

K-LAK CORPORATION

Subscriber Agreement for Collection Account(s)

K-LAK Corporation and Subscriber Agree as follows:

Agreement made this _____ day of _____ 20____, between K-LAK Corporation having its principal office at 508 Philadelphia Pike, Wilmington, Delaware (hereinafter referred to as K-LAK Corporation) and _____ a Corporation organized and existing under the laws of the State of _____, having an office at _____ (hereinafter referred to as _____).

Subscriber

Address

_____ (hereinafter referred to as _____).

City State Zip Subscriber

WITNESSETH

WHEREAS, The K-LAK Corporation is in the business of collecting past due or delinquent debts for the Housing Authorities, Medical Offices, Corporations and other lenders; and

WHEREAS, The Subscriber desires to engage or assign K-LAK Corporation to collect certain past due or delinquent debt other than credit card or other Account(s) [Account/invoice or Account(s)/invoice(s)], owed to the Subscriber by their customers, clients and others (the "Debtors") upon the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration for the mutual promises set forth herein, it is agreed:

1. The Subscriber shall assign to K-LAK Corporation for collection such of the Account(s) as the Subscriber, in its sole discretion, shall elect to assign. The Subscriber shall, with respect to each of the Account(s) assigned hereunder, assign Account(s) in its standard format.

(a) It is understood by the K-LAK Corporation that the Subscriber has not made any representations as to the volume or monetary amounts of the Account(s), if any, which may be assigned hereunder, and that the Subscriber is under no obligation to deal exclusively with the K-LAK Corporation in the assignment of Account(s).

2. In performance of its services hereunder, the K-LAK Corporation shall be acting as an independent contractor to, and not as an agent or employee of, the Subscriber. The K-LAK Corporation agree to diligently pursue the collection of monies due on such Account(s).

(a) Collection efforts for the Subscriber Account(s) shall commence within 48 hours of the K-LAK Corporation's receipt of such Account(s), a signed Agreement and the Cost/per Account Fee. In performing service(s) hereunder, the K-LAK Corporation represents that its duly qualified to collect the Account(s) in the manner described in this Agreement and Account(s) generally under applicable law and that it shall comply with all Federal, State and Local laws rules and regulations, including without limitation to the U.S. Bankruptcy Code, The Fair Debt Collection Practices Act (FDCPA), the Fair Credit Reporting Act (FCRA), and the Equal Credit Opportunity Act (ECOA). The K-LAK Corporation shall also comply with all internal policies of the Subscriber concerning collection activities.

(c) The K-LAK Corporation shall not accept Account(s) greater than three (3) years only where it applies.

3. The K-LAK Corporation's compensation shall be on a contingent fee basis on the percentage (%), as specified in Option A & B to this Agreement (the "Fees") and Price Schedule. The K-LAK Corporation further agrees that the Subscriber will not be liable for any expense incurred by K-LAK Corporation for collection including, but not limited to the following: Telephone charges, mailing costs, postage, wages and salaries of K-LAK Corporation's employees, cost of locating, credit reports or address unknowns.

(a) No fees shall be earned where Account(s) are not collected by the K-LAK Corporation. The only fees that shall be earned from the Subscriber shall be the Cost/Per Account(s) fee see Option A, B, and Price Schedule.

4. The K-LAK Corporation is authorized by mutual agreement to bring legal action to effect collection of any Account if the Amount/Account(s) is \$5,000 or over and, if and only if, it is permitted by the laws of the State in which the Collection Agency can represent the Subscriber where the collection is executed. The Subscriber will be responsible for court cost and attorney fees only if it applies.

5. Without the written authorization of the President/Subscriber, the K-LAK Corporation shall have no authority to settle any of the Account(s) assigned to K-LAK Corporation for less than the full amount due and owing (principal plus late fees and court cost). The K-LAK Corporation shall advise the Subscriber in writing of the name, Account number(s) and terms of any authorized settlement.

6. The K-LAK Corporation shall promptly notify the Subscriber of bankruptcy proceeding on any assigned Account(s) including the date of filing, docket number, chapter and district.

7. On a monthly basis, and upon the termination of this Agreement, the K-LAK Corporation shall furnish the Subscriber with a report in a format provided by the Subscriber/ K-LAK Corporation bearing at least the following information covered under Option A & B.

