



STATEMENT OF POLICIES

Effective 1-1-17

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1 POLICIES of A Leisure Life, Inc.

The "A Leisure Life" company Policies are contained in their entirety herein. Applications and Compensation policies are contained elsewhere.

2 INTRODUCTION

The "A Leisure Life" company, also referred to in this document as "Company", provides an opportunity for individuals to enhance their leisure experience through substantially less expensive vacation, travel packages and offered merchandise. Individuals have the opportunity to obtain vacation, travel, and merchandise savings under the A Leisure Life program. In addition, intrepid persons can also find opportunity to introduce A Leisure Life vacations and leisure products to others through a structured program.

There are two classifications of A Leisure Life participants – "Customers"- individuals that only want to apply A Leisure Life benefits to themselves, and Affiliates (independent business owners), which not only apply A Leisure Life benefits to themselves but also wish to provide a buffet of vacation, travel related, and merchandise products to others with significant commissions and bonuses to the Affiliate.

This purpose of this document is to provide the general policies for those Affiliates interested in providing the most incredible leisure life products available. These policies are defined to ensure that strict compliance will be followed in order to maintain standardization of actions on the part of all participating Affiliates.

3 Application, Policies and Compensation Plan Incorporated into Affiliate Agreement

These Policies, in their present form and as may be amended from time to time at the sole discretion of A Leisure Life (hereafter "A Leisure Life" or the "Company"), are incorporated into, and form an integral part of the A Leisure Life Affiliate Agreement. Throughout these Policies, when the term "Agreement" is used, it collectively refers to the Affiliate Agreement, these Policies, the A Leisure Life Compensation Plan ("Compensation Plan"), and the A Leisure Life Customer/Affiliate Application (if applicable). Each of these documents are incorporated by reference into the Affiliate Agreement (all in their current form and as they may be amended from time to time by A Leisure Life). It is the responsibility of each Affiliate to read, adhere to, and ensure that he or she is aware of and operating under the most current version of these Policies. When sponsoring or enrolling a new Customer or Affiliate, it is the responsibility of the sponsoring Affiliate to ensure that the applicant is provided with, or has online access to, the most current version of these Policies and the Compensation Plan (if an Affiliate) prior to his or her execution of the Affiliate Agreement. In the event of a material conflict between the provisions of the Policies, the Affiliate Agreement, and/or the Compensation Plan, the provisions of the Policies shall control.

3.1 Changes to the Agreement

Company reserves the right to amend any portion of the Agreement, including these Policies, the Affiliate Agreement, and the Compensation Plan, as well as its prices, in its sole and absolute discretion. By executing the Affiliate Agreement, an Affiliate agrees to abide by all amendments or modifications that Company elects to make to any and all of these documents. Amendments shall be effective 30 days after publication by the Company of notice that an Agreement has been modified. Notification of amendments shall be published by one or more of the following methods: (1) posting on the Company's official website; (2) electronic mail (e-mail); (3) fax-on-demand; (4) voice mail system broadcast; (5) inclusion in Company periodicals; (6) inclusion in commission or bonus checks or notices; or (7) special mailings. The continuation of an Affiliates business or an Affiliates acceptance of bonuses or commissions constitutes acceptance of any and all amendments.

3.2 Delays

Company shall not be responsible for delays or failures in performance of its obligations when performance is made commercially impracticable due to circumstances beyond its reasonable control. This includes, without limitation, strikes, labor difficulties, riot, war, fire, death, curtailment of a party's source of supply, or government decrees, laws or orders.

3.3 Policies Severable

If any provision of the Agreement, in its current form or as may be amended, is found to be invalid, or unenforceable for any legal reason, only the invalid portion(s) of the provision shall be severed and the remaining terms and provisions shall remain in full force and effect. The severed provision, or portion thereof, shall be reformed to reflect the purpose of the provision as closely as possible.

3.4 Waiver

The Company never gives up its right to insist on compliance with the Agreement and with the applicable laws governing the conduct of a business. No failure of Company to exercise any right or power under the Agreement or to insist upon strict compliance by an Affiliate with any obligation or provision of the Agreement, and no custom or practice of the parties at variance with the terms of the Agreement, shall constitute a waiver of Company's right to demand exact compliance with the Agreement. Waiver by Company can be effectuated only in writing by an authorized officer of the Company. Company's waiver of any particular breach by an Affiliate shall not affect or impair Company's rights with respect to any subsequent breach, nor shall it affect in any way the rights or obligations of any other Affiliate. Nor shall any delay or omission by Company to exercise any right arising from a breach affect or impair Company's rights as to that or any subsequent breach.

The existence of any claim or cause of action of an Affiliate against Company shall not constitute a defense to Company's enforcement of any term or provision of the Agreement.

4 BECOMING AN AFFILIATE

4.1 Requirements to Become an Affiliate

To become an Affiliate, each applicant must:

- ♦ Be of the age of majority in his or her state or country of residence;
- ♦ Reside in the United States or U.S. Territories or country that Company has officially announced is open for business;
- ♦ Have a valid Social Security, Federal Tax ID or other government ID number;
- ♦ Submit a properly completed Affiliate Application to Company either in hard copy or online format with electronic signature;
- ♦ Submit an IRS form W-9. If a valid W-9 is not received by the Company within 60 days from the date of the Applicant's enrollment, the enrollment process will not be finalized and the Affiliate shall not be permitted to become an Affiliate, introduce the Company's products, or participate in the Compensation Plan.

4.2 No Product Purchase Required

No person is required to purchase products offered by Company sites, services or marketing aids, or to pay any charge or fee to become an Affiliate except for the account set-up charge and monthly membership fee. In order to familiarize new Affiliates with Company products, services, marketing techniques and aids, and other matters, the Company recommends that they participate in Company training.

4.3 Affiliate Benefits

Once an Affiliate Application has been accepted by Company, the benefits of the Compensation Plan are available to the new Affiliate. These benefits include the right to:

- ♦ Introduce Customer or Affiliate to the Company to use products and services;
- ♦ Participate in the Company Compensation Plan (receive bonuses and commissions, if eligible);
- ♦ Sponsor other individuals as Customers or Affiliates into the Company business and thereby build a marketing organization and progress through the Company Compensation Plan;
- ♦ Receive periodic Company literature and other Company communications;
- ♦ Participate in Company sponsored support, service, training, motivational and recognition functions, upon payment of appropriate charges, if applicable; and
- ♦ Participate in promotional and incentive contests and programs sponsored by Company for its Affiliates.

4.4 Term and Renewal of Your Company Business

The term of the Affiliate Agreement is one year from the date of its acceptance by Company (subject to reclassification herein). Affiliates must renew their Affiliate Agreement each year by paying an annual renewal fee of \$25 on or before the anniversary date of their Affiliate Agreement. If the renewal fee is not paid within 30 days after the expiration of the current term of the Affiliate Agreement, the Company may, in its discretion, either waive the renewal fee and automatically renew the Affiliate Agreement, or it may charge the Affiliate's credit card on file with the Company in the amount of the renewal fee, unless the Affiliate has specifically instructed in the Company in writing prior to the renewal date that such charge is not authorized. Continuation of an Affiliate's business or continued acceptance of bonuses and commissions constitutes the Affiliate's

acceptance of renewal of the Affiliate Agreement. Affiliates may elect to utilize the Automatic Renewal Program ("ARP"). Under the ARP, the renewal fee will be automatically charged to the Affiliate's credit card on file with the Company. Renewal of an Affiliate Agreement is entirely within the discretion of the Company, and no Affiliate is entitled to renewal following the initial or any successive one year term. If the Company declines to permit renewal of an Affiliate Agreement, it shall provide notice of such non-renewal to the Affiliate.

5 OPERATING A COMPANY BUSINESS

5.1 Adherence to the Company Compensation Plan

Affiliates must adhere to the terms of the Company Compensation Plan as set forth in official Company literature. Affiliates shall not offer the Company opportunity through, or in combination with, any other system, program, or method of marketing other than that specifically set forth in official Company literature. Affiliates shall not require or encourage other current or prospective Customers or Affiliates to execute any agreement or contract other than official Company agreements and contracts in order to become an Affiliate or Customer. Similarly, Affiliates shall not require or encourage other current or prospective Customers or Affiliates to make any purchase from, or payment to, any individual or other entity to participate in the Company Compensation Plan other than those purchases or payments identified as recommended in official Company literature.

