT AND SUPPLIES.

- a) VIP shall provide all POS terminals subject to a rental/lease agreement with the Merchant and POS Software that Merchant uses to process the Transactions. Merchant acknowledges that VIP may replace any or all POS terminals/POS Software with new models or versions from time to time during the term of the Pre-paid Transaction Services Agreement and Merchant agrees to use such new models and versions provided by VIP pursuant to such agreement and these Terms and Conditions
- b) Merchant shall request the number of POS terminals/POS Software required by Merchant and the location in which Merchant desires to have each POS terminal installed and located in the form prescribed by VIP. Merchant may not relocate, remove or de-install any POS terminal without the prior written consent of VIP Vice President.
- c) Merchant shall be liable for (1) any damage to or loss or theft of a POS terminal after such POS terminal has been delivered to Merchant at the location specified by Merchant in (b) above and (2) any Transactions processed via any POS terminal that has been lost or stolen until Merchant has provided notice to VIP of the lost or stolen POS terminal.
- d) Merchant may not use the POS terminals for any purpose other than that described in the Pre-paid Transaction Services Agreement or these Terms and Conditions.
- e) Merchant shall notify VIP if any POS terminal or POS Software ceases to work properly and VIP shall use commercially reasonable efforts to repair or replace the non-functioning POS terminal, as VIP determines in its sole discretion. Notwithstanding the preceding sentence, Merchant is responsible for replacing printer ribbons and paper required to produce clearly legible receipts for customers.
- f) Merchant may purchase from VIP printer ribbons, paper and any other supplies or equipment that are required to perform Merchant's obligations under the Pre-paid Transaction Services Agreement and these Terms and Conditions.
- g) VIP may, in its sole discretion, require a security deposit from Merchant for each POS terminal requested by Merchant. If VIP requires such security deposit, the security deposit will be deposited in an interest-bearing account separate from VIP's accounts which contain its operating cash. Any interest earned on the security deposit shall be the property of VIP. After a POS terminal has been returned by the Merchant, VIP shall return to the Merchant the amount of the security deposit attributable to such POS terminal, reduced by any amounts necessary to repair any damage to such POS terminal. VIP also may apply the amount of any security deposit against any outstanding amounts due from Merchant to VIP, including, without limitation, any Returned ACH's (as defined in Section 6(a)).

3. MERCHANT OBLIGATIONS.

As long as Merchant is participating in VIP's program Merchant shall:

- a) use the POS terminals or POS Software provided by VIP to process all Transactions sold by Merchant to customers under the VIP program, unless specifically authorized in writing by VIP to the contrary.
- b) offer the pre-paid services of all Providers listed on the Schedule and in the denominations listed on the Schedule, as may be amended by VIP from time to time, without discrimination.
- c) not impose or add any charge or fee to the customers for the Transactions. Merchant's sole compensation for participating in VIP's program and for selling and processing pre-paid services hereunder shall be the Merchant Fees set forth on the Schedule.
- d) collect from the customers all tax required to be collected in connection with the sale of the pre-paid services and remit such tax to the appropriate governmental agency. Merchant also shall provide, upon request by VIP, any resale or exemption certificates or other appropriate documentation (in the form prescribed by VIP) requested by VIP in connection with tax issues with respect to such sales.
- e) be liable for any Transaction generated by Merchant for an incorrect Provider or in an incorrect denomination.
- f) be liable for all Transactions processed through the POS terminals and Merchant shall pay VIP for the face value of all of such Transactions minus all Merchant Fees to which Merchant is entitled with respect to such Transactions in accordance with the Schedule.
- g) make all payments to VIP or its designee in accordance with the Pre-paid Transaction Services Agreement and these Terms and Conditions, including without limitation, the Account Service Fee.
- h) comply with all requirements of the Providers as provided by VIP to Merchant.
- i) be liable for and shall pay to VIP or its designee upon demand, the amount of any penalty, assessment, fee, fine or damages suffered by VIP as a result of any violation by Merchant of the Pre-paid Transaction Services Agreement, these Terms and Conditions or applicable law.
- j) be liable for any Transactions processed via any POS terminal and or POS Software that has been lost or stolen until Merchant has provided notice to VIP of the lost or stolen POS terminal.
- k) at Merchant's expense, provide telephone connections and any other third party services and products necessary to permit VIP to process the Transactions.

4. VIP'S RIGHTS AND OBLIGATIONS.

- a) *Processing.* VIP, or its designee in its sole discretion, may refuse to process or may delay the processing of any Transaction initiated by Merchant and VIP shall have no liability to Merchant for any loss, expense or damage incurred by Merchant directly or indirectly as the result of such refusal or delay.
- b) *Audit.* Upon reasonable notice and at any reasonable time, VIP may audit, examine and verify all procedures and records of Merchant pertaining to Merchant's processing of, acceptance of payment from customers for, and payment to VIP for, all Transactions sold under VIP's program. Merchant shall preserve such records for a period of at least one year from the date of the respective Transaction and shall make such records available to VIP upon VIP's reasonable request.
- c) *Account Services.* In consideration for payment by Merchant of a monthly account service fee (the "Account Service Fee"), as determined under the Pre-paid Transaction Services Agreement, VIP, or its designee will provide the following services: transaction processing, account web access, and customer care (collectively, the "Account Services"). VIP will determine from time to time and in its sole discretion, the scope of the Account Services to be provided by VIP and may change or terminate all or any portion of such Account Services at any time without notice to Merchant.
- d) *Withdrawal of Approval.* VIP reserves the right to withdraw approval of Merchant if Vendor withdraws approval of Merchant for any reason or no reason upon written notice to Merchant.
- e) *Right to Transfer.* This Agreement may be freely assigned by VIP.
- f) *Right to Offset.* VIP may charge or withhold any amounts owed by Merchant to VIP (or any VIP Parent, affiliates or subsidiaries) under this or any other agreement between the parties from any amounts VIP owes Merchant under this Agreement.

5. PRICING.

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- a) *Pricing.* Merchant agrees to pay (1) the fees listed in the Schedule, as amended by VIP from time to time, for the equipment and services other than Account Services (such as programming and training) purchased by Merchant as part of the VIP program, (2) VIP's portion of the face value of each Transaction processed by Merchant, (3) the Account Service Fee for each month in which the total sales of pre-paid services inclusive of Merchant Fees for each Merchant location in the prior calendar month is less than the dollar amount set forth in the Pre-paid Transaction Services Agreement, and (4) any other fees, charges and amounts due from Merchant to VIP hereunder, including, without limitation, interest on any late payments, in accordance with the payment provisions below. Interest shall accrue on late payments at a rate of 1.5% percent per month.
- b) *Merchant Fees.* Merchant is entitled to receive a fee which is equal to the percentage of each Transaction denomination for each Provider service as set forth in the Schedule (a "Merchant Fee"), and the Merchant Fees will not be debited from the Merchant's Designated Accounts (as defined in Section 6 (b)). Merchant shall not be entitled to Merchant Fees for any Transactions (1) disputed by a customer, (2) that fail to comply with the Pre-paid Transaction Services Agreement or these Terms and Conditions, including, without limitation, the failure by Merchant to process, or the improper processing of, the Transaction through the POS terminals (unless different means are authorized in writing by VIP), (3) that fail to comply with the requirements of any Provider, (4) that appear to VIP to be fraudulent, or (5) that appear to VIP to be excessive and resulting from lost, stolen or counterfeit Product Identification Numbers ("PINs").
- c) *Changes to Pricing.* Any fee set forth in the Schedule, the Merchant Fees set forth in the Schedule, or the Account Service Fee may be amended by VIP from time to time and VIP will attempt to provide three (3) days written notice of such change from VIP to Merchant, unless such change is due to a pricing change from a Provider or required by a Provider in which event such pricing change shall be effective as of the date of the written notice. All amounts are subject to final audit and checking by VIP and VIP may debit or credit Merchant's Designated Accounts without prior notice for any error, deficiency or overage as necessary. If VIP makes any such adjustment, VIP shall provide to Merchant within 30 days of such adjustment written notice setting forth the amount of and a brief description of the reason for such adjustment.

