Barter Business Exchange, Inc. Client Application and Agreement

1125 Kildaire Farm Road, Suite 207, Cary, NC 27511, Phone: (919) 469-5538, Fax: (919) 469-5558, Web Page: **www.ncbarter.com**

Name (as shown on your income tax return):_____

Business Name, if different from above _____

Check appropriate box: ☐ Individual / Sole Proprietor ☐ Corporation ☐ Partnership

☐ Limited Liability Company. Enter the tax classification (D=disregarded entity, C=corporation, P=partnership) ___

Taxpayer Identification Number (TIN): | Social Security Number | **OR** | Employer Identification Number |

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Location Address (*if different from above address*): _____

City: _____ State: _____ Zip Code: _____

Office Phone: _____ Cell: _____ Fax: _____

Web Page: _____ Email: _____

Principals (*please list all owners*):

Name: _____ Title: _____

Name: _____ Title: _____

Authorized Barter Card Holders:

Name: _____ Email: _____

Name: _____ Email: _____

Name: _____ Email: _____

Who referred you to the Barter Business Exchange? _____

Goods & services offered for 100% BBE barter. List all special terms or conditions: _____

_____

The applicant applies to the Barter Business Exchange, Inc. d/b/a BBE for the privilege of trading goods & services with other members. The applicant understands and agrees to:

- ★ **BBE SPECIAL OFFER: One time retainer fee of $249 cash and $249 barter is waived now through 10/31/14.**
- ★ **Monthly administrative fee** of **$15.00 cash** and **$15.00 barter**. The first six (6) months of administrative fees are due with Application and Agreement. Pre-paid monthly administrative fees are non-refundable.
- ★ **Cash** transaction fee of **12.5%** on the gross value of all purchases from BBE members.
- ★ Applicant will be charged an additional **2.5% cash** transaction fee on the gross value of all purchases from other barter exchanges.
- ★ Applicants who do not authorize BBE to automatically charge their credit card or debit card for fees owed on the 1st of the month are subject to an **additional 2.5% cash** transaction fee on the gross value of all purchases.
- ★ $_____ credit limit. The credit line is a barter dollar loan. Applicant will be charged a monthly finance charge of 1.5% barter. Credit lines will not be given to applicants who do not personally guarantee payment by providing BBE with the first five digits of their social security number.
- ★ First five (5) digits of Guarantor's Social Security Number: _____-XXXX

CREDIT CARD INFORMATION: ☐ **AMERICAN EXPRESS** ☐ **DEBIT CARD** ☐ **DISCOVER** ☐ **MASTERCARD** ☐ **VISA**

Card Number: ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ Last 3 Digits on Back of Card: ___ ___ ___

Name on Card: _____ Exp. Date: _____

Credit Card Mailing Address: _____ City: _____ State: _____ Zip Code: _____

I authorize the above credit card or debit card to be charged on the 1st of each month for the total cash fees owed on that date.

Guarantor's Signature: _____ Date: _____

Applicant agrees to sell their products and services for 100% barter. Applicant agrees that the applicant and individuals authorized to use the BBE network will abide by the Trading Policies and Procedures of BBE. **Applicant affirms that s/he is the owner/officer/agent of the member business entity and acknowledges that the setup of Applicant's account is conditioned upon the personal guarantee by the Applicant for the payment of debt incurred hereunder and the Applicant hereby personally and unconditionally guarantees payment of any and all debt incurred by his/her said business entity.** Applicant has read, understands and agrees to abide by the terms and conditions of BBE which are annexed hereto and made a part hereof. Applicant acknowledges that upon acceptance of this application this agreement shall constitute the exclusive agreement between the parties and that there have been no promises or inducements made to applicant which are not expressly contained herein. Acceptance of this application is contingent upon approval of a BBE officer.

Guarantor's Full Legal Name (First): _____ (Middle Initial): _____ (Last): _____

Home Address (*No P.O. Boxes*):_____

City: _____ State: _____ Zip Code: _____

Applicant and Guarantor's Signature: _____ Title: _____ Date: _____

BBE Officer's Signature: _____ Date: _____

Barter Business Exchange, Inc. Trading Policies and Procedures (Pages 2 to 5)

(Page 1 is your Client Application and Agreement)

The following Trading Policies and Procedures form part of and are included in the Application and Agreement that has been made with the Barter Business Exchange, Inc. By signing the Barter Business Exchange, Inc. Client Application and Agreement, Client agrees to abide by these Trading Policies and Procedures. The purpose of the following trade rules and regulations is to facilitate trading among Clients by promoting a system of good business practices and understanding of the guidelines set forth for all barter exchanges by the National Association of Trade Exchanges (NATE) and the International Reciprocal Trade Association (IRTA).