5.2 Advertising

5.2.1 General

All Affiliates shall safeguard and promote the good reputation of Company and its products. The marketing and promotion of Company, the Company opportunity, the Compensation Plan, and Company products must avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices.

To promote both the membership and products and services, and the tremendous opportunity the Company offers, Affiliates should use the tools and support materials produced by Company. The Company has carefully designed its membership, Compensation Plan, and promotional materials to ensure that they are promoted in fair, truthful manner that they are substantiated, and the material complies with the legal requirements of federal and state laws.

Company will not permit Affiliates to sell informational aids to other Affiliates. Affiliates may make approved material available to other Affiliates free of charge if they wish, but may not charge other Affiliates for the material.

Company further reserves the right to rescind approval for any tools, promotional materials, advertisements, or other literature, and Affiliates waive all claims for damages or remuneration arising from or relating to such rescission.

5.2.2 AFFILIATE Websites

If an Affiliate desires to utilize an Internet web page to promote his or her business, he

or she may do so through the Company's official website, using official Company templates along with the replicated website identified for their specific use which is included in the monthly fee.

5.2.3 Domain Names

Affiliates may not use or attempt to register any of Company's trade names, trademarks, service names, service marks, product names, the Company's name, or any derivative thereof, for any Internet domain name.

5.2.4 Trademarks and Copyrights

Company will not allow the use of its trade names, trademarks, designs, or symbols by any person, including Affiliates, without its prior, written permission. Affiliates may not produce for sale or distribution any recorded Company events and speeches without written permission from Company, nor may Affiliates reproduce for sale or for personal use any recording of Company-produced audio or video tape presentations.

5.2.5 Media and Media Inquiries

Affiliate must not attempt to respond to media inquiries regarding Company, its products or services, or their independent Company business. All inquiries by any type of media must be immediately referred to Company's Marketing Department or COO. This policy is designed to assure that accurate and consistent information is provided to the public as well as a proper public image.

5.2.6 Unsolicited Email

Company does not permit Affiliates to send unsolicited commercial emails unless such emails strictly comply with applicable laws and regulations including, without limitation, the federal CAN SPAM Act. Any email sent by an Affiliate that promotes Company, the Company opportunity, or Company products and services must comply with the following:

- There must be a functioning return email address to the sender.
- There must be a notice in the email that advises the recipient that he or she may reply to the email, via the functioning return email address, to request that future email solicitations or correspondence not be sent to him or her (a functioning "opt-out" notice).
- The email must include the Affiliate's physical mailing address.
- The email must clearly and conspicuously disclose that the message is an advertisement or solicitation.
- The use of deceptive subject lines and/or false header information is prohibited.
- All opt-out requests, whether received by email or regular mail must be honored. If an Affiliate receives an opt-out request from a recipient of an email, the Affiliate must forward the opt-out request to the Company.

Company may periodically send commercial emails on behalf of Affiliates. By entering into the Affiliate Agreement, Affiliate agrees that the Company may send such emails and that the Affiliate's physical and email addresses will be included in such emails as outlined above. Affiliates shall honor opt-out requests generated as a result of such emails sent by the Company.

5.2.7 Unsolicited Faxes

Except as provided in this section, Affiliates may not use or transmit unsolicited faxes or use an automatic telephone dialing system relative to the operation of their Company businesses. The term "automatic telephone dialing system" means equipment which has the capacity to: (a) store or produce telephone numbers to be called, using a random or sequential number generator; and (b) to dial such numbers. The terms "unsolicited faxes" means the transmission via telephone facsimile of any material or information advertising or promoting Company, its products, its compensation plan or any other aspect of the company which is transmitted to any person, except that these terms do not include a fax or e-mail: (a) to any person with that person's prior express invitation or permission; or (b) to any person with whom the Affiliate has an established business or personal relationship. The term "established business or personal relationship" means a prior or existing relationship formed by a voluntary two way communication between an Affiliate and a person, on the basis of: (a) an inquiry, application, purchase or transaction by the person regarding products offered by such Affiliate; or (b) a personal or familial relationship, which relationship has not been previously terminated by either party.

5.2.8 Use of Company Trademarks and Trade Names

The name of Company and other names as may be adopted by Company are proprietary trade names, trademarks and service marks of Company. As such, these marks are of great value to Company and are supplied to Affiliates for their use only in an expressly authorized manner. Use of Company name on any item not produced by the Company is prohibited except as follows:

Affiliate's Name
Affiliate
For A Leisure Life

5.2.9 Telephone Book Listings and Telephone Propriety

Affiliates may list themselves as an "Affiliate" in the white or yellow pages of the telephone directory under their own name. No Affiliate may place telephone directory display ads using Company's name or logo. Affiliates may not answer the telephone by saying "A Leisure Life Company", "A Leisure Life Incorporated", or in any other manner that would lead the caller to believe that he or she has reached corporate offices of Company.

5.3 Business Entities

A corporation, limited liability company, partnership or trust (collectively referred to in this section as a "Business Entity") may apply to be an Affiliate by submitting an Affiliate Application and Agreement along with a properly completed Business Entity information and a properly completed IRS form W-9. The Business Entity Registration Agreement must be signed by all of the shareholders, members, partners, trustees, or other parties with any ownership interest in, or management responsibilities for, the Business Entity (collectively "Affiliated Parties"). The Business Entity, as well as all Affiliated Parties are individually, jointly and severally liable for any indebtedness to Company, compliance with the Company Policies and Procedures, the Affiliate Agreement, and other obligations to Company.

To prevent the circumvention of Sections herein regarding transfers and assignments of an Company business and regarding Sponsorship Changes, if any Affiliated Party wants to terminate his or her relationship with the Business Entity or Company, the Affiliated Party must terminate his or her affiliation with the Business Entity, notify Company in writing that he or she has terminated his/her affiliation with the Business Entity, and must comply with the provisions herein. In addition, the party foregoing their interest in the Business Entity may not participate in any other Company business for six consecutive calendar months in accordance with Sections herein. If the Business Entity wishes to bring on any new Affiliated Party, it must adhere to the requirements herein.

The modifications permitted within the scope of this paragraph *do not* include a change of sponsorship. Changes of sponsorship are addressed below. There is a \$25 fee for each change requested, which must be included with the written request and the completed Affiliate Application and Agreement. Company may, at its discretion, require notarized documents before implementing any changes to a Company business. Please allow thirty (30) days after the receipt of the request by Company for processing.

5.3.1 Changes to a Business Entity

Each Affiliate must immediately notify Company of all changes to type of business entity they utilize in operating their businesses and the addition or removal of business Affiliates. Changes shall be processed only once per year. All changes must be submitted by November 30 to become effective on January 1 of the following year.

5.4 Change of Sponsor

To protect the integrity of all marketing organizations and safeguard the hard work of all Affiliates, Company strongly discourages changes in sponsorship. Maintaining the integrity of sponsorship is critical for the success of every Affiliate and marketing organization. Accordingly, the transfer of a Company business from one sponsor to another is rarely permitted.

Requests for change of sponsorship must be submitted in writing to the Affiliate Services Department, and must include the reason for the transfer. Transfers will only be considered in the following three circumstances:

5.4.1 Misplacement

In cases in which the new Affiliate is sponsored by someone other than the individual he or she was led to believe would be his or her Sponsor, an Affiliate may request that he or she be transferred to another organization with his or her entire marketing organization intact. Requests for transfer under this policy will be evaluated on a case-by-case basis and must be made within 60 days from the date of enrollment. The Affiliate requesting the change has the burden of proving that he or she was placed beneath the wrong sponsor. It is up to Company's discretion whether the requested change will be implemented.

5.4.2 Manager/Coordinator/Executive Approval

The Affiliate seeking to transfer submits a properly completed and fully executed Sponsorship Transfer Form which includes the written approval of all parties whose income

will be affected by the transfer. Photocopied or facsimile signatures are not acceptable. All Affiliate signatures must be notarized. The Affiliate who requests the transfer must submit a fee of \$50 for administrative charges and data processing. If the transferring Affiliate also wants to move any of the Affiliates in his or her marketing organization, each Affiliate must also obtain a properly completed Sponsorship Transfer Form and return it to Company with the \$50 change fee (i.e., the transferring Affiliate and each Affiliate in his or her marketing organization multiplied by \$50 is the cost to move Company business.) Sub-Affiliates will not be moved with the transferring Affiliate unless all of the requirements of this paragraph are met. Transferring Affiliates must allow thirty (30) days after the receipt of the Sponsorship Transfer Forms by Company for processing and verifying change requests. Company will consider waiving the six month waiting period under exceptional circumstances. Such requests for waiver must be submitted to Company in writing.