6. PAYMENT.

- a) *Payment.* Payments for amounts owed from Merchant to VIP will be made via the ACH Procedures set forth in the Pre-paid Transaction Services Agreement. Merchant has authorized VIP, or its designee to use the ACH Procedures and to debit and credit Merchant's Designated Accounts in accordance with the Pre-paid Transaction Services Agreement and these Terms and Conditions. Each Monday, or the earliest banking day thereafter if Monday is a bank holiday, VIP shall debit Merchant's Designated Accounts for the amounts then owed by Merchant to VIP for the previous Sunday through Saturday period, including, without limitation, the amount of any (1) applicable fees listed in the Schedule and (2) payments for processed Transactions. In addition, commencing with the first full calendar month of the term of the Pre-paid Transaction Services Agreement, within the first ten (10) days of each month VIP shall debit Merchant's Designated Accounts in the amount of the Account Service Fee for such month. If any payment made via the ACH Procedures is rejected, returned or is not completed due to insufficient funds in the Designated Accounts or due to any action or inaction of the Merchant (each a "Returned ACH"), VIP shall have the right, in its sole discretion, to charge a fee (the "Returned ACH Fee") as set by VIP in its sole discretion. In addition, until the full amount of the Returned ACH and the Returned ACH Fees is paid, VIP shall have the right to stop the processing of any Transactions initiated by the Merchant for its customers.
- b) *Designated Accounts.* Merchant has designated in the Pre-paid Transaction Services Agreement an account or accounts at the Depository identified in the Pre-paid Transaction Services Agreement to be debited or credited for amounts due hereunder via the ACH Procedures (collectively, the "Designated Accounts"). Merchant shall keep sufficient funds on deposit in the Designated Accounts to cover the full amount of any deductions to be made by VIP, or its designee. After termination of this Agreement, Merchant shall maintain deposits in the Designated Accounts necessary to cover any amounts owed from Merchant to VIP that Merchant disputes and shall keep such amounts in the Designated Accounts until such dispute(s) are resolved in accordance with the Pre-paid Transaction Services Agreement and these Terms and Conditions.

7. INDEMNIFICATION; LIMITATION OF LIABILITY.

- a) *Indemnification by Merchant.* Merchant shall indemnify VIP, its Parents, affiliates, designees, employees, officers and directors (collectively, the "VIP Indemnities"), and agrees to defend and hold the VIP 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 attorneys' fees (collectively, "Claims"), arising out of or directly or indirectly relating to any:
 - 1) breach or non-performance by Merchant of the Pre-paid Transaction Services Agreement or these Terms and Conditions or any non-compliance with applicable law,
 - 2) non-compliance with the requirements of any Provider,
 - 3) dispute, claim or demand by any customer related to a transaction tendered or processed by Merchant, whether or not such dispute, claim or demand is valid,
 - 4) taxes (other than income tax) payable in connection with the sale of the pre-paid services hereunder;
 - 5) fraud, gross negligence or willful misconduct on the part of Merchant or Merchant's agents or employees;
 - 6) loss or theft of a POS terminal; or
 - 7) any Transactions processed via a lost or stolen POS terminal (until notice of such loss or theft is given from Merchant to VIP).
- b) *Indemnification by VIP.* VIP shall indemnify Merchant, its affiliates, employees, officers and directors (collectively, the "Merchant Indemnities"), and agrees to defend and hold the Merchant Indemnities harmless from and against any and all Claims arising out of or directly or indirectly relating to any fraud, gross negligence or willful misconduct on the part of VIP or VIP's agents or employees. *This indemnity continues in effect after this Agreement's termination or expiration.*
- c) *Limited Liability.* Except as expressly provided hereunder:
 - 1) VIP's sole liability to Merchant hereunder shall be to correct, repair or replace, to the extent commercially reasonable, any payment errors caused by VIP or its designee or any malfunctioning equipment not caused by Merchant; provided that Merchant notifies VIP in writing of any such payment error or equipment malfunction within ten business days after such payment error or equipment malfunction is discovered by Merchant,
 - 2) VIP shall have no other liability whatsoever to Merchant and Merchant hereby expressly waives any claim against VIP for indirect, special, incidental or consequential damages, lost profits or interest. Without limitation of the foregoing, VIP shall not be liable to Merchant for delays in data transmission. Merchant acknowledges that any losses hereunder are commercial in nature.
 - 3) Without limiting the foregoing, VIP shall have no liability to Merchant or Merchant's customers for (A) any failure of the systems of VIP 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 Providers to Merchant's customers.
- d) *Warranty Disclaimer.* VIP hereby disclaims any and all warranties which may be express or implied by law, including, without limitation, warranties of fitness or merchantability as to the POS terminals or the services provided by the Providers. Merchant hereby acknowledges that the pre-paid services are provided to the customers by the Providers and not by VIP.
- e) *Force Majeure.* Neither party shall be liable for nonperformance caused by such events as fires, telecommunications failures, equipment failures, strikes, riots, war, nonperformance of vendors, suppliers, processors or transmitters of information, acts of God or any other causes over which the parties have no control.

8. CONFIDENTIALITY.

All Confidential Information (as defined below) communicated to one party by the other party, whether before or after the effective date of the Pre-paid Transaction Services Agreement, will be, and will be deemed to have been, received in strict confidence and will be used only for the purposes of carrying out the obligations of, or as otherwise contemplated by, the Pre-paid Transaction Services Agreement or these Terms and Conditions. With respect to Confidential Information other than Trade Secrets (as defined below), neither party shall disclose Confidential Information of the other party for a period of two years after the other party disclosed such Confidential Information and with respect to Trade Secrets, neither party shall disclose the Trade Secrets of the other party for so long as such Trade Secrets retain their status as such under California law. "Confidential Information" means all information concerning a party's business, financial

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condition, operations, assets and technology, including, without limitation, all (1) reproductions, summaries, notes, analyses, compilations, studies, interpretations or other documents containing such information, (2) Trade Secrets and (3) other information, other than Trade Secrets, which is not generally known to the public. Confidential Information shall not include any information that is (1) already in the possession of the recipient party without being subject to confidentiality obligations, (2) generally available to the public other than as a result of a disclosure of information by the recipient party, (3) available to the recipient party on a non-confidential basis from a source other than the disclosing party; provided that such source is not bound by a confidentiality obligation with the disclosing party and (4) is independently developed by the recipient party without the use of the disclosing party's information. "Trade Secrets" has the same meaning as defined under applicable California law. If the recipient party is requested or required to disclose in legal proceedings any Confidential Information of the disclosing party, the recipient party shall provide the disclosing party with prompt written notice of any such request or requirement so that the disclosing party may seek a protective order or other appropriate remedy.