1. NATURE OF THE PARTIES The **"Barter Business Exchange, Inc."** hereafter referred to as **"BBE"**, is a trade company that acts as a clearinghouse and third party record keeper of trade transactions among its Clients, which are businesses that contract with BBE to organize and facilitate barter of their goods and/or services with other Clients. **"Client"** is a business that has contracted with BBE to exchange its goods and/or services with other Clients and wishes to subscribe to BBE's record keeping and barter services. **"Barter Broker"** is the BBE employee whose function it is to assist Clients in the sale and purchase of goods and services.

2. NATURE OF BARTER DOLLARS A **"Trade"** is a barter purchase or sale of goods and/or services whereby payment is made in barter dollars posted to Client's account pursuant to these Trading Policies and Procedures. A **"Barter Dollar"** is an accounting unit used to record the value of trades. Ownership of barter dollars denotes the right to receive goods and services available within the BBE trade network. Barter dollars may be used only in the manner and for the purpose set forth in these Trading Policies and Procedures. One barter dollar is equal to one dollar in U.S. currency. Barter dollars will not be considered legal tender, securities, or commodities. Barter dollars may not be redeemed for cash. BBE disclaims responsibility for the negotiability of barter dollars.

3. DEFINITION OF A CLIENT IN GOOD STANDING A Client who conducts trades in accordance with these Policies and Procedures, is current in any monies owed to BBE, and has a valid Barter Card, is considered a **"Client in Good Standing."** Only Clients in Good Standing are entitled to the services of BBE. When a Client has by his or her conduct or misconduct displayed to BBE the inability to meet the standards set in Client's own industry relative to the quality of goods or services, or has been charged with the commission of a crime involving fraud or moral turpitude, or otherwise exhibits to BBE that the Client's reputation in the business community has been diminished, then for the protection of the remaining Clients, BBE reserves the right to restrict the use of Client's barter dollars to purchases only and shall restrict the rights of said Client to sell or advertise Client's goods or services for sale until such time as Client can exhibit to BBE that the standards expected in Client's own industry can be met**.** Expired debit cards shall remove a Client from being a Client in Good Standing.

4. $100 REFERRAL BONUS A referral bonus of one hundred ($100.00) barter dollars will be given to each Client who introduces and refers a new BBE Client. To qualify for the referral bonus, Clients must provide BBE with the following information about the potential Client: company name, owner's name, location, and phone number. Referral bonus is paid to Client when the new Client's Application and Agreement has been accepted and approved by a BBE Officer.

5. BARTER CARDS **"Barter Cards"** are printed plastic cards issued for identification purposes only. Client must have a barter card in order to make a purchase. Barter cards issued to Client's account shall remain the property of BBE and must be returned upon demand. Client is solely responsible for all charges made on barter cards issued to Client's account. BBE is not responsible for use of barter cards by unauthorized persons. The individual signing the Barter Business Exchange, Inc. Trading Policies and Procedures as well as any individual using a barter card personally guarantee any transaction as well as any cash service fees that may have occurred as a result of such transaction. Barter cards are issued to all authorized barter cardholders listed on the Client Application and Agreement free of charge. All requests for additional barter cards must be in writing and signed for by the Client. Additional barter cards for new authorized barter cardholders are free of charge. Clients will be charged a ten ($10.00) dollar cash fee for each replacement barter card.

6. USE OF TRADE CERTIFICATES (DEBIT CARDS, GIFT CERTIFICATES AND SCRIP) The following rules govern the use of Debit Cards, Gift Certificates, and Scrip. Once Trade Certificates are purchased, they cannot and will not be replaced if lost, stolen, or damaged. Trade Certificates should be used as soon as possible after they are purchased, and must be used before their expiration date. All tips, gratuities, and sales taxes must be paid in cash at the point of purchase by the buying client. BBE reserves the right to refuse to sell Trade Certificates to clients who have previously refused to pay the proper taxes and gratuities or have created other problems at restaurants or other selling establishments. BBE is not responsible if a business refuses to accept Trade Certificates and BBE will not make restitution for any cash charges that Client may incur. BBE will not extend expiration dates and/or buy back Trade Certificates that are expired. All disputes concerning the use of a Trade Certificates are between the Client and the business issuing the Trade Certificate, and BBE bears no liability in the event the issuing business refuses to honor the Trade Certificate or ceases to operate the business.

7. HOUSE ACCOUNTS **"House Accounts"** have prearranged the payment of their cash transaction fees with BBE. On the front of the Client's barter card, it will state that the Client has a "PRE-PAID DEBIT CARD". The trade procedure for both the Selling Client and the Buying Client is the same as a normal trade account. These accounts are used for BBE employees, Client sub-accounts, Clients who are closing their account with BBE, and members of other barter exchanges who are spending within the BBE trade network. BBE reserves the right to deny the sale of a Pre-Paid Debit Card to any person for any reason.

