

K-BID ONLINE, INC. INDEPENDENT AFFILIATE AGREEMENT

This Independent Affiliate Agreement (“ Agreement”) is made and entered into this _____ day of _____ 20__, by and between K-BID Online, Inc. (“K-BID”), a Minnesota corporation, with its principal place of business at 5030 Highway 12, Maple Plain, MN 55359 and _____, a (corporation/ limited liability company or sole proprietor) located at _____, (hereinafter referred to as “Affiliate”).

INTRODUCTION

K-BID operates its online business “(Business)” in the United States, and in connection therewith, uses, promotes and licenses, or in the future may use, promote and license, certain trade names, trademarks, service marks and/or commercial symbols (collectively “Marks” or individually “Mark”), including “K-BID” and “K-BIDUSA.” These Marks have gained and continue to gain public acceptance and goodwill and K-BID may continue to create, use and license additional trademarks, service marks and/or commercial symbols in operating its Business or other businesses, all of which shall be included in the definition of “Marks” hereunder.

K-BID has developed an affiliate network. This network is comprised of independent companies and individuals who have been authorized to publish their auctions on K-BID.com as their online auction venue, and may in the future be approved to use other affiliated K-BID domains. This Agreement governs the ongoing relationship between K-BID and Affiliate.

1. **AFFILIATE STATUS GRANTED**

Subject to all the terms and conditions of this Agreement, Affiliate is hereby granted Affiliate status entitling Affiliate to use K-BID.com as its venue for posting auctions. Affiliate is hereby granted a non-exclusive license to access the affiliate portion of the K-BID website. Under the foregoing license, affiliate may upload auctions to K-BID's website to be conducted in the same manner as other auctions on K-BID's website. K-BID owns all right, title and interest in and to its confidential and proprietary information, as defined in this agreement, including, but not limited to its website, its database of bidders and all information related thereto, and the Marks, and affiliate shall acquire no right, title or interest in any of the foregoing.

2. **PAYMENT**

A. A one-time fee of \$500.00 will be paid by Affiliate prior to activation. Affiliate is activated upon full execution of this Agreement and payment of the foregoing fee..

B. Affiliate shall pay to K-BID a monthly server fee in the amount of \$50.00, due and payable beginning on the first day of the seventh month following activation of Affiliate. This fee is subject to change by K-BID upon 30 days' prior notice to Affiliate.

C. The Affiliate shall collect from buyer and forward to K-BID a buyer's premium for every asset sold on K-BID's website. The amount and conditions of the buyer's premium are set forth in the Affiliate Knowledge Base identified in this Agreement.

Buyer's premium is a fee charged by K-BID to the winning bidder for the opportunity to place bids and purchase assets published on K-BID.com

D. Affiliate shall pay to K-BID fees for any additional services requested by Affiliate, agreed to in advance of the performance of such services, which may include advertising/marketing, special reports, referral fees or other services.

3. **OBLIGATIONS OF K-BID**

A. K-BID will administer its website and the bidding platform. K-BID will make every reasonable effort to keep the system accessible, including the software and/ or hardware enhancements to be performed at K-BID's sole discretion. However, K-BID cannot guaranty that the website will be operational at all times. K-BID is not responsible for problems with its website outside of its control, including, but not limited to internet connection issues, internet outages, denial of service attacks, etc.

B. K-BID will provide to Affiliate all of the information and training required to conduct auctions on K-BID.com. Any and all information and training provided to Affiliate pursuant to this Agreement is Confidential Information and shall be treated as such under the terms of this Agreement. The information provided to Affiliate by K-BID as well as K-BID's policies, procedures, and timelines, generally will be maintained in the Affiliate Knowledge Base section of the K-BID website, to which Affiliate will have access.

C. K-BID has the right to monitor activity on its website, and if Affiliate fails to comply with K-BID's policies, procedures and timelines, Affiliate will be subject to sanctions, including termination of a specific auction and/or termination of this Agreement.

4. **OBLIGATIONS OF AFFILIATE**

A. Affiliate is responsible for properly creating and uploading its auctions to K-BID's website.

B. Affiliate is responsible for operating its auction business according to all applicable federal, state and local laws and regulations.