9. TRADEMARKS AND ADVERTISING

- a) *License to Use VIP and Provider Marks in VIP-provided Preprinted Marketing and Promotional Material.* VIP hereby grants to Merchant a limited, non-exclusive and non-transferable license to use the preprinted marketing and promotional materials containing the names, trademarks, service marks and logos of VIP and the Providers, as provided by VIP to Merchant from time to time. All goodwill arising out of Merchant's use of such names, trademarks and logos shall inure to VIP or the Providers. This license does not permit Merchant to use the names, trademarks, service marks or logos of VIP or the Providers in any other manner. Merchant shall not modify any marketing and promotional materials provided by VIP and Merchant shall not create any such materials which use, display or contain any name, trademark, service mark or logo of VIP or any Provider without the prior written consent of VIP.
- b) *Promotional Materials.* Merchant agrees to display at each POS location all advertisements, point-of-sale materials or other promotional materials promoting Providers' pre-paid services and the VIP program as provided by VIP to Merchant from time to time during the term of the Pre-Paid Transaction Services Agreement (collectively, the "Promotional Materials"). Merchant acknowledges VIP is the owner of the Promotional Materials. Merchant agrees to destroy any Promotional Materials or return any Promotional Materials to VIP at VIP's request.
- c) *License to Use Merchant Marks.* Merchant hereby grants to VIP and Providers a limited, non-exclusive and non-transferable license to use the name, trademarks and logos of Merchant in VIP's and Providers' own press releases and marketing and promotional material to identify Merchant as a participant in the VIP program.
- d) *Press Releases.* Merchant shall not issue or cause to be issued any press release, announcement or statement regarding the terms of this Agreement or its subject matter to the general public (including promotional or marketing materials, but excluding any announcement intended solely for internal distribution), any governmental authority or any third party without the prior written approval of VIP, which will not be unreasonably withheld.

10. TERM; TERMINATION

The Pre-paid Transaction Services Agreement and these Terms and Conditions shall be effective commencing on the date that the last party executes the Pre-paid Transaction Services Agreement and shall continue in effect until terminated in accordance with this Section. During the first 90 days after the effective date of such agreement (the "Initial 90 Days"), either party may terminate the Pre-paid Transaction Services Agreement and these Terms and Conditions immediately upon written notice to the other party. After the Initial 90 Days, either party may terminate the Pre-paid Transaction Services Agreement and these Terms and Conditions upon 90 days written notice; provided, however, that if either party is in material breach of the Pre-paid Transaction Services Agreement or these Terms and Conditions, the non-breaching party may terminate if the breach is not cured within ten business days after delivery to the breaching party by the non-breaching party of written notice of such breach. If Merchant terminates after the Initial 90 Days, and does not provide at least 90 days notice of its intent to terminate, Merchant shall pay VIP a fee of \$500 for each POS terminal that VIP has delivered to Merchant. Notwithstanding any of the foregoing, VIP may terminate the Pre-paid Transaction Services Agreement and these Terms and Conditions immediately upon written notice if Merchant has had two or more Returned ACH's.

Termination for Cause: VIP may terminate the Agreement with the Merchant for cause immediately upon written notice to Merchant for the following:

- a) misrepresents the VIP and/or Provider Services or misrepresents its relationship with VIP and/or Provider;
- b) falsifies information submitted to VIP and/or Provider to which payment is made to Merchant, including by or through fraudulent means (such as false representation of the identity of the customer);
- c) misuses or modifies any Marks, or uses any Marks without VIP and/or Provider written consent;
- d) conducts unauthorized marketing or advertising or otherwise breaches the Section 9 of this Agreement;
- e) fails to safeguard access to the VIP and/or Provider information and systems to unauthorized persons or entities;
- f) closes its business, initiates voluntary or involuntary bankruptcy, insolvency, or relief or debtors proceedings, which are not discharged or terminated within 30 days, or makes an assignment for the benefit of its creditors.
- g) Fails to pay amounts when due;
- h) Subcontracts or attempts to subcontract, any of its duties under this Agreement;
- i) Fails to comply with any laws, ordinances, rules or regulations; or
- j) Breaches a representation or warranty of this Agreement.

11. DISPUTES

Any controversy, dispute or question arising out of, or in connection with, or in relation to, the Pre-paid Transaction Services Agreement, these Terms and Conditions or the Schedule, or the interpretation, performance or non-performance or any breach of any of such documents, shall be determined by arbitration conducted in Philadelphia, Pennsylvania in accordance with the rules of the American Arbitration Association ("AAA") then in effect. Any decision rendered by the arbitrator shall be binding upon both parties except that the arbitrator may not grant any relief that is inconsistent with the Pre-paid Transaction Services Agreement, these Terms and Conditions or the Schedule. Any judgment which may include an award of damages may be entered in the highest court having jurisdiction over this matter. The expense of arbitration shall be borne equally by both parties. Each party retains the right to seek judicial assistance to: (i) compel arbitration; (ii) obtain interim measures of protection or relief prior to or pending arbitration; (iii) seek injunctive relief in the courts of any jurisdiction as may be necessary and appropriate to protect the unauthorized disclosure of its confidential information; and (iv) enforce any decision of the arbitrators, including the final award. NOTWITHSTANDING THE FOREGOING, MERCHANT MAY NOT DISPUTE THE AMOUNT OF ANY FEE, PAYMENT, CREDIT OR DEBIT MADE UNDER THIS AGREEMENT VIA THE ACH PROCEDURES OR OTHERWISE AFTER 30 DAYS AFTER VIP HAS DELIVERED TO MERCHANT AN INVOICE OR OTHER WRITTEN DOCUMENTATION SETTING FORTH SUCH FEE, PAYMENT, CREDIT OR DEBIT.

12. MISCELLANEOUS

- a) *Business and Other Financial Information.* Merchant agrees to furnish to VIP upon ten days written notice such financial statements and information concerning itself or its parent, subsidiaries or affiliated entities as VIP from time to time reasonably requests. In the event that VIP has a good faith concern over Merchant's compliance, financial condition, business activities or possible fraud, VIP or its duly authorized representative, without prior notice to Merchant, may visit Merchant's business premises and examine that part of the books and records of Merchant pertaining to Merchant's practices regarding Transactions under VIP's program. Merchant agrees to provide VIP at least thirty days prior written notice of (1) its intent to change in any way the basic nature of its business, (2) any change in Merchant's ownership structure affecting fifty percent or more of Merchant's ownership rights.
- b) Merchant agrees to provide VIP with prompt written notice if Merchant or any parent, subsidiary or affiliate entity of Merchant is the subject of any voluntary or involuntary bankruptcy or insolvency petition or proceeding.
- c) *Other Equipment.* Merchant shall obtain and maintain all equipment and software (other than that listed on the Schedule) necessary for its participation in VIP's program, and Merchant shall ensure that all such equipment and software conforms with the requirements established from time to time by VIP. Merchant will provide adequate electrical and telephone connections, and install and operate such equipment and software in accordance with any VIP guidelines.