8. BARTER DOLLAR LOANS Clients who have a negative barter balance (barter purchases and/or barter fees exceed barter sales) will be charged a monthly **barter finance charge of one and a half (1.5%) percent (eighteen [18%] annually)**. Purchases by Clients must be limited to the amount of barter dollars in the Buying Client's account. Clients wishing to apply for a barter dollar loan may submit an application for approval. Clients grant to BBE the right and power to make barter dollar loans to any Client on terms and conditions consistent with Client's credit worthiness and ability to repay. BBE is under no obligation to extend credit at any time. Clients will be required to compensate BBE in cash on demand for any deficit amount in their barter dollar account resulting from purchases made without sufficient barter dollar balances or without prior barter dollar loan arrangements.

9. RIGHTS OF BBE AND ITS SHAREHOLDERS Client recognizes and grants to BBE the right and power to: 1.) Regulate and control the number of outstanding barter dollars with the trade network; 2.) Borrow barter dollars and spend them within the trade network. Such borrowing will be sufficiently collateralized by specifically pledged assets of the system pursuant to the guidelines established and imposed by the International Reciprocal Trade Association.

10. BROKERAGE FUNCTION BBE serves in a brokerage capacity by organizing and facilitating trades among Clients. Responsibility for the conduct of a trade is exclusively that of the two Clients participating in the trade. **THE DUTY TO INSPECT GOODS AND SERVICES FOR QUALITY AND QUANTITY RESTS UPON THE BUYING CLIENT.** Trades are entered into on a voluntary basis between the Clients. BBE assumes no responsibility for the quality, timely delivery, warranty or service being traded. Clients should exercise the same diligence entering into trades as normal cash transactions. Client does hereby indemnify and hold BBE harmless with respect to any claim, debt, or liability whatsoever, arising out of any trade exchange transaction wherein Client is a buyer or a seller.

11. TRADE DISPUTES BBE is functioning in a brokerage capacity and as a third party record keeper. BBE is to be held harmless on any liability question arising between Clients. **Trade disputes are only between the Buying Client and the Selling Client and shall be settled by the parties themselves.** Clients may wish to submit a **"Complaint Form"** to BBE. A copy of this Complaint Form will be kept in each Client's file and a copy will be mailed to each Client. If BBE receives more than two (2) complaints on a given Client for either poor performance or attempting to charge in excess of Client's normal retail prices, BBE reserves the right to terminate Client's account.

12. AVAILABILITY OF GOODS AND SERVICES BBE shall continue to solicit new businesses having goods and services to satisfy the needs of all Clients. BBE is committed to provide only those goods or services actually available in the trade network. Because of high Client demand and short supply, certain goods and services are available on a limited basis only. Requests for these goods and services will be placed on a "Waiting List." Buying Clients are responsible for contacting their Barter Broker if they wish to be placed on the waiting list. Clients with negative barter balances (purchases exceed sales) and/or past due cash fees will be removed from all waiting lists. BBE is not responsible if a Client cannot find specific products or services to buy from the other Clients.

13. COMMITMENTS AND RESPONSIBILITIES BBE is only responsible for commitments and representations made in writing by authorized BBE Officers. Barter brokers, agents, or employees of BBE have no right to bind BBE to any obligations or representations whatsoever without such written authorization.

14. ON HOLD BBE may place your account **"On Hold"** (not accepting barter business) status under the following conditions: 1.) Client's account must have a positive barter balance. 2.) Client must give written notice to the BBE Trade Department. On Hold status cancels contractual commitments by BBE regarding

14. ON HOLD (Continued) exclusive territories or other applicable agreements. 3) Clients who charge other BBE Clients cash for their products and services who have not notified the BBE Trade Department in writing that their account is "On Hold" prior to sale will be charged a twenty-five (25%) percent cash transaction fee on the total amount of the cash sale.

15. TAXES Selling Client shall charge the Buying Client the appropriate sales and excise taxes in cash and collect and record these on the BBE 3-part form at the time of sale. Under no circumstances will BBE be responsible to pay any sales, excise, use or other tax on behalf on any Client. Clients are advised that transactions involving barter dollars are generally treated as taxable events for federal, state, and local tax purposes. The declaration and reporting of all applicable local, state, and federal taxes resulting from trades rest solely with the Client. BBE is required by federal law to obtain the correct Taxpayer Identification Number of Client (who is required by law to provide such number) and to report all trade sales of Client to IRS on Form 1099B. Failure to provide the correct Taxpayer Identification Number may result in the imposition of backup withholding of twenty (20%) percent of the gross proceeds of each sale transaction, under federal law. Client agrees to hold BBE harmless for any actions BBE takes to comply with federal tax laws. Clients should seek professional tax advice.

16. TIPS AND GRATUITIES All tips and gratuities shall be paid in cash to the Selling Client at the time of purchase by the Buying Client.

17. CASH TRANSACTION FEES Client agrees to pay a **twelve and one-half (12.5%) percent cash** transaction fee based on the gross value of each purchase as agreed to on the Client Application and Agreement. Cash transaction fees are only charged to Clients when they purchase goods and/or services within the trade network. Selling Clients do not pay a cash transaction fee. **An additional two and one-half (2.5%) percent cash transaction fee will be charged on all inter-exchange purchases** (purchases made from other barter exchanges). If Client's cash fees are sixty (60) days past due from issuance of statement, Client grants BBE, at that time, the right to permanently increase the twelve and one-half (12.5%) percent cash transaction fee on all purchases to a fifteen (15%) percent cash transaction fee on all future purchases. BBE may, at its option, require advance payment of Client transactions fees.