- 1) each debtor's name and Account number;
- 2) the date the Account(s) first became past due or delinquent;
- 3) the amount the customer had paid the K-LAK Corporation;
- 4) the balance on the Account(s) after crediting the payment amount;
- 5) the date the Account(s) was assigned to K-LAK Corporation;
- 6) the date the payments were received;
- 7) the particulars of any settlements pursuant to Paragraph 5;
- 8) the date of entry and amount of all judgments and date of all post judgment proceeding, and providing a copy of the judgments to the Subscriber;

(a) The Subscriber shall report to K-LAK Corporation all payments it received from debtors whose Account(s) have been assigned to K-LAK Corporation, on at least a monthly basis.

8. **Standard Collections (Option A)** – K-LAK Corporation shall perform all the duties in this Agreement except which is described in the Account Management Program. See Option A and Price Schedule.

9. **Account Management (Option B)** K-LAK Corporation shall perform all the duties in this Agreement and manage all Account(s) assigned to the K-LAK Corporation for delinquent or past due Account(s) and non-delinquent Account(s) on a monthly basis for one year according to the Agreement. The Subscriber is required under this program to provide monthly reports on the

status of Account(s) assigned to K-LAK Corporation, by the Subscriber in the format provided by the K-LAK Corporation/Subscriber under the Account Management Program. See Option B and Price Schedule.

(a) The K-LAK Corporation shall not accept Account(s) greater than ninety (90) days, limited only to Account Management – Option B.

10. **Delinquency Notification Letters (Option C)**– K-LAK Corporation shall perform the duties in this Agreement, not including phone calls, legal representation and which is described in Paragraph 3,4,6,7,8. The Subscriber shall provide to K-LAK Corporation with the following information for each Account(s) such as; 1) when the Account(s) first became delinquent or past due 2) if or when the Account(s) has been satisfied by the Subscriber 3) any changes to the Account(s) within a thirty (30) day period. Monies shall be paid directly to the Subscriber from the debtor. The K-LAK Corporation shall not collect any percentage of the amount received by the Subscriber of any kind. K-LAK Corporation shall give the debtor written notice to indicate that all payment(s) should be mailed directly to the Subscriber to avoid jeopardizing their Credit Record. See Option C and Price Schedule.

11. If the K-LAK Corporation determines that an Account(s) is uncollectible, then that Account(s) may be returned back to the Subscriber at any time with a written statement of its reasons thereof.

12. Any notice permitted or required will be deemed given when deposited in the United States mail and sent by either registered or certified mail to the addressee, postage prepaid and return requested as follows;

The Subscriber:

Subscriber: _____
Address: _____
City: _____ Zip: _____
Attention: _____

Collection Agency:

K-LAK Corporation
Post Office Box 7033
Wilmington, DE 19803-7033
ATTN: Collection Department

Copies of any and all notices on documents required to be sent to the Subscriber hereunder shall also be sent to the Subscriber's President. The Subscriber or the K-LAK Corporation may change the mailing address or person to receive notice by serving written notice of such change on the other parties.

13. This agreement may be terminated by either party without cause or reason upon thirty (30) days written notice to the other as set forth in Paragraph "11" above. This Agreement, may also be terminated by the Subscriber for any reason or cause whatsoever, including but not limited to a breach of this Agreement, which termination shall be effective immediately upon the date notice of such termination is delivered to the Subscriber as set forth in Paragraph "11" above or in any other manner.

14. All monies collected on the Account(s) assigned hereunder shall be held by the K-LAK Corporation in Escrow for the Subscriber in a separate Account (Escrow Account @ Sun East Federal Credit Union) and shall not be commingled with K-LAK Corporation's own monies.

(a) Bi-weekly, the K-LAK Corporation shall transmit to the Subscriber all monies on the percentage (%) of the amount collected by the K-LAK Corporation on behalf of the Subscriber net of NSF checks, except the K-LAK Corporation shall retain, unless otherwise directed by notice from the Subscriber, a sum equal to the Fees applicable to such monies as provided in Paragraph "3" and Option A & B.

15. This Agreement shall be governed in accordance with the laws of the State.

16. In the event that any clause or paragraph of this Agreement is determined to be unenforceable, such clause or paragraph shall be severed, and the remainder of this Agreement shall remain in effect.

17. Subscriber will hold K-LAK Corporation harmless against any claims resultant from the use of K-LAK Corporation services.

18. Subscriber agrees to report a "Paid" status for any previously reported Collection Account if payment is ultimately received. This **MUST** be done to avoid having an account show on a consumer's credit record as a Collection Account when the obligation was actually satisfied.