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- d) *Other Services.* If Merchant receives any services utilized in connection with VIP's program from any third person, such as, without limitation, network or telecommunication services:
 - 1) Merchant shall ensure that such services and the third party providing such services conform with the requirements established from time to time by VIP and/or Provider.
 - 2) Merchant will release, defend, indemnify and hold VIP harmless from and against any damages, costs, liability or expense (including reasonable attorneys' fees) incurred by Merchant caused by the action or inaction of such third party.
- e) *No Waiver.* Failure of any party to assert any of its rights under the Pre-paid Transaction Services Agreement and these Terms and Conditions, on either an occasional or a continuing basis shall not be construed as a waiver thereof by such party, and such rights may be asserted by such party at any time.
- f) *Assignment, Successors and Assigns.* No interest or right of Merchant under the Pre-paid Transaction Services Agreement or these Terms and Conditions shall be assigned or transferred in any manner by Merchant without the prior written consent of VIP, and any such attempted assignment or transfer shall be void. VIP may assign the Pre-paid Transaction Services Agreement and these Terms and Conditions at any time without prior written notice to Merchant. Subject to the foregoing, the Pre-paid Transaction Services Agreement and these Terms and Conditions shall be binding upon and inure to the benefit of the parties and their successors or assigns. VIP may, if it so desires, utilize any subcontractor, designated representative or agent to perform any of its obligations under the Pre-paid Transaction Services Agreement or these Terms and Conditions.
- g) *Governing Law and Submission to Jurisdiction.* The Pre-paid Transaction Services Agreement and these Terms and Conditions shall be governed by and construed in accordance with laws of the State of Philadelphia without regard to conflicts of laws principles thereof. Any action arising out of or related to this Agreement not subject to arbitration under Section 11 shall be brought in the federal courts located in the City of Philadelphia, Pennsylvania. Merchant hereby submits to the exclusive jurisdiction of the federal courts located in the City of Philadelphia, Pennsylvania and waives any claim that such jurisdiction is an inconvenient forum.
- h) *Attorneys' Fees.* In the event that Merchant breaches the Pre-paid Transaction Services Agreement or these Terms and Conditions, in addition to any remedies provided by the terms hereunder, thereunder or by applicable law, VIP shall be entitled to recover any and all costs, damages, and liabilities which VIP may incur on account of such breach, including without limitation reasonable attorneys' fees and expenses, court costs and the fees and expenses of consultants incurred in connection with any judicial or arbitration proceedings relating to such breach.
- i) *Notices.* Unless otherwise expressly stated in the Pre-paid Transaction Services Agreement or these Terms and Conditions, all notices shall be deemed to have been given or made (1) when delivered, if delivered by hand, electronic or by facsimile transmission, (2) three days after dispatch, if delivered by the United States mail postage prepaid, or (3) one day after dispatch, if delivered by overnight courier, addressed to such party at the address set forth on the Pre-paid Transaction Services Agreement, or as such address may be changed through written notice to the other party.

If to VIP: VIP Wireless, Inc.
 Attention: POSA Department
 14061 Townsend Road
 Philadelphia, PA 19154

- j) *Relationship of the Parties.* Nothing herein shall be deemed to create a partnership, joint venture or any agency relationship between VIP and Merchant.
- k) *Severability.* If the performance or observance by either party of any provision of the Pre-paid Transaction Services Agreement or these Terms and Conditions is determined to be unlawful or in violation of any federal, state or local statute, law, ordinance, regulation or rule, or of the requirements of any Provider, such party shall seek to cure the illegality or violation within thirty days following the date that such party is first informed of such violation or illegality. If such cure is not affected within such thirty day period, the illegal or violating provision shall be null and void, and the Pre-paid Transaction Services Agreement and these Terms and Conditions shall remain in full force and effect, and the parties shall use their best efforts to agree upon a legal and non-violating substitute provision that will serve the intent of the parties.
- l) *Headings.* The paragraph headings used in the Pre-paid Transaction Services Agreement and these Terms and Conditions are for purposes of convenience and do not affect the meaning thereof.
- m) *Entire Agreement.* The Pre-paid Transaction Services Agreement, these Terms and Conditions and the Schedule referenced herein constitute the entire agreement of the parties with respect to the subject matter contained therein and herein and supersede all prior oral or written agreements relating to the same subject matter.
- n) *Amendments.* The Pre-paid Transaction Services Agreement, these Terms and Conditions and the Schedule may be amended only (1) as specifically set forth herein, (2) by a written amendment signed by both parties or (3) by VIP upon 90 days prior written notification to Merchant.
- o) *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.

Merchant Initials _____

AUTOMATED CLEARING HOUSE SETTLEMENT AGREEMENT

THIS AGREEMENT, together with the then-effective Transactions Services Agreement and Schedule (collectively, the "Agreement") is entered into by and between VIP Wireless, LLC (VIP"), whose principal place of business is 14061 Townsend Road, Philadelphia, PA 19154, and the undersigned merchant ("Merchant"), whose principal place of business was set forth in the Pre-Paid Transaction Service Agreement. The attached Transactions Services Agreement ("TSA") and Schedule are hereby incorporated herein and made a part of this Agreement by this reference.

Therefore, in consideration of the foregoing recitals, upon which the parties agree, and of the parties' mutual promises and obligations set forth below, the parties agree as follows:

1. **AUTOMATED CLEARING HOUSE SETTLEMENT**. VIP or its designee will utilize Automated Clearing House or Fed wire settlement procedures (collectively, "ACH Procedures") for payment of amounts owed by the parties under the Agreement and agree to do so in accordance with the following:
 - a) Merchant's Designated Accounts (as designated below) will be debited and credited for amounts determined in accordance with the TSA.
 - b) Merchant hereby authorizes VIP or its designee to initiate credit entries, debit entries and adjustments to the Designated Accounts by ACH Procedures and further authorizes Merchant's depository financial institution identified below ("Depository") to debit, credit, withdraw or transfer funds from the Designated Accounts to or from VIP in accordance with any such debit entry, credit entry or adjustment.
 - c) Merchant hereby authorizes VIP to reverse any credit or debit entry made to the Designated Accounts, whether such reversal is made due to an error, or any other reason.
 - d) Merchant hereby authorizes Depository to grant VIP access to any and all information or records regarding the Designated Accounts.
 - e) Merchant hereby authorizes VIP to direct Depository to hold funds in the Designated Accounts or block or restrict Merchant's or others' access to funds in the Designated Accounts in an amount which VIP, in its sole judgment, deems sufficient to fully protect VIP's rights under this Agreement. Merchant directs Depository to immediately comply with any such direction from VIP.
 - f) Merchant agrees that VIP and Depository may act pursuant to any provision of this Agreement without prior notice to Merchant.
 - g) Merchant acknowledges and agrees that in order for Merchant and VIP to use ACH Procedures under this Agreement, Depository must be a member of the Federal Reserve System and of the National Automated Clearing House Association, and a blank, voided check for each of the Designated Accounts must be submitted by Merchant to VIP with this Agreement.
 - h) Merchant agrees to notify VIP of any change of its Depository or Designated Accounts in writing at least twenty days prior to the effective date of such change.
 - i) Merchant and VIP hereby agree that any agreement or other document (including instruction letters) required by the Depository to effectuate the intent of this Section 1 shall be attached to this Agreement as an Exhibit and deemed to be incorporated herein. To the extent that such agreement or other document is inconsistent with this Agreement, the terms of the Depository's agreement or document shall be deemed to govern.
 - j) Merchant hereby warrants that the following information is true and hereby designates the account(s) listed below (the "Designated Accounts") from the financial institution listed below (the "Depository") to be used for payments made via the ACH Procedures:

AUTOMATED CLEARING HOUSE SETTLEMENT AGREEMENT

ACCOUNT (MERCHANT) INFORMATION

Merchant Name (Dealer Name)		Years in Business	Type of Business	
Contact First Name	Contact Last Name		Federal Tax ID / SSN	
Primary Phone Number	Alternate Phone Number	Fax	Email Address	
Mailing Address				
City	State	Zip	Country	
Company DBA (if applicable)		Company Web Address (if applicable)		

PERSONAL GUARANTY

I, the undersigned guarantor, hereby authorize VIP Wireless to investigate my personal credit standing, financial circumstances, and responsibility, and specifically authorize VIP Wireless to obtain consumer reports and all other relevant reports for making such investigation. This authorization relates to the purchase and processing of prepaid products and services. I understand that without this authorization VIP Wireless may not be entitled to obtain this information.

Owner Name:	GUARANTOR Name:
Signature:	Signature:
Date:	Date:
Social Security Number:	Social Security Number:

PAYMENT METHOD – attach voided check separately

AUTHORIZATION FOR EFT ACH PAYMENTS MERCHANT hereby authorizes VIP Wireless, LLC (“VIP”) or its designee to initiate debit entries to its:

Checking Account / Savings Account *(please check one)*

The account number of which is indicated below at the depository financial institution named below (the “Depository”), and to debit amounts to such account. VIP acknowledges that the origination of ACH transaction to its account must comply with the provisions of U.S. law.

Depository Name (Bank) _____	Branch _____	City _____	State _____	Zip Code _____
Routing Number (Always 9 digits) _____	Account Number _____			

This authorization is to remain in effect until VIP has received written notification from the Company of its termination in such time and in such manner as to afford VIP and the Depository a reasonable opportunity to act on it (a minimum of 14 days). Early termination fee is \$50 if contract is cancelled within six (6) months from initial date of service.

VIP or its designee shall ACH the appropriate bank account on Mondays, Wednesdays and Fridays of each week, or as needed based on product sales or type of product offered, for the prior period’s activity for the net amount due (i.e. gross sales less merchant’s margin). (e.g. Wednesday’s ACH shall be for all transactions done from Monday morning at 12:00 AM through Tuesday evening at 11:59 PM, and so on.)

Authorized Name _____ (Please Print) Authorized Signature _____ Date _____

Merchant Initials _____

Enclose a voided check and a copy of the guarantor's driver's license to this page

PLEASE PRINT CAREFULLY. INACCURATE INFORMATION MAY RESULT IN A DELAY IN PROCESSING YOUR APPLICATION OR DISBURSEMENT OF YOUR FUNDS!

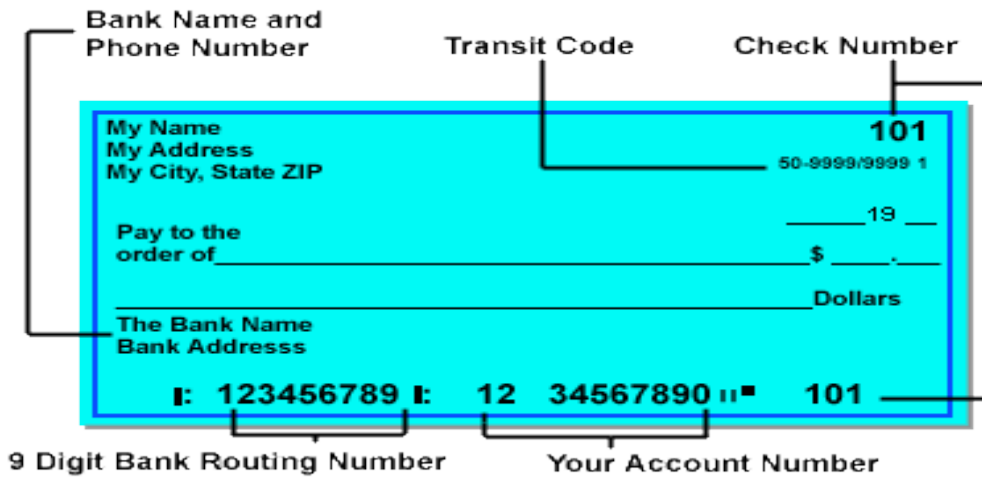
Most of the blanks are self-explanatory. Refer to the following for specific clarification.

CONTACT INFORMATION:

If you do not have a Federal or State Tax ID, use your Social Security Number. You must provide an email address. This will be used to send you notices and reports. We do not provide reports by fax or mail.

BANKING INFO:

The Routing Number and account number can be found on your business check. See the attached illustration below to determine which is which. Note the check number at the top of your check. Sometimes this is included on the bottom of your check with your account number. Do NOT include this number with your account number. *It is essential that you provide this information.*



Merchant Initials _____

Schedule 1

SPG Approved Merchant Discount Rates, Effective 05/17/2010

The information set forth in this Schedule may be amended from time to time in accordance with the Transaction Services Agreement. All information provided in this Schedule shall be deemed to be part of the Transaction Services Agreement.

Product	Product Id	Merchant%
Africa \$10	8816732	27.00%
Africa \$20	8816733	27.00%
Africa \$5	8816731	27.00%
Africa Dream \$10	8816723	27.00%
Africa Dream \$2	8816721	27.00%
Africa Dream \$5	8816722	27.00%
Africa Night \$10	8816713	26.00%
Africa Night \$2	8816711	26.00%
Africa Night \$5	8816712	26.00%
AirLink Mobile 10	8955410	13.00%
AirLink Mobile 20	8955420	13.00%
AirLink Mobile 30	8955430	13.00%
AirLink Mobile 5	8955405	13.00%
AirLink Mobile 50	8955450	13.00%
AirLink Mobile 75	8955475	13.00%
Airvoice Express 10	8937810	13.00%
Airvoice Express 20	8937820	13.00%
Airvoice Express 30	8937830	13.00%
Airvoice Express 50	8937850	13.00%
AirVoice GSM \$10	8812011	13.00%
AirVoice GSM \$100	8812101	13.00%
AirVoice GSM \$20	8812021	13.00%
AirVoice GSM \$30	8812031	13.00%
AirVoice GSM \$50	8812051	13.00%
Airvoice Unlimited Talk and Text \$50	8812005	11.00%
AllTel \$10	8817710	9.50%
AllTel \$100	8817700	9.50%
AllTel \$15	8817715	9.50%
AllTel \$25	8817725	9.50%
AllTel \$35	8817735	9.50%
AllTel \$50	8817750	9.50%
AllTel \$70	8817770	9.50%
ATT \$100	8816100	17.50%
ATT \$15	8816015	17.50%
ATT \$25	8816025	17.50%
ATT \$50	8816050	17.50%
ATT \$75	8816075	17.50%
ATT Unlimited Talk Text \$60	8816060	17.50%
Best Mexico 800 \$10	8902810	29.00%
Best Mexico 800 \$5	8902805	29.00%
Best Mexico Celular \$10	8902910	29.00%
Best Mexico Celular \$5	8902905	29.00%
Boost \$20	8815020	4.00%
Boost \$30	8815030	4.00%
Boost \$50	8815050	4.00%
Boost VIP (Approved Only)	8815101	10.00%
Cricket \$10	8900951	12.00%
Cricket \$15	8900952	12.00%
Cricket \$20	8900953	12.00%
Cricket \$30	8900954	12.00%
Cricket Paygo \$40	8902240	12.00%
Cricket Paygo \$45	8902245	12.00%
H2O Minute \$10	8814310	16.00%
H2O Minute \$20	8814320	16.00%
H2O Minute \$40	8814340	16.00%
H2O Month \$49.99	8934551	10.00%