18. WORK-IN-PROGRESS TRADE DEPOSITS The following procedures apply to trades involving special orders, construction jobs, service work, or long term leases and other work-in-progress transactions. 1. Buying Client should obtain a written estimate from the Selling Client BEFORE authorizing work to begin; 2. If the written estimate is more than five hundred ($500.00) barter dollars, Selling Client should obtain a work-in-progress deposit/down-payment in barter dollars in the same non-refundable manner as a cash transaction. This is done with a 3-part form and work-in-progress authorization number. **Selling Client must obtain a work-in-progress authorization number from the BBE Trade Department BEFORE THEY START THE TRADE.** BBE will only issue a work-in-progress authorization number for the barter amount in the Buying Client's account. BBE will not issue work-in-progress authorization numbers for Buying Clients who are not in good standing. Work-in-progress deposits and down payments are considered normal trades. Clients are required to follow applicable policies and procedures.

19. TRADE PROCEDURES ~ BUYING CLIENTS 1. Buying Client (Buyer) should contact his or her assigned Barter Broker to discuss all desired purchases. The Barter Broker will give the Buyer a list of available Selling Clients (Sellers) in the BBE network to fulfill the Buyer's needs. If a Seller is "On Hold", the Buyer may ask to be placed on a waiting list. If the Buyer needs to purchase products and services that are not available, the Buyer should contact his or her Barter Broker to request that BBE recruit new members who do sell the desired products and services. 2. It is the Buyer's responsibility to contact the Seller. Buyers must identify themselves as members of the Barter Business Exchange when they contact the Sellers. 3. The Buyer must present his or her barter card at the time of purchase. However, if the Buyer is paying with gift certificates or scrip, it is not necessary to present a barter card. 4. If the trade involves special orders, construction jobs, service work, or long-term leases and other work-in-progress trades, Buyer should ALWAYS get a written estimate from the Seller before authorizing work to begin. 5. Buyer purchases the Seller's goods and services at the Seller's prevailing retail prices for 100% trade. However, all taxes and gratuities must be paid in cash by the Buyer to the Seller. 6. At the time of purchase, Buyer must sign a completed 3-part form. 7. The Buyer's account will be debited for the amount of the purchase when the authorization number is issued by the BBE Trade Department. Special Travel Procedures—a twenty ($20.00) dollar cash booking fee will be charged for all travel requests outside of North Carolina. Client must complete and sign a Travel Request Form to travel within the BBE network. Once a reservation has been confirmed, it CANNOT be cancelled for ANY reason. 8. Client must have a valid, current barter card and be a Client in Good Standing in order to make a purchase. Client is solely responsible for all charges made on barter card(s) issued to Client's account. BBE is not responsible for use of barter cards by unauthorized persons.

20. TRADE PROCEDURES ~ SELLING CLIENTS 1. At the time of purchase, the Buyer must present his or her barter card. However, if the Buyer is paying with gift certificates or scrip, it is not necessary to present a barter card. 2. Sellers will provide their goods and services at their prevailing retail prices for 100% trade to Buyers in good standing. Seller will provide all materials and labor on trade. 3. Seller must collect all taxes and gratuities in cash from the Buyer. 4. Seller must obtain an authorization number or a work-in-progress authorization number from the BBE Trade Department for each trade BEFORE releasing merchandise or performing a service. However, if the Buyer is paying with gift certificates or scrip, the Seller does not have to call BBE for an authorization number. The Buyer's account will be debited for the amount ~~of~~ the purchase when the BBE Trade Department issues the authorization number. BBE is not responsible for honoring authorizations granted due to any misrepresentations made by Buyer or Seller. BBE reserves the right to refuse to issue an authorization number approving a transaction under any of the following conditions: a. if the Buyer does not have a sufficient barter dollar trade balance; b. if either party is not a Client in Good Standing; c. if Seller fails to call BBE for an authorization number at the time of sale. 5. Seller must complete a 3-part form for each transaction. Each 3-part form must contain the following information: Seller's company name, Seller's account number, Buyer's company name, Buyer's account number, Buyer's signature, description of the goods and services traded, date of purchase, an authorization number or a work-in-progress authorization number, total barter dollars charged, taxes paid in cash, and gratuities paid in cash. 6. In order to receive credit for the trade, the Seller must mail the top copy of the completed 3-part form to BBE. 7. If the signed 3-part form is not submitted to the BBE Office within 30 days of issuance of statement, BBE has the right to reverse the trade, in which event; it will be the responsibility of the Seller to collect from the Buyer. 8. Failure to follow these procedures will place responsibility for the transaction on the Seller and not on BBE.