In cases wherein the appropriate sponsorship change procedures have not been followed, and a sub-organization has been developed in the second business developed by an Affiliate, Company reserves the sole and exclusive right to determine the final disposition of the sub-organization. Resolving conflicts over the proper placement of an Affiliate that has developed under an organization that has improperly switched sponsors is often extremely difficult. Therefore, **AFFILIATES WAIVE ANY AND ALL CLAIMS AGAINST COMPANY, ITS OFFICERS, DIRECTORS, OWNERS, EMPLOYEES, AND AGENTS THAT RELATE TO OR ARISE FROM COMPANY'S DECISION REGARDING THE DISPOSITION OF ANY ORGANIZATION THAT DEVELOPS BELOW AN ORGANIZATION THAT HAS IMPROPERLY CHANGED LINES OF SPONSORSHIP.**

5.4.3 Cancellation and Re-application

An Affiliate may legitimately change organizations by voluntarily canceling his or her Company business and remaining inactive (*i.e.*, no purchases of Company products for resale, no sales of Company products, no sponsoring, no attendance at any Company functions, participation in any other form of Affiliate activity, or operation of any other Company business, no income from the Company business) for six (6) full calendar months. Following the six-month period of inactivity, the former Affiliate may reapply under a new sponsor, however, the former sub-Affiliate's will remain in their original line of sponsorship.

5.4.4 Placement of Orphan Affiliates

If an Affiliate enrolls without a Sponsor (also called "Orphan Affiliates"), the Company may, in its sole discretion, determine where to place that Affiliate in the Company network of Affiliates. The Company shall consider all reasonable placement requests, but the ultimate placement decision for Orphan Affiliates is entirely up to the Company. Orphan Affiliates shall have no vested rights to placement in any particular position within the Company network, nor shall any Affiliate have any right or claim to placement of any Orphan Affiliates within any particular network.

5.5 Unauthorized Claims and Actions

5.5.1 Indemnification

An Affiliate is fully responsible for all of his or her verbal and written statements made regarding Company products, services, and the Compensation Plan which are not

expressly contained in official Company materials. Affiliates agree to indemnify Company and Company's directors, officers, employees, and agents, and hold them harmless from any and all liability including vacation, travel or product claims, judgments, civil penalties, refunds, attorney fees, court costs, or lost business incurred by Company as a result of the Affiliate's unauthorized representations or actions. This provision shall survive the termination of the Affiliate Agreement.

5.5.2 Product or Service Claims

No claims (which include personal testimonials) as to therapeutic, curative or beneficial properties of any products offered by Company may be made except those contained in official Company literature. In particular, no Affiliate may make any claim that Company products are useful in the cure, treatment, diagnosis, mitigation or prevention of any diseases or warranties, value, usage of any products purchased by websites Affiliated with A Leisure Life or feeding A Leisure Life website.

5.5.3 Income Claims

Because Affiliates do not have the data necessary to comply with the legal requirements for making income claims, an Affiliate, when presenting or discussing the Company opportunity or Compensation Plan to a prospective Affiliate, may not make income projections or income claims. Affiliate may disclose his or her Company income including the showing of checks, copies of checks, bank statements, or tax records with the caveat they are not indicative of possible income levels to be attained.

5.6 Commercial Outlets

Affiliates may not sell Company memberships from a commercial outlet, nor may Affiliates display or sell Company memberships or products/literature in any retail establishment without formal written approval of Company.

5.7 Trade Shows, Expositions and Other Sales Forums

Affiliates may display and/or sell Company products at trade shows and professional expositions with formal written permission from Company. Before submitting a deposit to the event promoter, Affiliates must contact the Affiliate Services Department in writing for conditional approval, as the Company's policy is to authorize only one Company distributor/business per event. Final approval will be granted to the first Affiliate who submits an official advertisement of the event, a copy of the contract signed by both the Affiliate and the event official, and a receipt indicating that a deposit for the booth has been paid. Approval is given only for the event specified. Any requests to participate in future events must again be submitted to the Marketing Department. Company further reserves the right to refuse authorization to participate at any function which it does not deem a suitable forum for the promotion of its products, services, or the Company opportunity. Approval will not be given for swap meets, garage sales, flea markets or farmer's markets as these events are not conducive to the professional image Company wishes to portray.

5.8 Conflicts of Interest

5.8.1 Non-solicitation

Affiliates are free to participate in other multilevel, direct or network marketing business ventures or marketing opportunities (collectively "network marketing") during the term of the Agreement, provided that such other network marketing company does not engage in

the sale, promotion, or advertising of vacation and travel opportunities and related luxury products (a "Competing Business"). The Company may, in its sole discretion, make an exception to this restriction if the Affiliate has a prior and ongoing involvement in a Competing Business at the time he or she joins the Company. However, during the term of this Agreement, Affiliates may not directly or indirectly recruit other Affiliates or Customers for any other network marketing business (other than Company business), regardless of whether such network marketing business is engaged in the sale, promotion, or advertising of vacation and travel opportunities and related luxury products.

Following the cancellation of an Affiliate Agreement, and for a period of twelve (12) calendar months thereafter, regardless of the reason for cancellation, a former Affiliate may not Recruit any Affiliate or Customer to participate, engage, or acquire an interest in, directly or indirectly, any other network marketing business ("Competing Activities"). Affiliates and the Company recognize that because direct marketing is conducted through independent contractors dispersed across the entire United States and internationally, and business is commonly conducted via the internet and telephone, an effort to narrowly limit the geographic scope of this non-solicitation provision would render it wholly ineffective. Therefore, Affiliates and Company agree that the geographic scope of this non-solicitation provision shall extend to anywhere the Company conducts business, either directly or through its Affiliates and Customers.

Notwithstanding this prohibition, it is permissible for an Affiliate to Recruit other Affiliates or Customers for Competing Activities during this 12-month period if the Affiliate or Customer being recruited is either 1) an immediate family Customer of the Affiliate; or 2) an individual whom the Affiliate knew and with whom he or she had a relationship prior to their mutual involvement with the Company, and not someone with whom the Affiliate became acquainted by virtue of their mutual involvement with the Company. In any dispute or action involving the invocation of this exception, the burden shall be on the Affiliate asserting the exception to prove such prior relationship or that the Recruited Affiliate or Customer otherwise falls within the scope of this exception.

The term "Recruit" means the actual or attempted sponsorship, solicitation, enrollment, encouragement, promotion, or effort to influence in any other way, either directly, indirectly (including but not limited to the use of a website), or through a third party, another Affiliate or Customer to enroll or participate in a Competing Activity. This conduct constitutes Recruiting even if the Affiliate's actions are in response to an inquiry or contact made by another Affiliate or Customer.

Each Affiliate stipulates that if he or she violates the terms of this nonsolicitation provision, the Company will be irreparably harmed, and calculation of the full extent of the Company's damages will be difficult. Affiliate therefore stipulates that for each violation of this nonsolicitation provision, the Company shall be entitled to immediate temporary, preliminary, and permanent injunctive relief and liquidated damages from such Affiliate in the amount of \$2,500.00 USD for each occurrence. Each individual or entity Recruited shall constitute a separate occurrence, and separate instances of Recruiting the same individual or entity shall also constitute separate occurrences.

The provisions of this Section shall survive termination of the Affiliate Agreement.

5.8.2 Sale of Competing Goods or Services

Affiliates must not sell, or attempt to sell, any competing non-Company programs, products or services to Company Customers or Affiliates. Any program, product or services in the same generic categories as Company products or services is deemed to be competing, regardless of differences in cost, quality or other distinguishing factors.

5.8.3 AFFILIATE Participation in Other Direct Selling Programs

If an Affiliate is engaged in other non-Company direct selling programs, it is the responsibility of the Affiliate to ensure that his or her Company business is operated entirely separate and apart from any other program. To this end, the following must be adhered to:

- Affiliates shall not display Company promotional material, literature, products or services with or in the same location as any non-Company promotional material, literature, products or services.
- Affiliates shall not offer the Company opportunity, products or services to prospective or existing Customers or Affiliates in conjunction with any non-Company program, opportunity, product or service.
- Affiliates may not offer any non-Company opportunity, products, services or opportunity at any Company related meeting, seminar or convention, or within two hours and a five mile radius of the Company event. If the Company meeting is held telephonically or on the internet, any non-Company meeting must be at least two hours before or after the Company meeting, and on a different conference telephone number or internet web address from the Company meeting.
- Under no circumstances may Affiliates offer any non-Company opportunity, products, services or opportunity to any other current Affiliate or Customer of the Company.