Product	Product Id	Merchant%
Simple Mobile \$25	8901825	9.00%
Simple Mobile \$40	8901840	9.00%
Simple Mobile \$50	8901850	9.00%
Simple Mobile \$60	8901860	9.00%
SouthernLINC Wireless \$10	8946210	19.00%
SouthernLINC Wireless \$100	8946200	19.00%
SouthernLINC Wireless \$20	8946220	19.00%
SouthernLINC Wireless \$25	8946225	19.00%
SouthernLINC Wireless \$30	8946230	19.00%
SouthernLINC Wireless \$50	8946250	19.00%
SouthernLINC Wireless \$75	8946275	19.00%
STi 800 - Q Comm 10	8943810	26.00%
STi 800 - Q Comm 2	8943802	26.00%
STi 800 - Q Comm 5	8943805	26.00%
STi AfrKing \$10	8944810	26.00%
STi AfrKing \$2	8944802	26.00%
STi AfrKing \$5	8944805	26.00%
STi Da Bomb 10	8946010	22.00%
STi Da Bomb 2	8946002	22.00%
STi Da Bomb 5	8946005	22.00%
STi Explore 10	8943310	30.00%
STi Explore 2	8943302	30.00%
STi Explore 5	8943305	30.00%
STi Extreme 10	8943510	26.00%
STi Extreme 2	8943502	26.00%
STi Extreme 5	8943505	26.00%
STi FREE 10	8955910	26.00%
STi FREE 2	8955902	26.00%
STi FREE 5	8955905	26.00%
STi Mobile \$10	8818710	15.00%
STi Mobile \$25	8818725	15.00%
STi Mobile \$50	8818750	15.00%
STi Muchacho \$10	8944710	32.00%
STi Muchacho \$2	8944702	32.00%
STi Muchacho \$5	8944705	32.00%
STi Mundo 10	8943210	30.00%
STi Mundo 2	8943202	30.00%
STi Mundo 5	8943205	30.00%
STi PolloL \$10	8944910	32.00%
STi PolloL \$2	8944902	32.00%
STi PolloL \$5	8944905	32.00%
STi Que Pasa 10	8943410	26.00%
STi Que Pasa 2	8943402	26.00%
STi Que Pasa 5	8943405	26.00%
Sueno Dorado Mexico \$2	8816761	30.00%
Sueno Dorado Mexico \$5	8816762	30.00%
TelCel \$10	8814510	7.25%
TelCel \$15	8814515	7.25%
TelCel \$20	8814520	7.25%
TelCel \$30	8814530	7.25%
TelCel \$50	8814550	7.25%
T-Mobile Epin \$10	8813410	14.75%
T-Mobile Epin \$100	8813400	14.75%
T-Mobile Epin \$25	8813425	14.75%
T-Mobile Epin \$50	8813450	14.75%
T-Mobile TopUp \$10	8813411	14.75%

Merchant Initials _____

I Wireless \$ 5	8818505	10.00%
I Wireless \$10	8818510	10.00%
I Wireless \$100	8818600	10.00%
I Wireless \$15	8818515	10.00%
I Wireless \$20	8818520	10.00%
I Wireless \$45	8818545	10.00%
I Wireless \$50	8818550	10.00%
I Wireless \$60	8818560	10.00%
iWireless IR \$5-\$49.99	8918500	10.00%
iWireless IR \$50-100	8918501	10.00%
Java \$2	8816770	27.00%
Java \$5	8816771	27.00%
Liberty Wireless Anytime \$10	8900510	13.00%
Liberty Wireless Anytime \$20	8900521	13.00%
Liberty Wireless Anytime \$30	8900531	13.00%
Liberty Wireless UNW \$100	8900500	8.00%
Liberty Wireless UNW \$30	8900530	13.00%
Liberty Wireless UNW \$40	8900540	13.00%
Locus H2O CDMA \$10	8934510	19.00%
Locus H2O CDMA \$100	8934500	19.00%
Locus H2O CDMA \$20	8934520	19.00%
Locus H2O CDMA \$30	8934530	19.00%
Locus H2O CDMA \$50	8934550	19.00%
Mojo Mobile 10	8946610	13.00%
Mojo Mobile 20	8946620	13.00%
Mojo Mobile 30	8946630	13.00%
Mojo Mobile 50	8946650	13.00%
Mojo Mobile 75	8946675	13.00%
Movida \$20	8816220	12.00%
Movida \$35	8816235	12.00%
Movida \$50	8816250	12.00%
Net 10 1000 mins	8815310	13.00%
Net 10 300 mins	8815303	13.00%
Net 10 600 mins	8815306	13.00%
Ocho 8 \$10	8816743	27.00%
Ocho 8 \$2	8816741	27.00%
Ocho 8 \$5	8816742	27.00%
Original Gold Oro \$10	8816753	27.00%
Original Gold Oro \$2	8816751	27.00%
Original Gold Oro \$5	8816752	27.00%
Page Plus \$10	8918410	15.00%
Page Plus \$25	8918425	15.00%
Page Plus \$50	8918450	15.00%
Page Plus \$80	8918480	15.00%
Page Plus Talk n Text 1200 \$29.95.	8918429	15.00%
Page Plus Unl \$44.95	8918439	15.00%
PlatinumTel \$10	8814410	9.00%
PlatinumTel \$20	8814420	9.00%
PlatinumTel \$25	8814425	9.00%
PlatinumTel \$35	8814435	9.00%
PlatinumTel \$50	8814450	9.00%
Pure \$10	8815711	13.00%
Pure \$25	8815726	13.00%
Simple Mobile \$10	8901810	9.00%