21. RECORD KEEPING AND ERRORS All active Clients will receive a monthly statement of account online in the BBE Marketplace. Client's monthly account statement will be considered accurate as printed unless the BBE accounting department is given written notice of any discrepancies within thirty (30) days of issuance of statement. All copies of statements requested within sixty (60) days of issuance will be sent free of charge. All requests after sixty (60) days of issuance will be subject to a one ($1.00) dollar barter charge per statement. IRS audit of Client's account is subject to a twenty-five ($25.00) dollar cash charge per hour with a one (1) hour minimum. A cash administrative fee of fifty ($50.00) dollars cash for each trade transaction will be charged to any business or individual who provides BBE with an incorrect Taxpayer Identification Name and/or Taxpayer Identification Number (TIN) and/or fails to submit any taxpayer number information.

22. ADMINISTRATIVE FEES An administrative fee of **fifteen ($15) dollars cash and fifteen ($15) dollars barter** will be charged to Client's account each month. The monthly administrative fee is due upon receipt of the BBE monthly account statement. Clients who request materials to be sent via certified mail will be charged seven ($7.00) dollars cash.

23. JOINT AND SEPARATE LIABILITY When the Client's Application and Agreement is accepted by a BBE Officer and an account is opened for Client in BBE trade network, the Client and individual signing for the Client hereby assume joint and separate responsibility for all purchases and fees as outlined on the Client's Application and Agreement and in these Trading Policies and Procedures.

24. LATE PAYMENTS—FEES THIRTY (30) DAYS PAST DUE BBE accounts will be deemed past due if not paid within thirty (30) days of date on statement. All fees and charges, including cash transaction fees, administrative fees, and other charges to Clients by BBE are compensation for services rendered in processing Client into the exchange system, operating the clearing house and brokerage functions, administering these Policies and Procedures, maintaining records, and facilitating Client's use of the exchange system. Client agrees to pay BBE the full amount of such fees within fifteen (15) days of issuance of the monthly statement; otherwise BBE shall charge Client a cash penalty on the outstanding cash balance at the rate of **two (2%) percent per month on the unpaid balance, OR a ten ($10.00) dollar cash late charge**, whichever charge is greater.

25. LATE PAYMENTS ~ FEES SIXTY (60) DAYS PAST DUE If cash fees are sixty (60) days past due from issuance of statement, Client grants BBE, at that time, the right to permanently suspend any loan agreements established between Client and BBE. If cash fees are sixty (60) days past due from issuance of statement, Client grants BBE, at that time, the right to **permanently increase twelve and one-half (12.5%) percent cash transaction fee on all purchases to a fifteen (15%) percent cash transaction fee on all future purchases**.

26. LATE PAYMENTS ~ FEES NINETY (90) DAYS PAST DUE Any account continuing in a delinquent status for three (3) consecutive months may be closed without notice by BBE. Barter dollars in the account will be forfeited and placed by BBE in its general operating account unless outstanding fees are paid. At any time in the future, the Client may reestablish the account and reclaim the barter dollars by: (1) Paying all cash fees owed on the outstanding balance, AND (2) Paying a processing fee of one hundred ($100.00) dollars cash.

27. RETURNED CHECKS Any Client that has a check returned to BBE by the bank will be charged a thirty ($30.00) dollar cash penalty.

28. DIRECT TRADES Direct trades between Clients to avoid cash transaction fees are prohibited, and if consummated are subject to standard cash transaction fees payable upon demand. **Such trades WILL RESULT IN THE TERMINATION OF TRADING PRIVILEGES FOR BOTH CLIENTS INVOLVED.** BBE reserves the right to publicly announce such terminations to the existing Clients.

29. OVERPRICING Clients will sell their goods and services at their prevailing retail prices for 100% trade credit. Selling Clients are not obligated to honor sale prices and may charge their prevailing retail prices. BBE reserves the right to inquire into complaints of overpricing. Violations may result in termination of Client's account. Buying Client is responsible for reporting all incidents of overpricing to the BBE Office.

30. TERMINATION OF TRADING PRIVILEGES BBE reserves the right, at its sole discretion, to terminate the account of any Client if: 1. BBE has received more than two (2) complaints on a given Client for either poor performance or attempting to charge in excess of Client's normal retail prices. 2. Client commits fraud against BBE or other Clients. 3. Client is charging cash. 4. Client is overpricing. 5. Client is trading directly with other Clients without paying cash transaction fees to BBE. 6. Client is not following the Trading Policies and Procedures. 7. A client is not a Client in Good Standing as defined in paragraph 3 hereinabove. 8. The filing of any proceedings or petition by Client under Federal or State law seeking protection from its creditors or any assignment made by Client, whether formal or informal, for the benefit of Creditors. 9. The appointment of a Receiver or Trustee with respect to Client's business affairs or the filing of any involuntary proceeding against Client by its creditors. 10. Client's loss or suspension of any license held by it which is necessary for Client's business operation.