C. Affiliate is responsible for knowing and following all of the policies, procedures and timelines included in the Affiliate Knowledge Base maintained by K-BID. K-BID will regularly update the Affiliate Knowledge Base. Affiliate should regularly review the full Affiliate Knowledge Base for content changes. Notification of significant changes and additions to the Affiliate Knowledge Base will appear in the Announcements and Communications section of the Affiliate Knowledge Base. Affiliate is responsible for at all times knowing, and complying with, all information and requirements included in the Affiliate Knowledge Base.

D. Affiliate is responsible for clearly communicating to its sellers and buyers the following:

(1) That Affiliate is operating as an independent auction company, and is not an employee, agent, representative or partner of K-BID, and has no authority to bind K-BID.;

(2) That K-BID only provides the venue chosen by Affiliate to present Affiliate's auctions online; and

(3) That K-BID does not conduct Affiliate's auctions.

E. Affiliate will inform its sellers/customers that K-BID is not a party to any transaction between Affiliate and its seller, Affiliate and any buyer and Affiliate's seller and any buyer.

F. Affiliate shall abide by all policies and procedures of K-BID, including, but not limited to those set forth in the Affiliate Knowledge Base.

G. Affiliate will receive bidder contact information on Affiliates's auction invoices. This information is provided for invoice collection purposes only. This information cannot be retained or used by the Affiliate for any purpose.

H. The K-BID independent affiliate logo is the only authorized use of the K-BID name in public displays including, but not limited to, directional signs, social media, marketing and promotional materials. Any other use of K-BID's name is prohibited unless prior, written authorization has been received from K-BID management.

I. When the K-BID independent affiliate logo is presented in any manner by Affiliate, it shall be done so in a professional format with type, color, font, etc., authorized by K-BID, in accordance with the requirements set forth in the Affiliate Knowledge Base.

5. **TERMINATION**

This Agreement may be terminated by either party at any time upon written notice to the other party. Written notice may include an e-mail sent with delivery notification receipt requested. Upon notice of termination, Affiliate shall immediately finalize all paperwork, and submit all buyer's premium payments, for all of Affiliate's auctions closed

as of the date of the notice of termination. For auctions of Affiliate closing after the date of the notice of termination, Affiliate shall finalize all paperwork and submit all buyer's premium payments, immediately after the closing of each such action.

6. **COVENANT AGAINST COMPETITION**

During the term of this Agreement, Affiliate shall exclusively conduct his, her and/or its online auctions on K-BID.com. For a period of six months after termination of this Agreement, Affiliate shall refrain from directly or indirectly, individually or through an employee, agent, director, officer, partner, consultant, shareholder or in any other capacity, conducting Affiliate's own online auctions or placing online auctions on any website other than K-BID.com. For a period of one year after termination of this Agreement, Affiliate shall refrain from directly or indirectly contacting other affiliates of K-BID for any purpose related to the online auction business of such affiliates.

7. **MARKS AND BUSINESS**

A. **Ownership and Goodwill of Marks and Business.**

1. Affiliate acknowledges that K-BID owns and has all rights to the Marks and Business.

2. Affiliate's right to use any of the Marks is derived only from this Agreement and is limited to Affiliate's operation as an affiliate of K-BID in accordance and in compliance with this Agreement, and all policies and procedures prescribed by K-BID to Affiliate from time to time, through the Affiliate Knowledge Base and otherwise, during the term hereof, all of which are incorporated herein.

3. Affiliate is only permitted to use the K-BID Independent Affiliate name and logo, and no other K-BID name or logo.

4. Affiliate shall use only the Marks that K-BID designates in writing, and will use them only in the manner that K-BID authorizes. Affiliate may not use any Mark in any way that K-BID has not expressly authorized in writing.

5. Affiliate agrees that its use of the Marks, and any goodwill established by this use, will be exclusively for K-BID's benefit and that this Agreement does not confer any goodwill or other interest in the Marks or Business upon Affiliate (other than the right to operate as an affiliate of K-BID under this Agreement).