5.8.4 Team Activity Reports and Other Confidential Information

The Company may make available to Affiliates certain information and reports regarding Company business, its network, identity and contact information of Affiliates and Customers, and other information needed to run and grow the Affiliate's business, such as Team Activity Reports (collectively, "Confidential Information"). Team Activity Reports are available for Affiliate access and viewing at Company's official website. Affiliate access to their Team Activity Reports is password protected. **All Team Activity Reports and the information contained therein are confidential and constitute proprietary information and business trade secrets belonging to Company and are protected as such with sanctions taken against the offending Affiliate as determined by the Company at that time.** Team Activity Reports and other Confidential Information are provided to Affiliates in strictest confidence and are made available to Affiliates for the sole purpose of assisting Affiliates in working with their respective Organizations in the development of their Company business. Affiliates should use their Team Activity Reports and other Confidential Information to assist, motivate, and train their sponsored Affiliates. The Affiliate and Company agree that, but for this agreement of confidentiality and nondisclosure, Company would not provide Team Activity

Reports or other Confidential Information to the Affiliate. An Affiliate shall not, on his or her own behalf, or on behalf of any other person, partnership, association, corporation or other entity:

- Directly or indirectly disclose any information contained in any Team Activity Report to any third party;
- Directly or indirectly disclose the password or other access code to his or her Team Activity Report;
- Use any Confidential Information to compete with Company or for any purpose other than promoting his or her Company business;
- Recruit or solicit any Affiliate or Customer of Company listed on any report, or in any manner attempt to influence or induce any Affiliate or Customer of Company, to alter their business relationship with Company; or
- Use or disclose to any person, partnership, association, corporation, or other entity any Confidential Information, including information contained in any Team Activity Report.

Upon the cancellation of a Affiliate's Agreement, regardless of the reason for such cancellation, the Affiliate shall immediately return to the Company any and all Confidential Information in his or her possession, custody, or control.

Each Affiliate stipulates that if he or she violates the terms of this confidentiality provision, the Company will be irreparably harmed. Affiliate therefore stipulates that the Company shall be entitled to immediate temporary, preliminary, and permanent injunctive relief to enforce the terms of this provision, prevent the use and/or disclosure of Confidential Information, and otherwise seek relief to protect its Confidential Information.

The provisions of this Section shall survive termination of the Affiliate Agreement.

5.9 Targeting Other Direct Sellers

Company does not condone Affiliates specifically or consciously targeting the sales force of another direct sales company to sell Company products or to become Affiliates for Company, nor does Company condone Affiliates solicitation or enticement of Customers of the sales force of another direct sales company to violate the terms of their contract with such other company. If any lawsuit, arbitration or mediation is brought against an Affiliate alleging that he or she engaged in inappropriate recruiting activity of its sales force or customers, Company will not pay any of Affiliate's defense costs or legal fees, nor will Company indemnify the Affiliate for any judgment, award, or settlement.

5.10 Cross-Sponsoring

Actual or attempted cross sponsoring is strictly prohibited. "Cross sponsoring" is defined as the enrollment or attempted enrollment of an individual who or entity that already has a current Customer or Affiliate Agreement on file with Company, or who has had such an agreement within the preceding three calendar months, within a different line of sponsorship. The use of a spouse's or relative's name, trade names, DBAs, assumed names, corporations, partnerships, trusts, federal ID numbers, fictitious ID numbers, any straw-man or other artifice to circumvent this policy is prohibited. Affiliates shall not

demean, discredit or defame other Affiliates in an attempt to entice another Affiliate to become part of the first Affiliate's marketing organization. This policy shall not prohibit a sponsorship change in accordance with Section(s) herein.

If Cross Sponsoring is discovered, it must be brought to the Company's attention immediately. Company may take disciplinary action against the Affiliate that changed organizations and/or those Affiliates who encouraged or participated in the Cross Sponsoring. Company may also move all or part of the offending Affiliate's Team to his or her original organization if the Company deems it equitable and feasible to do so. However, Company is under no obligation to move the Cross Sponsored Affiliate's organization, and the ultimate disposition of the organization remains within the sole discretion of Company. **Affiliates waive all claims and causes of action against Company arising from or relating to the disposition of the Cross Sponsored Affiliate's organization.**

5.11 Errors or Questions

If an Affiliate has questions about or believes any errors have been made regarding commissions, bonuses, Team Activity Reports, or charges, the Affiliate must notify Company in writing within 60 days of the date of the purported error or incident in question. Company will not be responsible for any errors, omissions or problems not reported to the Company within 60 days.

5.12 Governmental Approval or Endorsement

Neither federal nor state regulatory agencies or officials approve or endorse any direct selling or marketing companies or programs. Therefore, Affiliates shall not represent or imply that Company or its Compensation Plan have been "approved," "endorsed" or otherwise sanctioned by any government agency.

5.13 Holding Applications

Affiliates must not manipulate enrollments of new applicants. All Affiliate Applications and Agreements must be sent to Company within 72 hours from the time they are signed by an prospective Affiliate or Customer, respectively.

5.14 Identification

All Affiliates are required to provide their Social Security Number, or a Federal Employer Identification Number or other such government approved ID number to Company on the Affiliate Application and Agreement. Upon enrollment, the Company will provide a unique Affiliate Identification Number to the Affiliate by which he or she will be identified. This number will be used to place Customers/Affiliates, track commissions and bonuses.

5.15 Income Taxes

Each Affiliate is responsible for paying local, state, and federal taxes on any income generated as an Affiliate. If a Company business is tax exempt, the Federal tax identification number must be provided to Company. Every year, Company will provide an IRS Form 1099 MISC (Non-employee Compensation) earnings statement to each U.S. resident who had earnings of over \$600 in the previous calendar year.

5.16 Independent Contractor Status

Affiliates are independent contractors, and are not purchasers of a franchise or a business opportunity. The agreement between Company and its Affiliates does not create an employer/employee relationship, agency, partnership, or joint venture between the Company and the Affiliate. Affiliates shall not be treated as an employee for his or her services or for Federal or State tax purposes. All Affiliates are responsible for paying local, state, and federal taxes due from all compensation earned as an Affiliate of the Company. The Affiliate has no authority (expressed or implied), to bind the Company to any obligation. Each Affiliate shall establish his or her own goals, hours, and methods of sale, so long as he or she complies with the terms of the Affiliate Agreement, these Policies, and applicable laws.

5.17 Insurance

You may wish to arrange insurance coverage for your business. Your homeowner's insurance policy does not cover business-related injuries, or the theft of or damage to inventory or business equipment. Contact your insurance agent to make certain that your business property is protected. This can often be accomplished with a simple "Business Pursuit" endorsement attached to your present homeowner's policy.

5.18 International Marketing

Because of critical legal and tax considerations, Company must limit memberships to prospective Customers and Affiliates located within the United States and U.S. Territories and those other countries that the Company has announced are officially opened for business. Moreover, allowing a few Affiliates to conduct business in markets not yet opened by Company would violate the concept of affording every Affiliate the equal opportunity to expand internationally.

Accordingly, Affiliates are authorized to sell memberships to new Customers or Affiliates only in the countries in which Company is authorized to conduct business, as announced in official Company literature. Company information aids cannot be shipped into or sold in any non approved foreign country. Affiliates may sell, give, transfer, or distribute Company products or sales aids only in their home country or approved countries. In addition, no Affiliate may, in any unauthorized country: (a) conduct enrollment or training meetings; (b) enroll or attempt to enroll potential Customers or Affiliates; or (c) conduct any other activity for the purpose of establishing a marketing organization, or promoting the Company opportunity.

5.19 Adherence to Laws and Ordinances

Affiliates shall comply with all federal, state, and local laws and regulations in the conduct of their businesses. Many cities and counties have laws regulating certain home-based businesses. In most cases these ordinances are not applicable to Affiliates because of the nature of their business. However, Affiliates must obey those laws that do apply to them. If a city or county official tells an Affiliate that an ordinance applies to him or her, the Affiliate shall be polite and cooperative, and immediately send a copy of the ordinance to the Compliance Department of Company.