31. SUSPENSION OF TRADING PRIVILEGES BBE reserves the right at its sole discretion to suspend the trading privileges of any Client if Client 1. Owes outstanding cash fees due to BBE which are more than thirty (30) days past due. The trading privileges of the Client shall be reinstated immediately upon payment of such past due fees. 2. Client ceases to be a Client in Good Standing. Client shall be given notice of such suspension. The trading privileges of the Client shall be reinstated immediately upon Client's cure of the reasons for such suspension unless due to the nature thereof, BBE decides to terminate the Client for cause in accordance with the above Section 30.

32. CANCELLATION OF CLIENT APPLICATION AND AGREEMENT Either party may terminate the Client Application and Agreement with ten (10) days written notice to the other party. Immediately upon termination, all cash and barter dollar service fees outstanding become due and payable and 1. If Client has a negative barter balance (purchases exceed sales), Client must balance the account with barter dollars within thirty (30) days of the termination date and, after the thirty (30) day termination period, if the account has not been balanced with barter dollars Client must immediately pay BBE any remaining negative balance in cash, or 2. If Client has a positive barter account balance (sales exceed purchases) and is a Client in Good Standing, Client may stay active and spend the balance until purchases equal sales. Until barter dollars are spent, monthly administrative fees will be charged to Client's account. If the Client has a positive barter account balance (sales exceed purchases) and the Client's Application and Agreement has been terminated by BBE, Client will be required to pay the twelve and one-half (12.5%) percent cash transaction fee or the fifteen (15%) percent cash transaction fee on the remaining barter dollar balance prior to spending the remaining barter dollars and will be issued a "Debit Card". Further, such barter dollars shall be spent within ninety (90) days of notice to terminate the relationship with BBE. All barter dollars that are not spent within ninety (90) days from the date on the termination letter will be forfeited and placed by BBE in its general operating account. 3. Barter cards must be returned immediately upon termination. 4. In the event BBE incurs any costs or expenses to collect any sum due BBE from Client, then BBE shall be reimbursed by client for any such costs or expenses, including reasonable attorneys' fees. In the event BBE is the prevailing party in any other controversy or proceeding involving Client, then BBE shall be entitled to the recovery of its costs, expenses and reasonable attorneys' fees in addition to such other remedies being sought therein. 5. If a BBE member shall go out of business, any debt owed to BBE shall be repaid from the BBE Member Loan Fund directly to BBE and will become immediately due to BBE in cash. This payment constitutes a sale to the Client. BBE is required by law to report all barter income to the Internal Revenue Service on a 1099B. Client will then be sent to an attorney or collection agency. All barter and cash debts, including debts paid by the BBE Member Loan Fund, will become immediately due to BBE in cash.

33. ADDITIONAL BUSINESS LISTINGS Clients having more than one (1) business may be listed under an additional trade categories in the Barter Business Exchange Marketplace at no additional charge so long as only one account statement is required. Client having more than one business that requires separate account statements may open separate accounts for each business at no additional charge. Client will be charged a monthly administrative fee for each business having a separate account.

34. ADVERTISING AND THE BBE MARKETPLACE Unless otherwise stipulated between the parties of this Agreement, Client authorizes BBE to notify and advertise to other Clients and potential Clients the availability of Client's good and/or services. Applicant authorizes BBE to send broadcast fax and email advertisements to their business.

35. SECURITY INTEREST Client grants BBE a security interest in all barter dollars credited and to be credited to Client's account for the amount of all unpaid cash fees. In the event of the insolvency or bankruptcy of Client, all cash fees shall be due and payable in full. Upon the filing of positions under Chapter 7, 11, or 13 of the Bankruptcy Code or an Assignment for Benefit of Creditors, no trade shall be allowed until all cash fees due BBE have been paid in full. Should the Petition under Chapter 7 of the Bankruptcy Code be lifted by or against Client, or should the plan lifted pursuant to either Chapter 11 or 13 not provide for the full payment of all cash fees due BBE, BBE shall have the option, in lieu of filing as a creditor, of treating the barter dollar balance equal in value to the amount of cash fees owing and terminate the account, provided, however, that at such time as BBE does receive all of its cash in full, and in the event of discharge, pursuant to Chapter 7 notice is received from the Trustee that the barter dollars have been abandoned, BBE shall re-credit the barter dollars to the Client's account.

36. ASSIGNMENT OF ACCOUNT A Client's account is not assignable or transferable without BBE's express prior written consent. Barter dollars may not be advertised for sale without BBE's express written consent. In the event of bankruptcy or insolvency of a Client where assets of the Company will be sold, BBE has the first right of refusal to bid on barter dollars to be liquidated.

37. FEDERAL, STATE, AND LOCAL LAWS AND REGULATIONS Clients shall abide by applicable federal, state, or local laws, or regulations appropriate to any trade, and BBE shall not be responsible for any failure on the part of Clients to comply. Client agrees to hold BBE harmless for any action BBE takes to comply with applicable laws or regulations.