6. All provisions of this Agreement applicable to the Marks apply to any additional proprietary trade and service marks and commercial symbols that K-BID may authorize Affiliate to use from time to time and in its sole discretion.

7. The right and license of the Marks awarded to Affiliate under this Agreement is non-exclusive, and K-BID may permit other affiliates (current and future) to (a) use the Marks; and (b) use the Marks in connection with marketing and selling any products and services as K-BID shall deem appropriate.

B. Notification of Infringements and Claims.

Affiliate shall notify K-BID immediately of any apparent infringement or challenge to Affiliate's use of any Mark, or any claim by any person of any rights in or to any Mark or the Business. Affiliate shall not communicate with any person other than K-BID and its attorneys, and Affiliates attorney's, in any infringement, challenge or claim. K-BID

has the sole discretion to take any action it deems appropriate and also has the right to control exclusively any litigation, U.S. Patent and Trademark Office proceeding, or any other administrative proceeding arising out of any infringement, challenge or other claim or other relating to any Mark or the Business.

C. **Limitations on Affiliate's Use of Marks.**

1. In connection with any use of the Marks, Affiliate shall designate itself as an Independent Affiliate of K-BID.

2. Affiliate shall not use the Marks, or any words or symbols confusingly similar to them, as part of any corporate or other legal name or with prefix, suffix, or other modifying words, terms, designs or symbols. Affiliate may not use the Marks in connection with providing any unauthorized product or service, or in any other manner not explicitly authorized by K-BID in writing.

3. Affiliate shall, in connection with all advertising and promotion that it uses, designate as appropriate the "SM," "TM," "®," or "©," registration symbol and/or other appropriate notice of ownership, registration or copyright as K-BID may require.

4. K-BID retains the right to review and determine the quality of the use of the trademark on affiliate generated advertising, sales and promotional materials.

5. K-BID owns the legal right to use of the domain name www.k-bid.com and all other domain names that are now, or in the future may be, utilized in connection with the Business. Affiliate shall not register any of the Marks that are now or in the future

owned by K-BID or any abbreviation, acronym or variation of the Marks, or any other name that can be deemed confusingly similar, as an internet domain name or otherwise.

D. **Discontinuance of Use of Marks.**

If K-BID determines, in its sole discretion, to modify or discontinue the use of any Mark and use one or more additional or substitute names or Marks, Affiliate shall comply with K-BID's direction to modify or discontinue use of such Mark within a reasonable time after receiving notice. K-BID is not responsible to Affiliate for any expenses or losses incurred as a result of the modification, substitution or discontinuance of a Mark.

8. **CONFIDENTIAL AND PROPRIETARY INFORMATION**

Affiliate recognizes that K-BID has created and developed Marks and the Business, including the online auction system, billing system, bidder lists and information identifying bidders, training materials, Affiliate Knowledge Base, Affiliate Network, software systems operation and know how, and other protected information, all of which information constitutes "Confidential Information" for purposes of this Agreement. K-BID derives independent economic value from the Confidential Information not being generally known to, not be readily ascertainable by, others who could obtain economic value from its disclosure. During the course of the relationship between Affiliate and K-BID, K-BID may disclose certain Confidential Information to Affiliate, or Affiliate may become aware of such Confidential Information, in furtherance of the business of both parties related to auctions posted by Affiliate with K-BID. Affiliate recognizes that K-BID desires to protect its proprietary rights in and to the Confidential Information.

Affiliate acknowledges and agrees that K-BID owns all right, title and interest in and to the Confidential Information.

Affiliate shall not, without K-Bid's prior written consent, at anytime (a) use the Confidential Information for any purpose other than in connection with the performance of Affiliate's duties under this contract with K-Bid or (b) reproduce, distribute or disclose the Confidential Information to third parties. Affiliate may allow access to the Confidential Information to its officers, employees, agents and subcontractors on a need-to-know basis only as necessary to conduct auctions through K-Bid. Affiliate shall cause each of its officers, employees, agents and subcontractors who have access to comply with the terms and provisions of this Agreement in the same manner as if bound hereby, with Affiliate remaining responsible for the actions and disclosures of any such officers, employees, agents and subcontractors.