5.20 Minors

A person who is recognized as a minor in his/her state of residence may not be an

Affiliate or Customer. Affiliates shall not sell memberships to minors.

5.20.1 One Company Business Per Affiliate and Per Household

An Affiliate may operate or have an ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, or beneficiary, in only one Company business. No individual may have, operate or receive compensation from more than one Company business. Individuals of the same family unit may not enter into or have an interest in more than one Company business. A "family unit" is defined as spouses and dependent children living at or doing business at the same address.

In order to maintain the integrity of the Company Compensation Plan, husbands and wives or common-law couples (collectively "spouses") who wish to become Affiliates must be jointly sponsored as one Company business. Spouses, regardless of whether one or both are signatories to the Affiliate Application and Agreement, may not own or operate any other Company business, either individually or jointly, nor may they participate directly or indirectly (as a shareholder, partner, trustee, trust beneficiary, or have any other legal or equitable ownership) in the ownership or management of another Company business in any form.

An exception to the one business per Affiliate/household rule will be considered on a case by case basis if two Affiliates marry or in cases of an Affiliate receiving an interest in another business through inheritance. Requests for exceptions to policy must be submitted in writing to the Compliance Department.

5.20.2 Actions of Household Customers or Affiliated Individuals

If any member of an Affiliate's immediate household engages in any activity which, if performed by the Affiliate, would violate any provision of the Agreement, such activity will be deemed a violation by the Affiliate and Company may take disciplinary action pursuant to the Statement of Policies against the Affiliate. Similarly, if any individual Affiliate in any way with a corporation, partnership, LLC, trust or other entity (collectively "Business Entity") violates the Agreement, such action(s) will be deemed a violation by the Business Entity, and Company may take disciplinary action against the Business Entity. Likewise, if an Affiliate enrolls in Company as a Business Entity, each shareholder, officer, member, partner, or other individual or entity with an ownership interest or management responsibility in the Business Entity shall be personally and individually bound to, and must comply with, the terms and conditions of the Agreement.

5.21 Requests for Records

Any request from an Affiliate for copies of invoices, applications, Team activity reports, or other records will require a fee of \$1.00 per page per copy. This fee covers the expense of mailing and time required to research files and make copies of the records.

5.22 Sale, Transfer or Assignment of Company Business

Although a Company business is a privately owned, independently operated business, the sale, transfer or assignment of a Company business, and the sale, transfer, or assignment of an interest in a Business Entity that owns or operates a Company business, is subject to certain limitations. If an Affiliate wishes to sell his or her Company business, or interest in a Business Entity that owns or operates a Company business, the following

criteria must be met:

- The Company must be offered the right of first refusal to purchase the business under the same terms pursuant to which the Affiliate receives a bona fide offer from a third-party purchaser.
- The buyer or transferee must become a qualified Affiliate. If the buyer is an active Affiliate, he or she must first terminate his or her Company business and wait six calendar months before acquiring any interest in a different Company business;
- Before the sale, transfer or assignment can be finalized and approved by Company, any debt obligations the selling party has with Company must be satisfied.
- The selling party must be in good standing and not in violation of any of the terms of the Agreement in order to be eligible to sell, transfer or assign a Company business.

Prior to selling a Company business or Business Entity interest, the selling party must notify Company's Compliance Department in writing and advise of his or her intent to sell the Company business or Business Entity interest. The selling party must also receive written approval from the Compliance Department before proceeding with the sale. No changes in line of sponsorship can result from the sale or transfer of a Company business.

5.23 Separation of a Company Business

Affiliates sometimes operate their Company businesses as husband-wife partnerships, regular partnerships, LLCs, corporations, trusts, or other Business Entities. At such time as a marriage may end in divorce or a corporation, LLC, partnership, trust or other Business Entity may dissolve, arrangements must be made to assure that any separation or division of the business is accomplished so as not to adversely affect the interests and income of other businesses in the line of sponsorship.

During the divorce or entity dissolution process, the parties must adopt one of the following methods of operation:

- One of the parties may, with consent of the other(s), operate the Company business pursuant to an assignment in writing whereby the relinquishing spouse, shareholders, partners or trustees authorize Company to deal directly and solely with the other spouse or non-relinquishing shareholder, partner or trustee.
- The parties may continue to operate the Company business jointly on a "business-as-usual" basis, whereupon all compensation paid by Company will be paid according to the status quo as it existed prior to the divorce filing or dissolution proceedings. This is the default procedure if the parties do not agree on the format set forth above.

Under no circumstances will the Organization of divorcing spouses or a dissolving business entity be divided. Similarly, under no circumstances will Company split commission and bonus checks between divorcing spouses or members of dissolving entities. Company will recognize only one Organization and will issue only one commission check per Company business per commission cycle. Commission checks shall always be issued to the same individual or entity. In the event that parties to a divorce or

dissolution proceeding are unable to resolve a dispute over the disposition of commissions and ownership of the business in a timely fashion as determined by the Company, the Affiliate Agreement shall be involuntarily canceled.

If a former spouse has completely relinquished all rights in the original Company business pursuant to a divorce, he or she is thereafter free to enroll under any sponsor of his or her choosing without waiting six calendar months. In the case of business entity dissolutions, the former partner, shareholder, member, or other entity Affiliate who retains no interest in the business must wait three calendar months from the date of the final dissolution before re-enrolling as an Affiliate. In either case, the former spouse or business Affiliate shall have no rights to any Affiliates in their former organization or to any former retail customer. They must develop the new business in the same manner as would any other new Affiliate.

5.24 Sponsoring Online

When sponsoring a new Affiliate through the online enrollment process, the sponsor may assist the new applicant in filling out the enrollment materials. However, the applicant must personally review and agree to the online application and agreement, Company's Policies, and the Company Compensation Plan. The sponsor may not fill out the online application and agreement on behalf of the applicant and agree to these materials on behalf of the applicant.

5.25 Succession

Upon the death or incapacitation of an Affiliate, his or her business may be passed to his or her heirs. Appropriate legal documentation must be submitted to the Company to ensure the transfer is proper. Accordingly, an Affiliate should consult an attorney to assist him or her in the preparation of a will or other testamentary instrument. Whenever a Company business is transferred by a will or other testamentary process, the beneficiary acquires the right to collect all bonuses and commissions of the deceased Affiliate's marketing organization provided the following qualifications are met. The successor(s) must:

- Execute an Affiliate Agreement;
- Comply with terms and provisions of the Agreement;
- Meet all of the qualifications for the deceased Affiliate's status;
- The devisee must provide Company with an "address of record" to which all bonus and commission checks will be sent;
- If the business is bequeathed to joint devisees, they must form a business entity and acquire a Federal Taxpayer Identification Number. Company will issue all bonus and commission checks and one 1099 to the business entity.

5.25.1 Transfer Upon Death of an Affiliate

To effect a testamentary transfer of an Company business, the executor of the estate must provide the following to Company: (1) an original death certificate; (2) a notarized copy of the will or other instrument establishing the successor's right to the Company business; (3) certified letters testamentary or a letter of administration appointing an executor; and (4) written instructions from the authorized executor to Company specifying to whom the business and income should be transferred.

5.25.2 Transfer Upon Incapacitation of an Affiliate

To effectuate a transfer of an Company business because of incapacity, the successor must provide the following to Company: (1) a notarized copy of an appointment as trustee; (2) a notarized copy of the trust document or other documentation establishing the trustee's right to administer the Company business; and (3) a completed Affiliate Agreement executed by the trustee.

5.26 Telemarketing Techniques

The Federal Trade Commission and the Federal Communications Commission each have laws that restrict telemarketing practices. Both federal agencies (as well as a number of states) have "do not call" regulations as part of their telemarketing laws. Although Company does not consider Affiliates to be "telemarketers" in the traditional sense of the word, these government regulations broadly define the term "telemarketer" and "telemarketing" so that your inadvertent action of calling someone whose telephone number is listed on the federal "do not call" registry could cause you to violate the law. Moreover, these regulations must not be taken lightly, as they carry significant penalties (up to \$11,000 per violation).