38. WARRANTY The sole and exclusive warranty made by the Selling Client is that it has title to such products free and clear from any lien or encumbrance. Other than set forth above, goods and services are sold "As Is, Where Is", with respect to any goods or services purchased by the Buying Client through BBE. Buying Client recognizes that such items are produced and provided by others and not by BBE or its affiliates. **BBE makes no warranty either expressed or implied, by operation of law or otherwise and disclaims all liability as to the fitness, quality, delivery date, merchant ability, prices or any term of the trade transaction, and the Buying Client shall look solely to the manufacturer, distributor or retailer of such merchandise for any warranty.** Buying Client acknowledges that any trade transaction in which it participates shall be on a voluntary basis.

39. AMENDMENT OF TRADING POLICIES AND PROCEDURES BBE may at its sole discretion change the Trading Policies and Procedures of these Agreements from time to time, by giving Client thirty (30) days prior written notice. Failure to give BBE written notice of objection thereto within such thirty (30) day period shall be deemed to constitute acceptance by Clients. By using the Barter Business Exchange Website and Marketplace, you agree to accept these changes, whether or not you have reviewed them. Also, purchases or sales after thirty (30) day notice period shall constitute Client's acceptance of such amended Barter Business Exchange Trading Policies and Procedures and shall be subject to the provisions thereof without exception .All changes to this agreement must be in writing and signed by an officer of BBE. The Client Agreement and these Barter Business Exchange, Inc. Trading Policies and Procedures constitute the entire agreement between the Client and BBE and replace all prior agreements, if any, whether oral or written, between Client and BBE or any predecessor of BBE. Neither Client nor BBE have relied upon any representation or promise, which is not contained in the Barter Business Exchange, Inc. Trading Policies and Procedures.

40. DISSOLUTION In the event that the BBE trade network terminates or otherwise ceases to do business, all Clients in a negative trade position will pay amounts they owe in cash (one barter dollar being equal to one dollar in cash in U.S. currency) into a fund. The fund, less expenses, will be distributed pro rata to all Clients who are in a positive barter dollar position. Thus all Clients in a positive position will receive cash for their barter dollars to the extent that the funds permit. BBE shall not be liable to any Clients for cash or barter dollars beyond the distribution of such funds as aforesaid.

41. ENFORCEMENT OF TRADING POLICIES AND PROCEDURES Each and every term and provision combined in these Trading Policies and Procedures is severable from every other term and provision therein. If any such term or provision should be judged invalid, illegal, or unenforceable it shall not affect the validity, legality, or enforceability of the remainder of any other term or provision of the Trading Policies and Procedures. The remainder shall remain valid, legal, enforceable, and in full force and effect. In the event that legal action must be taken by BBE against a Client to enforce any provision of these Trading Policies and Procedures, BBE shall be entitled to recover attorney fees, costs, and simple interest at the rate of eighteen (18%) percent per year from the date of default until payment, and Client agrees to court venue chosen by BBE attorney.

42. GUARANTOR PROVISION The Client affirms that s/he is the owner / officer / agent of the member business entity and acknowledges that the establishment of Client's account is conditioned upon the personal guarantee by the Client for the payment of debt incurred hereunder and the Client hereby personally and unconditionally guarantees payment of any and all debt incurred by his/her said business entity. All BBE members will be required to sign a personal guarantee for any debt which is currently, or may in the future become, due. The personal guarantee guarantees that any and all debt incurred by Client's business shall be paid in a prompt and timely fashion. The personal guarantee is in addition to the contractual relationship between BBE and Client. For all accounts that are not paid-in-full within thirty (30) days following the termination date, a one and one-half (1 1/2%) percent monthly service charge will be added to the account. In the event that attorneys' fees are incurred for collection with or without suit, the Client agrees to pay such fees plus court costs. If the client is a corporation, a LLC, or other business entity, the person executing the Client Agreement, to induce the granting of credit to the Client, and in consideration therefore, does hereby guarantee personally payment of all amounts owed to BBE, and hereby waives any requirement on the part of BBE to proceed with its claim against the business entity, either first or concurrently, as a condition precedent to bringing any action against such individual on the basis of this guaranty. The Client and individual signing the Client Agreement hereby assume joint and separate responsibility for all purchases and fees as outlined in the Barter Business Exchange, Inc. Trading Policies and Procedures.

43. CLIENT ACKNOWLEDGMENT AND WARRANTY Client acknowledges that he or she has read the current effective Trading Policies and Procedures, that such Policies and Procedures are made a part of the Client Application and Agreement, and that the Trading Policies and Procedures may be changed by BBE from time to time in accordance with the provisions of these Rules. Client warrants that it provided all information to BBE in good faith and that such information is accurate to the best of its knowledge.