T-Mobile TopUp \$100	8813401	14.75%
T-Mobile TopUp \$25	8813426	14.75%
T-Mobile TopUp \$50	8813451	14.75%
Top Line \$10	8816703	25.00%
Top Line \$2	8816701	25.00%
Top Line \$5	8816702	25.00%
Total Call \$20	8960421	13.00%
Total Call \$40	8960440	13.00%
TotalCall \$10	8901110	13.00%
TotalCall \$5	8901105	13.00%
TotalCall 1000/1000	8901152	14.00%
TotalCall 500/500	8901127	14.00%
TotalCall Unlimited \$25	8901126	14.00%
TotalCall Unlimited \$50	8901151	14.00%
TotalCall Unlimited NW \$15	8901115	14.00%
TotalCall Unlimited NW \$30	8901130	14.00%
TracFone \$19.99	8818820	13.00%
TracFone \$29.99	8818830	13.00%
TracFone \$39.99	8818840	13.00%
TracFone \$79.99	8818880	13.00%
Tracfone \$99 One Year plan	8818800	13.00%
TracFone Min Doubler \$124.99	8818812	13.00%
TracFone Min Doubler \$24.99	8818825	13.00%
Tu Yo Mobile \$10	8813510	16.00%
Tu Yo Mobile \$20	8813520	16.00%
Tu Yo Mobile \$50	8813550	16.00%
Verizon \$100	8810100	9.75%
Verizon \$15	8810015	9.75%
Verizon \$150	8810150	9.75%
Verizon \$30	8810030	9.75%
Verizon \$30 Starter	8810330	9.75%
Verizon \$50	8810050	9.75%
Verizon \$75	8810075	9.75%
Verizon Easy Pay \$53	8810550	6.50%
Verizon Easy Pay \$73	8810570	5.00%
Verizon Inpulse eTopUp	8810500	9.50%
Virgin Mobile \$10 (Approved Only)	8811810	10.00%
Virgin Mobile \$20 (Approved Only)	8811820	10.00%
Virgin Mobile \$30 (Approved Only)	8811830	10.00%
Virgin Mobile \$50 (Approved Only)	8811850	10.00%
Virgin Mobile \$90 (Approved Only)	8811890	10.00%
Xtreme Mobile Data 1000MB \$60	8901560	11.50%
Xtreme Mobile Data 250MB \$25	8901525	11.50%
Xtreme Mobile Unlimited \$10	8901510	11.50%
Xtreme Mobile Unlimited \$20	8901520	11.50%
Xtreme Mobile Unlimited Voice & Text \$50	8901550	11.50%
XtremPwr \$10	8960401	11.50%
XtremPwr \$120	8960412	11.50%
XtremPwr \$20	8960402	11.50%
XtremPwr \$30	8960403	11.50%
XtremPwr \$40	8960404	11.50%
XtremPwr \$50	8960405	11.50%
XtremPwr \$60	8960406	11.50%
XtremPwr \$90	8960409	11.50%

Other Fees:

Fee Type	Frequency	Price
ACH Reject Fee	Per occurrence	\$35.00
Terminal Replacement Fee	Per Lost Terminal	Not to Exceed \$500

Merchant Name (Printed) _____

Merchant Signature: _____

Date: _____

Merchant Initials _____

UNIFORM SALES & USE TAX CERTIFICATE—MULTIJURISDICTION

The below-listed states have indicated that this form of certificate is acceptable, subject to the notes on following three pages. The issuer and the recipient have the responsibility of determining the proper use of this certificate under applicable laws in each state, as these may change from time to time.

Issued to Seller: VIP WIRELESS, INC.

Address: 14061 Townsend Road, Philadelphia, PA 19154

I certify that:

Name of Firm (Buyer): _____

Address: _____

is engaged as a registered

Wholesaler

Retailer

Manufacturer

Seller (California)

Lessor (see notes on pages 2-4)

Other (Specify) _____

and is registered with the below listed states and cities within which your firm would deliver purchases to us and that any such purchases are for wholesale, resale, ingredients or components of a new product or service¹ to be resold, leased, or rented in the normal course of business. We are in the business of wholesaling, retailing, manufacturing, leasing (renting) the following:

Description of Business: _____

General description of tangible property or taxable services to be purchased from the seller: Wireless phones, accessories, wireless airtime and PINs

State	State Registration, Seller's Permit, or ID Number of Purchaser	State	State Registration, Seller's Permit, or ID Number of Purchaser
AL ¹	_____	MO ¹⁶	_____
AR	_____	NE ¹⁷	_____
AZ ²	_____	NV	_____
CA ³	_____	NJ	_____
CO ⁴	_____	NM ^{4,18}	_____
CT ⁵	_____	NC ¹⁹	_____
DC ⁶	_____	ND	_____
FL ⁷	_____	OH ²⁰	_____
GA ⁸	_____	OK ²¹	_____
HI ^{4,9}	_____	PA ²²	_____
ID	_____	RI ²³	_____
IL ^{4,10}	_____	SC	_____
IA	_____	SD ²⁴	_____
KS	_____	TN	_____
KY ¹¹	_____	TX ²⁵	_____
ME ¹²	_____	UT	_____
MD ¹³	_____	VT	_____
MI ¹⁴	_____	WA ²⁶	_____
MN ¹⁵	_____	WI ²⁷	_____

I further certify that if any property or service so purchased tax free is used or consumed by the firm as to make it subject to a Sales or use Tax we will pay the tax due directly to the proper taxing authority when state law so provides or inform the seller for added tax billing. This certificate shall be a part of each order which we may hereafter give to you, unless otherwise specified, and shall be valid until canceled by us in writing or revoked by the city or state.

Under penalties of perjury, I swear or affirm that the information on this form is true and correct as to every material matter.

Authorized Signature: _____
(Owner, Partner or Corporate Officer)

Title: _____

Date: _____

Merchant Initials _____

INSTRUCTIONS REGARDING UNIFORM SALES & USE TAX CERTIFICATE

To Seller's Customers:

In order to comply with the majority of state and local sales tax law requirements, the seller must have in its files a properly executed exemption certificate from all of its customers who claim a sales tax exemption. If the seller does not have this certificate, it is obliged to collect the tax for the state in which the property or service is delivered.

If the buyer is entitled to sales tax exemption, the buyer should complete the certificate and send it to the seller at its earliest convenience. If the buyer purchases tax free for a reason for which this form does not provide, the buyer should send the seller its special certificate or statement.

Caution to Seller:

In order for the certificate to be accepted in good faith by the seller, seller must exercise care that the property or service being sold is of a type normally sold wholesale, resold, leased, rented or incorporated as a ingredient or component part of a product manufactured by buyer and then resold in the usual course of its business. A seller failing to exercise due care could be held liable for the sales tax due in some states or cities. Misuse of this certificate by seller, lessee, or the representative thereof may be punishable by fine, imprisonment or loss of right to issue certificate in some states or cities.

Notes:

1. Alabama: Each retailer shall be responsible for determining the validity of a purchaser's claim for exemption.
2. Arizona: This certificate may be used only when making purchases of tangible personal property for resale in the ordinary course of business, and not for any other statutory deduction or exemption. It is valid as a resale certificate only if it contains the purchaser's name, address, signature, and Arizona transaction privilege tax (or other state sales tax) license number, as required by Arizona Revised Statutes § 42-5022, *Burden of proving sales not at retail*.
3. California:
 - A. This certificate is not valid as an exemption certificate. Its use is limited to use as a resale certificate subject to the provisions of Title 18, California Code of Regulations, Section 1668 (Sales and Use Tax Regulation 1668, Resale Certificate).
 - B. By use of this certificate, the purchaser certifies that the property is purchased for resale in the regular course of business in the form of tangible personal property, which includes property incorporated as an ingredient or component part of an item manufactured for resale in the regular course of business.
 - C. When the applicable tax would be sales tax, it is the seller who owes that tax unless the seller takes a timely and valid resale certificate in good faith.
 - D. A valid resale certificate is effective until the issuer revokes the certificate.
4. The state of Colorado, Hawaii, Illinois, and New Mexico do not permit the use of this certificate to claim a resale exemption for the purchase of a taxable service for resale.
5. Connecticut: This certificate is not valid as an exemption certificate. Its use is limited to use as a resale certificate subject to Conn. Gen. State §§12-410(5) and 12-411(14) and an regulations and administrative pronouncements pertaining to resale certificates.
6. District of Columbia: This certificate is not valid as an exemption certificate. It is not valid as a resale certificate unless it contains the purchaser's D.C. sales and use tax registration number.
7. Florida: The Department will allow purchasers to use the Multistate Tax Commission's Uniform Sales and Use Tax Certificate-Multijurisdiction. However, the use of this uniform certificate must be used in conjunction with the telephonic or electronic authorization number method described in paragraph (3)(b) or (c) of rule SUT FAC 12A-1.039..
8. Georgia: the purchaser's state of registration number will be accepted in lieu of Georgia's registration number when the purchaser is located outside Georgia, does not have nexus with Georgia, and the tangible personal property is delivered by drop shipment to the purchaser's customer located in Georgia.
9. Hawaii allows this certificate to be used by the seller to claim a lower general excise tax rate or no general excise tax, rather than the buyer claiming an exemption. The no tax situation occurs when the purchaser of imported goods certifies to the seller, who originally imported the goods into Hawaii, that the purchaser will resell the imported goods at wholesale. If the lower rate or no