Therefore, Affiliates must not engage in telemarketing in the operation of their Company businesses. The term "telemarketing" means the placing of one or more telephone calls to an individual or entity to induce the purchase of a company product or service for the Company. "Cold calls" made to prospective customers or Affiliates that promote either Company's products or services or the Company opportunity constitute telemarketing and are prohibited. However, a telephone call(s) placed to a prospective Customer or Affiliate (a "prospect") is permissible under the following situations:

- If the Affiliate has an established business relationship with the prospect. An "established business relationship" is a relationship between an Affiliate and a prospect based on the prospect's purchase, rental, or lease of goods or services from the Affiliate, or a financial transaction between the prospect and the Affiliate, within the eighteen (18) months immediately preceding the date of a telephone call to induce the prospect's purchase of a product or service.
- The prospect's personal inquiry or application regarding a product or service offered by the Affiliate, within the three (3) months immediately preceding the date of such a call.
- If the Affiliate receives written and signed permission from the prospect authorizing the Affiliate to call. The authorization must specify the telephone number(s), which the Affiliate is authorized to call.
- You may call family members, personal friends, and acquaintances. An "acquaintance" is someone with whom you have at least a recent first-hand relationship within the preceding three months. Bear in mind, however, that if you engage in "card collecting" with everyone you meet and subsequently calling them, the FTC may consider this a form of telemarketing that is not subject to this exemption. Thus, if you engage in calling "acquaintances," you must make such

calls on an occasional basis only and not make this a routine practice.

- In addition, Affiliates shall not use automatic telephone dialing systems relative to the operation of their Company businesses. The term "automatic telephone dialing system" means equipment that has the capacity to: (a) store or produce telephone numbers to be called, using a random or sequential number generator; and (b) to dial such numbers.

5.27 Back Office Access

Company makes online back offices available to its Affiliates. Back offices provide Affiliates access to confidential and proprietary information that may be used solely and exclusively to promote the development of an Affiliates Company business and to increase Company memberships. However, access to a back office is a privilege, and not a right. Company reserves the right to deny Affiliates' access to the back office at its sole discretion. All of the information accessed by Affiliates at the back office constitutes Confidential Information, as that term is defined above, subject to the provisions of these Policies.

6 RESPONSIBILITIES OF AFFILIATES

6.1 Change of Address, Telephone, and E-Mail Addresses

To ensure timely delivery of support materials, and commission checks, it is critically important that the Company's files are current. Street addresses are required for shipping since UPS cannot deliver to a post office box. Affiliates planning to change their e-mail address or move must send their new address and telephone numbers to Company's Corporate Offices to the attention of the Affiliate Services Department or Affiliates must amend their contact information through their Affiliates Back Office. To guarantee proper delivery, two weeks advance notice must be provided to Company on all changes.

6.2 Continuing Development Obligations

6.2.1 Ongoing Training

Any Affiliate who sponsors another Affiliate into Company must perform a bona fide assistance and training function to ensure that his or her team is properly operating his or her Company business. Affiliates must have ongoing contact and communication with the Affiliates in their Organizations. Examples of such contact and communication may include, but are not limited to: newsletters, written correspondence, personal meetings, telephone contact, voice mail, electronic mail, and the accompaniment of Affiliates to Company meetings, training sessions, and other functions. Affiliates are also responsible to motivate and train new sponsored Affiliates in Company product knowledge, effective techniques, the Company Compensation Plan, and compliance with Company Policies. Communication with and the training of sponsored Affiliates must not, however, violate the Section herein regarding the development of Affiliate produced promotional materials.

Affiliates should monitor the Affiliates in their Organizations to guard against Affiliates making improper product or business claims, or engaging in any illegal or inappropriate

conduct.

6.2.2 Increased Training Responsibilities

As Affiliates progress through the various levels of leadership, they will become more experienced in techniques, product knowledge, and understanding of the Company program. They will be called upon to share this knowledge with lesser experienced Affiliates within their organization.

6.2.3 Ongoing Responsibilities

Regardless of their level of achievement, Affiliates have an ongoing obligation to continue to personally promote memberships through the generation of new Affiliates & Customers and through servicing their existing Customers/Affiliates.

6.3 Non-disparagement

Company wants to provide its Affiliates with the best products, compensation plan, and service in the industry. Accordingly, we value your constructive criticisms and comments. All such comments should be submitted in writing to the Legal Department. Remember, to best serve you, we must hear from you! While Company welcomes constructive input, negative comments and remarks made in the field by Affiliates about the Company, its products, or compensation plan serve no purpose other than to sour the enthusiasm of other Affiliates. For this reason, and to set the proper example, Affiliates must not disparage, demean, or make negative remarks about Company, other Affiliates, Company's products, the Compensation plan, or Company's directors, officers, or employees.

6.4 Providing Documentation to Applicants

Affiliates must provide the most current version of the Policies and the Compensation Plan to individuals whom they are sponsoring to become Customers/Affiliates before the applicant signs an Agreement. Additional copies of Policies can be downloaded from Company's website.

6.5 Reporting Policy Violations

Affiliates observing a Policy violation by another Affiliates should submit a written report of the violation directly to the attention of the Company Compliance Department. Details of the incidents such as dates, number of occurrences, persons involved, and any supporting documentation should be included in the report.

7 MEMBERSHIP SALES REQUIREMENTS

7.1 Membership Sales

The Company Marketing & Compensation Plan is based on selling memberships to Customers or Affiliate's for the Company. Affiliates must be current on their membership fees as well as meet other responsibilities set forth in the Agreement to be eligible for bonuses and commissions.

7.2 No Territory Restrictions

There are no exclusive territories granted to anyone. No franchise fees are required.

8 BONUSES AND COMMISSIONS

8.1 Bonus and Commission Qualifications

An Affiliate must be active and in compliance with the Agreement to qualify for bonuses and commissions. So long as an Affiliate complies with the terms of the Agreement, Company shall pay commissions to such Affiliate in accordance with the Compensation plan. All commissions owed an Affiliate, regardless of the amount accrued, will be paid via payment card at the end of each fiscal year.

8.2 Adjustment to Bonuses and Commissions

8.2.1 Commission Payment

The Company may pay commissions via a hard-copy check, direct deposit or application of funds to a debit type card (payment card).

8.2.2 U.S. Tax Withholdings

If an U.S. Affiliate fails to submit a W-9 form, Company will not pay commissions or bonus payments until the W-9 is supplied by the Affiliate and hence the Company will not be required to withhold taxes.

8.3 Reports

All information provided by Company in online or telephonic team activity reports, including but not limited to personal and group sales volume (or any part thereof), and sponsoring activity is believed to be accurate and reliable. Nevertheless, due to various factors including but not limited to the inherent possibility of human, digital, and mechanical error; the accuracy, completeness, and timeliness of orders; denial of credit card and electronic check payments; returned products; credit card and electronic check charge-backs; the information is not guaranteed by Company or any persons creating or transmitting the information.

ALL PERSONAL AND TEAM VOLUME INFORMATION IS PROVIDED "AS IS" WITHOUT WARRANTIES, EXPRESS OR IMPLIED, OR REPRESENTATIONS OF ANY KIND WHATSOEVER. IN PARTICULAR BUT WITHOUT LIMITATION THERE SHALL BE NO WARRANTIES, FITNESS FOR A PARTICULAR USE, OR NON-INFRINGEMENT.

TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, COMPANY AND/OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION WILL IN NO EVENT BE LIABLE TO ANY AFFILIATE OR ANYONE ELSE FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES THAT ARISE OUT OF THE USE OF OR ACCESS TO PERSONAL AND/OR TEAM VOLUME INFORMATION (INCLUDING BUT NOT LIMITED TO LOST PROFITS, BONUSES, OR COMMISSIONS, LOSS OF OPPORTUNITY, AND DAMAGES THAT MAY RESULT FROM INACCURACY, INCOMPLETENESS, INCONVENIENCE, DELAY, OR LOSS OF THE USE OF THE INFORMATION), EVEN IF COMPANY OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION SHALL HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. TO THE FULLEST EXTENT PERMITTED BY LAW, COMPANY OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION SHALL HAVE NO RESPONSIBILITY OR LIABILITY TO YOU OR ANYONE ELSE UNDER ANY TORT, CONTRACT, NEGLIGENCE, STRICT

LIABILITY, PRODUCTS LIABILITY OR OTHER THEORY WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT OR TERMS AND CONDITIONS RELATED THERETO.

Access to and use of Company's online and telephone reporting services and your reliance upon such information is at your own risk. All such information is provided to you "as is". If you are dissatisfied with the accuracy or quality of the information, your sole and exclusive remedy is to discontinue use of and access to Company' online and telephone reporting services and your reliance upon the information.