19. Subscriber agrees that all Collection Services will be ordered only for legitimate business purposes. Subscriber will not submit a request for Collection Services if subscriber has been previously advised by the consumer that the obligation is being disputed. Subscriber must remember this service is only for consumer and is not designed for businesses.

20. Charges will be specified in K-LAK's published Price Schedule and are subject to change upon thirty (30) days notice to Subscriber. The Subscriber is entitled to all services rendered through K-LAK Corporation.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officer or partner on the day first above written.

Subscriber

K-LAK Corporation

By: _____

By: _____

Title: _____

Title: _____

OPTION A

STANDARD COLLECTIONS

Reference is made to the Agreement between us bearing the effective date month/day 20____. Both parties hereby agree that the Agreement shall be amended as follows: Section 3 of the Agreement is hereby amended to include the terms provided herein. Account(s) can not be greater than thirty six (36) months.

1. The Subscriber agrees to pay K-LAK Corporation for the following fees on primary assigned collection matters:

- a. _____ total number of Account(s)/Invoice(s)
- b. _____ age of Account(s)/Invoice(s)
- c. _____ % of the amount collected on a contingent fees basis, if more than one Account/Invoice, use a range between (% - %) example; (14% - 16%) or (15% - 20%)

2. The Subscriber agrees to pay K-LAK Corporation for attorney referrals

- a. _____ for a attorney in the State of _____.

3. Subscriber's agree to pay K-LAK Corporation the applicable charge prevailing for the various services rendered to Subscriber. Such charges will be specified in K-LAK Corporation's published Price Schedule are subject to change upon thirty (30) days of written notice and in accordance with the Subscriber Agreement.

Upon acceptance hereof, this instrument shall constitute a amendment to the Agreement date month/day _____20____, all of the terms of which shall continue in full force and effect except as herein above expressly modified and amended.

Agreed to for _____
Company

Agreed to for K-LAK Corporation

By: _____

By: _____

Title: _____

Title: _____

OPTION B

ACCOUNT MANAGEMENT

Reference is made to the Agreement between us bearing the effective date month/day, 20____. Both parties hereby agree that the Agreement shall be amended as follows: Section 3 of the Agreement is hereby amended to include the terms provided herein. Account(s) can not be greater than ninety days.

1. The Subscriber agrees to pay K-LAK Corporation for the following fees on primary assigned collection matters:

- a. _____ total number of Account(s)/Invoice(s)
- b. _____ age of Account(s)/Invoice(s)
- c. _____ % of the amount collected on a contingent fees basis, if more than one Account(s)/Invoice, use a range between (% - %) example; (14% - 16%) or (15% - 20%)

2. The Subscriber agrees to pay K-LAK Corporation for attorney referrals when applicable.

- a. _____ for a attorney in the State of _____.

3. Subscriber's agree to pay K-LAK Corporation the applicable charge prevailing for the various services rendered to Subscriber. Such charges will be specified in K-LAK Corporation's published Price Schedule are subject to change upon thirty (30) days of written notice and in accordance with the Subscriber Agreement.

Upon acceptance hereof, this instrument shall constitute a amendment to the Agreement date month/day _____20___, all of the terms of which shall continue in full force and effect except as herein above expressly modified and amended.

Agreed to for _____
Company

Agreed to for K-LAK Corporation

By: _____

By: _____

Title: _____

Title: _____

OPTION C

DELINQUENCY NOTIFICATION NOTICE

Reference is made to the Agreement between us bearing the effective date month/day, 20____. Both parties hereby agree that the Agreement shall be amended as follows: Section 2, of the Agreement is hereby amended to include the terms provided herein. Account(s) can not be greater than thirty six (36) months.

1. The Subscriber agrees to pay K-LAK Corporation for the following fees on primary assigned collection matters:

a. _____ total number of Account(s)/Invoice(s)

b. _____ age of Account(s)/Invoice(s)

2. Subscriber's agree to pay K-LAK Corporation the applicable charge prevailing for the various services rendered to Subscriber. Such charges will be specified in K-LAK Corporation's published Price Schedule are subject to change upon thirty (30) days of written notice and in accordance with the Subscriber Agreement.

Upon acceptance hereof, this instrument shall constitute a amendment to the Agreement date month/day _____ 20____, all of the terms of which shall continue in full force and effect except as herein above expressly modified and amended.

Agreed to for _____
Company

Agreed to for K-LAK Corporation

By: _____

By: _____

Title: _____

Title: _____