44. NAME AND TAXPAYER IDENTIFICATION NUMBER CHANGES In the event that Client changes his or her legal name, company name, and/or Taxpayer Identification Number (TIN), applicant is required to inform BBE within ten (10) days. At that time, Client must complete a new Client Application and Agreement and Form W-9. BBE reserves the right at its sole discretion to suspend the trading privileges of any Client who has had a name or number change until BBE receives the new signed Client Application and Agreement and Form W-9. Once the paperwork is received, all barter and cash debts and/or credits will be transferred into the new account.

45. ALL TRADES MUST BE IN BARTER DOLLARS The barter dollar must be accepted for the total value of the transaction. Any exception to this policy, such as by way of example a trade transaction involving a cash component, must be approved in advance by BBE, without exception.

46. BASIS FOR COMMISSIONS On all transactions engaged in by Client through BBE, or for which BBE referred Client to a potential trading partner, the commission due BBE shall be based upon the full value of the transaction, regardless if the transactions is paid for by cash, cash/ trade blend, credit card, check, direct trade, or through another barter company in which Client is a member.

47. WAIVER BBE, in its sole discretion, may from time to time waive any provision of the Barter Business Exchange, Inc. Trading Policies and Procedures for any Client as it deems warranted in its sole discretion. Any such waiver, to be effective, must be in writing and executed by an authorized officer of BBE. It is understood that any such waiver shall be strictly limited to the specific terms of the written waiver document. Except as provided for by the foregoing, any failure of BBE to insist upon strict compliance with any particular term or provision of the Barter Business Exchange, Inc. Trading Policies and Procedures, or any delay or omission on the part of BBE to enforce any such term or provision, shall not constitute a waiver with respect to any such term or provision.

48. TIME LIMITS FOR SPENDING BARTER AND ABANDONMENT All barter dollars must be spent within eighteen (18) months of the date they are acquired. This provision may be waived only with express written consent by an authorized officer of BBE. Accounts with no sales in previous 12 months may automatically convert to the online BBE Marketplace statements; accounts will be charged the current standard fees plus an additional inactivity fee of twenty ($20.00) barter dollars per month. Any previous agreements on fees will no longer be valid. Client's account will be considered abandoned if a) it has been more than two (2) years since Client has made any barter sales or purchases and b) BBE is unable to contact Client at the most recently updated contact information furnished by Client. BBE may, at its sole discretion, close the abandoned account, placing any positive trade dollar balance in the BBE General Operating Account.

49. USE OF BBE WEBSITE AND MARKETPLACE Use of the BBE Website and Marketplace constitutes Client's agreement to abide by the BBE Trading Policies and Procedures contained herein. BBE reserves the right in its sole discretion to restrict Debit Card Holders and Clients that are not in Good Standing from viewing selected Clients in the BBE Marketplace or from use of the Website and Marketplace altogether. Use of the Website and BBE Marketplace are a privilege given at the discretion of BBE, and BBE reserves the right to refuse admission to
Website or the online BBE Marketplace for any reason whatsoever.

50. PROPRIETARY INFORMATION; CONFIDENTIALITY; PROHIBITION ON OPERATING COMPETING BARTER EXCHANGE During the term of this Agreement, Client will have access to and become acquainted with BBE's confidential and proprietary information (together "Proprietary Information"), including but not limited to information or plans concerning customers, customer relationships; personnel; sales, marketing and financial operations and methods; trade secrets, formulae, devices; secret inventions; processes; and other compilations of information, records, and specifications. The BBE website, and access to the website, is also Proprietary Information. Client will not grant access to the BBE website or disclose any of the Proprietary Information directly or indirectly, or use it in any way, either during the term of this Agreement or at any time thereafter, and specifically will not use such information to start, operate, or otherwise participate, directly or indirectly (except as a Client) in any barter entity or any entity that provides a similar service as BBE. Notwithstanding, Proprietary Information does not include information that is otherwise publicly known or available. Client hereby agrees that in the event of a breach of this provision, BBE shall incur liquidated damages in the amount of Fifty Thousand Dollars ($50,000.00) and such amount shall be immediately due and payable by Client to BBE.

51. NOTICE TO CLIENT All notices required or permitted to be sent to Client shall be sent by BBE by either first class mail to the Client's current address of record or via electronic mail to the Client's current email address of record. Client is responsible for updating the Client's mailing and email addresses should any changes occur. All notices required or permitted to be sent to BBE shall sent by Client by either first class mail to the attention of President, 1125 Kildaire Farm Road, Suite 207, Cary, NC 27511 or via electronic mail to barter@ncbarter.com All such notices shall be deemed effective, if sent by mail, three business days following the depositing of such notice, postage pre-paid, in the mail, or if by electronic mail, on the date of successful transmission.

52. GOVERNING LAW This Agreement shall in all respects be construed under and governed by the laws of North Carolina without giving regard to its conflicts of law principals.

Applicant agrees that the applicant and individuals authorized to use the BBE network will abide by these Barter Business Exchange, Inc. Trading Policies and Procedures.

Name	Company Name	Signature	Date