9 REFUNDS AND CANCELLATIONS

Customer service is important to us. We desire happy Customers and will work to correct the situation equitably. We will process a Reversal or an Adjustment within 30 calendar days if we processed a Transaction in error after you notify us of such error and allowing us the opportunity to validate it. This information is listed on the application:

As per application line items, you may cancel your membership participation within three (3) business days (5 days in Alaska, 15 days for Montana residents, or as dependent upon state laws) of the date of your Application and receive a full refund of the initial membership set up fees, if any have been paid.

The Application Agreement will remain in effect until you: (1) elect to alter or change any aspect of this Agreement by submitting a new signed Application; (2) send, in writing or email, your cancellation of your participation in the Program to A Leisure Life at PO Box 504 Draper, Utah 84070 or to CustomerService@aLeisureLife.com. (Notice must include your signature, printed name, address, and Affiliate Identification Number), or (3) stop payment of any withdrawals by A Leisure Life by notifying your issuing bank at least three days prior to the scheduled charging of your account.

Notice of cancellation must be received five days prior to the next scheduled membership fee due date in order to avoid charges for that month. If a cancellation notice is received in less than five days prior to the monthly membership due date, cancellation will become effective in the month following the month in which your notice of cancellation is received by A Leisure Life.

Fees are earned when paid as the services are provided within 72 hours of your application. Upon accepting any bonus or commission from the company, you acknowledge you have used the services and the fees paid have then been earned.

Available on the Application:

NOTICE OF RIGHT TO CANCEL

You may CANCEL this transaction, without any penalty or obligation, within THREE BUSINESS DAYS from the above date (5 business days for Alaska residents). If you cancel any payments made by you under this application and any negotiable instrument executed by you will be returned within FOURTEEN BUSINESS DAYS following receipt by A Leisure Life of your cancellation notice, and any security interest arising out of the transaction will be canceled. If you cancel, you must make available to A Leisure Life, in substantially as good condition as when received, any goods delivered to you under this application, or you may, if you wish, comply with the instructions of A Leisure Life regarding the return shipment of the goods at your expense and risk. If you do make the goods available to the nearest A Leisure Life location within 10 days of the date of your Notice of Cancellation, you may retain or dispose of the goods without any further obligation or return

of any payment for the non-return of any goods. If you fail to make the goods available to A Leisure Life, or if you agree to return the goods to A Leisure Life and fail to do so, then you remain liable for performance of all obligations under the Agreement.

To cancel this transaction, mail, email or deliver a signed and dated copy of this Cancellation Notice or any other written notice, to A Leisure Life, PO Box 504 Draper, Utah 84070 or to CustomerService@aLeisureLife.com, NOT LATER THAN MIDNIGHT of the third business day following the application date .

I HEREBY CANCEL THIS TRANSACTION. ⇨ ONLY SIGN IF CANCELLING MEMBERSHIP ⇩

Buyer's Signature _____ Date _____

10 DISPUTE RESOLUTION AND DISCIPLINARY PROCEEDINGS

10.1 Disciplinary Sanctions

Violation of the Agreement, these Policies, violation of any common law duty, including but not limited to any applicable duty of loyalty, any illegal, fraudulent, deceptive or unethical business conduct, or any act or omission by an Affiliate that, in the sole discretion of the Company may damage its reputation or goodwill (such damaging act or omission need not be related to the Affiliate's Company business), may result, at Company's discretion, in one or more of the following corrective measures:

- Issuance of a written warning or admonition;
- Requiring the Affiliate to take immediate corrective measures;
- Imposition of a fine, which may be withheld from bonus and commission checks;
- Loss of rights to one or more bonus and commission payments;
- Company may withhold from an Affiliate all or part of the Affiliate's bonuses and commissions during the period that Company is investigating any conduct allegedly in violation of the Agreement. If an Affiliate's business is canceled for disciplinary reasons, the Affiliate will not be entitled to recover any commissions withheld during the investigation period;
- Suspension of the individual's Affiliate Agreement for one or more pay periods;
- The removal or transfer of Affiliates in your downline organization;
- Involuntary termination of the offender's Affiliate Agreement;
- Suspension and/or termination of the offending Affiliate's Company website or website access;
- Any other measure expressly allowed within any provision of the Agreement or which Company deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the Affiliate's policy violation or contractual breach;
- In situations deemed appropriate by Company, the Company may institute legal proceedings for monetary and/or equitable relief.

10.2 Grievances and Complaints

When an Affiliate has a grievance or complaint with another Affiliate regarding any practice or conduct in relationship to their respective Company businesses, the complaining Affiliate should first report the problem to his or her Sponsor who should review the matter and try to resolve it with the other party's sponsor. If the matter involves interpretation or violation of Company policy, it must be reported in writing to the

Affiliate Services Department at the Company. The Affiliate Services Department will review the facts and attempt to resolve it.

10.3 AFFILIATE Claims Against the Company

In any matter arising under or relating to this Agreement or Affiliate's business, Affiliate's sole remedy, if any, shall be against the Company. In no event shall Affiliate have a claim, whether in tort, contract, or otherwise, against the Company's officers, directors, managers, employees, agents, shareholders, Affiliates, parents, subsidiaries, or other similar entities.

10.4 Governing Law, Jurisdiction and Venue

Mandatory and exclusive jurisdiction and venue of any claim, dispute, matter, controversy, or action that arises out of or relates to the Agreement, including tort, equitable, injunctive, and extra-contractual claims, shall be solely in the federal and state courts situated in Salt Lake County, State of Utah, U.S.A., to the exclusion of all other venues and fora. Affiliates hereby waive any objection in such actions based on venue or forum non conveniens. The law of the State of Utah shall govern all matters relating to or arising from the Agreement or the breach thereof, including claims at law or equity, contract-based, tort-based, and/or otherwise, without regard to principles of conflicts of laws. The institution of an action or proceeding by an Affiliate against the Company in another venue or forum in violation of this provision shall be a material breach of the Agreement causing the Company irreparable harm, and Affiliate agrees and stipulates that the Company shall be entitled to temporary, preliminary, and permanent anti-suit injunctive relief to enforce this provision.

10.4.1 Louisiana Residents

Notwithstanding the foregoing, residents of the State of Louisiana shall be entitled to bring an action against Company in their home forum and pursuant to Louisiana law.

11 PAYMENT

11.1 Returned Checks, Credit Cards & other forms of payment

All checks and credit card payments returned by an Affiliate's bank for insufficient funds will be re-submitted for payment. A \$25 returned fee will be charged to the account of the Affiliate. After receiving a returned check/credit card from a Customer or an Affiliate, ***all future orders must be paid by Credit Card, money order or cashier's check. Any outstanding balance owed to Company by an Affiliate for NSF checks and returned check fees will be withheld from subsequent bonus and commission checks.***

11.2 Restrictions on Third Party Use of Credit Cards and Checking Account Access

Affiliates shall not permit other Affiliates or Customers to use his or her credit card, or permit debits to their checking accounts, to enroll or to make membership payments to the Company.

11.3 Sales Taxes

In designing the Company opportunity, one of our guiding philosophies has been to free Affiliates from as many administrative, operational, and logistical tasks as possible. In doing so, Affiliates are free to concentrate on those activities that directly affect their incomes. To these ends, Company relieves Affiliates of the burdens of collecting and remitting sales taxes, filing sales tax reports, and keeping records relative to sales taxes.

By virtue of its business operations, Company is required to charge sales taxes on all purchases (not memberships) made by Affiliates and Customers, and remit the taxes charged to the respective states. Accordingly, Company will collect and remit sales taxes on behalf of Affiliates, based on the suggested retail price of informational materials, according to applicable tax rates in the state or province to which the shipment is destined. If an Affiliate has submitted, and Company has accepted, a current Sales Tax Exemption Certificate and Sales Tax Registration License, sales taxes will not be added to the invoice and the responsibility of collecting and remitting sales taxes to the appropriate authorities shall be on the Affiliate. Exemption from the payment of sales tax is applicable only to orders which are shipped to a state for which the proper tax exemption papers have been filed and accepted. Applicable sales taxes will be charged on orders that are drop-shipped to another state. Any sales tax exemption accepted by Company is not retroactive.