9. **DEFAULTS AND REMEDIES**

Affiliate and K-BID acknowledge that failure to comply with any of the terms and conditions of this Agreement shall result in a default. Affiliate agrees that any non-monetary breach of this Agreement by Affiliate, its employees, agents or subcontractors will cause irreparable injury to K-Bid, and K-Bid shall be entitled to specific performance and injunctive or other equitable relief as a remedy for any such breach, and Affiliate agrees to waive any requirement for the securing or posting of any bond in connection with such remedy. Affiliate further agrees that K-Bid may recover its attorneys' fees and any costs incurred in enforcing this Agreement.

10. **INDEMINIFICATION**

Affiliate shall protect, defend and indemnify K-BID, and all of K-BID's past, present and future shareholders, related companies, officers, directors, employees and agents (the "Indemnified Parties"), and hold the Indemnified Parties harmless from and against any and all costs and expenses, including attorney's fees, court costs, losses, liabilities, damages, claims and demands of every kind or nature on account of any actual or alleged loss, injury or damage to any person, firm or corporation, or to any property arising out of, or in connection with, the Affiliate's failure to abide by the terms and conditions of this Agreement or the Affiliate Knowledge Base, the Affiliate's conduct as an affiliate of K-BID or any auction conducted by Affiliate. K-BID shall not be required to tender defense of itself in any action to Affiliate. K-BID is entitled to hire its own counsel, and Affiliate shall pay to K-BID the cost of such counsel pursuant to this indemnification. In addition, in the event K-BID personnel are required to be involved in any legal proceeding within the parameters of this indemnification provision, Affiliate shall reimburse to K-BID all cost or expense incurred related to time spent by K-BID personnel, at reasonable hourly rates to be determined by K-BID.

The indemnified parties are not required to seek recovery from any insurer or other third party in order to maintain and fully recover a claim against Affiliate. Affiliate agrees that a failure to pursue recovery against others in no way reduces or alters the amounts K-BID or another indemnified party may recover from Affiliate.

11. GENERAL PROVISIONS

A. Each party represents that such party carefully read this Agreement, and understands each provision thereof, and enters into this Agreement voluntarily. Each party

represents that it has had an opportunity to have its counsel review this Agreement prior to execution. This agreement shall not be deemed accepted by K-BID until signed by an officer of K-BID.

B. The terms of this Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto.

C. Except as stated herein, this Agreement constitutes the entire Agreement between the parties with respect to the subject matter hereof, and there are no other agreements, promises, representations or understandings, except as expressly set forth herein. The parties agree that there were no inducements or representations leading to the execution of this Agreement except as herein contained.

D. The terms of this Agreement supercede and terminate all prior oral and written agreements and communications between the parties with respect to the matters addressed by this Agreement. This Agreement may not be assigned by Affiliate.

E. In case any one or more provisions of this Agreement shall be invalid, illegal or unenforceable in any respect, the validity, legality, or enforceability of the remaining provisions contained in this Agreement will not in any way be affected or impaired thereby.

F. This Agreement may be executed in multiple counterparts, each of which will be deemed an original, but which together shall constitute a single Agreement. This Agreement may be executed by facsimile signature, or an original signature being scanned and forwarded by e-mail.

G. This Agreement shall be governed by the laws of the State of Minnesota.

H. This Agreement shall be interpreted under the laws of the State of Minnesota, and any dispute between the parties shall be governed by and determined in accordance with the substantive laws of the State of Minnesota, which laws shall prevail in the event of any conflict of law.

I. With respect to any legal proceeding arising out this Agreement, or the parties' rights and obligations hereunder, K-BID and Affiliate agree that the exclusive venue for disputes between them shall be the federal courts in the State of Minnesota or state courts in Wright County, Minnesota. Affiliate irrevocably submits to the jurisdiction of such courts and waives any objection the Affiliate may have to either the jurisdiction of, or venue in, such courts.

K-BID ONLINE, INC.

Dated: _____, 20 __.

By: _____
Its _____

AFFILIATE:

Dated: _____, 20 __.

By: _____
Its _____