tax does not in fact apply to the sale, the purchaser is liable to pay the seller the additional tax imposed. See Hawaii Dept. of Taxation Tax Information Release No. 93-5, November 10, 1993, and Tax Information Release No. 98-8, October 30, 1998.

10. Use of this certificate in Illinois is subject to the provisions of 86 Ill. Adm. Code Ch.I, Sec. 130.1405. Illinois does not have an exemption on sales of property for subsequent lease or rental, nor does the use of this certificate for claiming resale purchases of services have any application in Illinois.

The registration number to be supplied next to Illinois on page 1 of this certificate must be the Illinois registration or resale number; no other state's registration number is acceptable.

“Good faith” is not the standard of care to be exercised by a retailer in Illinois. A retailer in Illinois is not required to determine if the purchaser actually intends to resell the item. Instead, a retailer must confirm that the purchaser has a valid registration or resale number at the time of purchase. If a purchaser fails to provide a certificate of resale at the time of sale in Illinois, the seller must charge the purchaser tax.

While there is no statutory requirement that blanket certificates of resale be renewed at certain intervals, blanket certificates should be updated periodically, and no less frequently than every three years.

11. Kentucky:
 1. Kentucky does not permit the use of this certificate to claim a resale exclusion for the purchase of a taxable service.
 2. This certificate is not valid as an exemption certificate. Its use is limited to use as a resale certificate subject to the provisions of Kentucky Revised Statute 139.270 (Good Faith).
 3. The use of this certificate by the purchaser constitutes the issuance of a blanket certificate in accordance with Kentucky Administrative Regulation 103 KAR 31:111.
12. Maine does not have an exemption on sales of property for subsequent lease or rental.
13. Maryland: This certificate is not valid as an exemption certificate. However, vendors may accept resale certificates that bear the exemption number issued to a religious organization. Exemption certifications issued to religious organizations consist of 8 digits, the first two of which are always “29”. Maryland registration, exemption and direct pay numbers may be verified on the website of the Comptroller of the Treasury at www.marylandtaxes.com.
14. Michigan: Effective for a period of three years unless a lesser period is mutually agreed to and stated on this certificate. Covers all exempt transfers when accepted by the seller in “good faith” as defined by Michigan statute.
15. Minnesota:
 - A. Does not allow a resale certificate for purchases of taxable services for resale in most situations.
 - B. Allows an exemption for items used only once during production and not used again.
16. Missouri:
 - A. Purchases who improperly purchase property or services sales tax free using this certificate may be required to pay the tax, interest, additions to tax or penalty.
 - B. Even if property is delivered outside Missouri, facts and circumstances may subject it to Missouri tax, contrary to the second sentence of the first paragraph of the above instructions.
17. Nebraska: A blanket certificate is valid 3 years from the date of issuance.
18. New Mexico: For transactions occurring on or after July 1, 1998, New Mexico will accept this certificate in lieu of a New Mexico nontaxable transaction certificate and as evidence of the deductibility of a sale tangible personal property provided:
 - a) this certificate was not issued by the State of New Mexico;
 - b) the buyer is not required to be registered in New Mexico; and
 - c) the buyer is purchasing tangible personal property for resale or incorporations as an ingredient or component part into a manufactured product.
19. North Carolina: This certificate is not valid as an exemption certificate or if signed by a person such as a contractor who intends to use the property. Its use is subject to G.S. 105-164.28 and any administrative rules or directives pertaining to resale certificates.
20. Ohio:
 - A. The buyer must specify which one of the reasons for exemption on the certificate applies. This may be done by circling or underlining the appropriate reason or writing it on the form above the state registration section. Failure to specify the exemption reason will, on audit, result in disallowance of the certificate.
 - B. In order to be valid, the buyer must sign and deliver the certificate to the seller before or during the period for filing the return.

21. Oklahoma would allow this certificate in lieu of a copy of the purchaser's sales tax permit as one of the elements of "properly completed documents" which is one of the three requirements which must be met prior to the vendor being relieved of liability. The other two requirements are that the vendor must have the certificate in his possession at the time the sale is made and must accept the documentation in good faith. The specific documentation required under OAC 710-65-7-6 is:

- A) Sales tax permit information may consist of:
 - (i) A copy of the purchaser's sales tax permit; or
 - (ii) In lieu of a copy of the permit, obtain the following:
 - (I) Sales tax permit number; and
 - (II) The name and address of the purchaser;
- B) A statement that the purchaser is engaged in the business of reselling the articles purchased;
- C) A statement that the articles purchased are purchased for resale;
- D) The signature of the purchaser or a person authorized to legally bind the purchaser; and
- E) Certification on the face of the invoice, bill or sales slip or on separate letter that said purchaser is engaged in reselling the articles purchased.

Absent strict compliance with these requirements, Oklahoma holds a seller liable for sales tax due on sales where the claimed exemption is found to be invalid, for whatever reason, unless the Tax Commission determines that purchaser should be pursued for collection of the tax resulting from improper presentation of a certificate.

22. Pennsylvania: This certificate is not valid as an exemption certificate. It is valid as a resale certificate only if it contains the purchaser's Pennsylvania Sales and Use Tax eight-digit license number, subject to the provisions of 61 PA Code §32.3.
23. Rhode Island allows this certificate to be used to claim a resale exemption only when the item will be resold in the same form. They do not permit this certificate to be used to claim any other type of exemption.
24. South Dakota: Services which are purchased by a service provider and delivered to a current customer in conjunction with the services contracted to be provided to the customer are claimed to be for resale. Receipts from the sale of a service for resale by the purchaser are not subject to sales tax if the purchaser furnishes a resale certificate which the seller accepts in good faith. In order for the transaction to be a sale for resale, the following conditions must be present:
- (1) The service is purchased for or on behalf of a current customer;
 - (2) The purchaser of the service does not use the service in any manner; and
 - (3) The service is delivered or resold to the customer without any alteration or change.
25. Texas: Items purchased for resale must be for resale within the geographical limits of the United States, its territories and possessions.
26. Washington: Resale certificates will be replaced by reseller permits issued by Department of Revenue, effective January 1, 2010.
27. Wisconsin allows this certificate to be used to claim a resale exemption only. It does not permit this certificate to be used to claim any other type of exemption.