12 INACTIVITY, RECLASSIFICATION, AND CANCELLATION

12.1 Effect of Cancellation

So long as an Affiliate provides valid and cleared payment of the monthly membership fee and complies with the terms of the Affiliate Application and these Policies, Company shall pay commissions to such Affiliate in accordance with the Compensation Plan. An Affiliate's bonuses and commissions constitute the entire consideration for the Affiliate's efforts in generating activities related to memberships from new Customer and Affiliates (including building an organization). Following an Affiliate's non-renewal of his or her Affiliate Agreement, voluntary or involuntary cancellation of their Affiliate Agreement, the former Affiliate shall have no right, title, claim or interest to the marketing organization which he or she operated, or any commission or bonus from the memberships generated by the organization. **An Affiliate whose business is cancelled will lose all rights as an Affiliate. This includes the right to sell memberships for the Company and the right to receive future commissions, bonuses, or other income resulting from other activities of the Affiliate's former organization. In the event of cancellation, Affiliates agree to waive all rights they may have, including but not limited to property rights, to their former organization and to any bonuses, commissions or other remuneration derived from activities of his or her former organization.**

Following an Affiliate's cancellation of his or her Affiliate Agreement, the former Affiliate shall not hold himself or herself out as an Affiliate and shall not have the right to sell memberships for the Company. An Affiliate whose Affiliate Agreement is canceled shall receive commissions and bonuses only for the last full pay period he or she was active prior to cancellation (less any amounts withheld during an investigation preceding an

involuntary cancellation).

12.2 Cancellation Due to Non-Payment of Monthly Membership Fee.

If an Affiliate has not paid the Monthly Membership fee within 6 days of the due date and due to the fact the monthly dues are collected in arrears, then no further commissions will be paid on this specific account. Commissions are stopped.

If an Affiliate has not paid the Monthly Membership fee for two (2) months the Affiliates position will become an "inactive" status and the Affiliate will be terminated.

The Company may, in its discretion, once a written request from the Affiliates has been received explaining the hardship, either work with the Affiliate to allow them to catch up on past due Monthly Membership fees (without waiver of the Company's right to collect or insist on payment of future Monthly Membership fees), or it may charge the Affiliate's credit card on file with the Company in the amount of the due and owing fees, unless the Affiliate has specifically instructed in the Company in writing prior to that time that such charge is not authorized. Continuation of an Affiliate's business or continued acceptance of bonuses and commissions constitutes the Affiliate's acceptance of such credit card charges as payment for Monthly Membership fees.

12.3 Involuntary Cancellation

An Affiliate's violation of any of the terms of the Agreement, including any amendments that may be made by Company in its sole discretion, may result in any of the sanctions listed herein, including the involuntary cancellation of his or her Affiliate Agreement. Cancellation shall be effective on the date on which written notice is mailed, emailed, faxed, or delivered to an express courier, to the Affiliate's last known address, email address, or fax number, or to his/her attorney, or when the Affiliate receives actual notice of cancellation, whichever occurs first.

Company reserves the right to terminate all Affiliate Agreements upon thirty (30) days written notice in the event that it elects to: (1) cease business operations; (2) dissolve as a corporate entity; or (3) terminate memberships via direct contact by Affiliate's.

If an Affiliate Agreement is involuntarily cancelled pursuant to this Section, the Affiliate position will remain in its current position in the Company organizational network, and its downline organization will remain intact until the Company has recouped all costs and losses, including attorneys fees, associated with the Affiliate Agreement cancellation and the events that are connected with or led to the cancellation. This provision includes all costs, fees, and expenses associated with litigation that may result from or be connected with such cancellation. Once the Company determines, in its sole discretion, that it has recouped all such costs and losses, the cancelled Affiliate position may be terminated from the Company's organizational network, and the downline organization may roll-up to the immediately upline Affiliate, all in the discretion of the Company. No Affiliate shall have any vested right or claim in the roll-up of any vacated position in the Company's organizational network, regardless of whether the position has been vacated through voluntary cancellation, involuntary cancellation, or otherwise. The decision whether to roll-up a particularly position after it is vacated is always within the sole discretion of the Company.

12.4 Voluntary Cancellation

A participant in this marketing plan has a right to cancel at any time, regardless of

reason. Cancellation must be submitted in writing to the Company at its principal business address and prior to 5 days before the next billing cycle in order for the billing to be stopped. The written notice must include the Affiliate's signature, printed name, address, and Affiliate ID Number.

12.5 Non-renewal

An Affiliate may voluntarily cancel his or her Affiliate Agreement by failing to renew the Agreement on its anniversary date. The Company may also elect not to renew an Affiliate's Agreement upon its anniversary date.

12.6 Return of All Confidential Information

Upon the cancellation of an Affiliate Agreement, whether voluntary, involuntary, or otherwise, the Affiliate must immediately return to the Company all Confidential Information (as that term is defined above) in the possession, custody, or control of the Affiliate, regardless of the form thereof, whether in paper, electronic records, email, phone, or physical address books, or any other storage media, and must certify to the Company in writing that this obligation has been fully and completely discharged. Failure to satisfy this obligation constitutes a violation of these Policies. This section shall survive termination of the Agreement.

13 DEFINITIONS

Active Customer — A Customer who has an active membership with the Company and whose account has been paid for the ensuing month.

Active Affiliate — An Affiliate who satisfies the minimum requirements herein to ensure that he or she is eligible to receive bonuses and commissions.

Active Rank — The term "active rank" refers to the current rank of an Affiliate, as determined by the Company Compensation Plan, for any month. To be considered "active" relative to a particular rank, an Affiliate must meet the criteria set forth in the Company Compensation Plan for his or her respective rank. *(See the definition of "Rank" below.)*

Agreement - The contract between the Company and each Affiliate includes the Affiliate Application and Agreement, the Policies, the Compensation Plan, and the Business Entity Form (where appropriate), all in their current form and as amended by Company in its sole discretion. These documents are collectively referred to as the "Agreement."

Cancel — The termination of an Affiliate's business. Cancellation may be either voluntary, involuntary, through non-renewal or inactivity.

Genealogy Report — A monthly report generated by Company that provides critical data relating to the identities of Affiliates, Customers, and enrollment activity of each Affiliate's Marketing Organization. This report contains confidential and trade secret information, which is proprietary to Company. This definition includes Team Activity Reports.

Immediate Household — Heads of household and dependent family members residing in the same house through the age of 23.

Initial Sign up fee – Is comprised of product fee, application fee and administrative and processing fees. This may be subject to change over time and is applied when someone joins as a customer or an Affiliate.

Level — The layers of Customers and Affiliates in a particular Affiliate’s Marketing Organization. This term refers to the relationship of an Affiliate relative to a particular Affiliate, determined by the number of Affiliates between them who are related by sponsorship. For example, if A sponsors B, who sponsors C, who sponsors D, who sponsors E, then E is on A’s fourth level.

Marketing Organization — The Customers and Affiliates sponsored below a particular Affiliate.

Official Company Material — Literature, audio or videotapes, and other materials developed, printed, published and distributed by Company to Affiliates.

Rank — The “title” of a Customer or Affiliate pursuant to the Company Compensation Plan.

Recruit — The term “Recruit” means the actual or attempted sponsorship, solicitation, enrollment, encouragement, promotion, or effort to influence in any other way, either directly, indirectly (including but not limited to the use of a website), or through a third party, another Affiliate or Customer to enroll or participate in a Competing Activity. This conduct constitutes Recruiting even if the Affiliate’s actions are in response to an inquiry or contact made by another Affiliate or Customer.

Customer — An individual who becomes a Customer and may purchase Company offered products but who is not a participant in the Company Compensation Plan.

Sponsor — An Affiliate who places a new Affiliate or Customer, and is listed as the sponsor on the Affiliate or Customer Application.

14 NEW MEMBER AGREEMENTS

You agree to each of these following statements by as these statements are important:

I authorize A Leisure Life (or their vendors) to send me communications in the form of email, mail, text, electronic, paper, telephonic or other method.

I authorize A Leisure Life to enroll me as a Customer as selected herein.

If I may also elect to be an Affiliate (Independent Business Owner) as selected herein and authorize A Leisure Life to enroll me as such.

I understand that I have unlimited usage in the A Leisure Life Program and have all rights associated therein. When I use all my allocated Rewards Cash for the year then I no longer have the added discount afforded to me via Rewards Cash for that year as I have spent it all. Many items may still be purchased but the price guarantee will not support the lack of Rewards Cash to ensure the lowest price since you have no more Rewards Cash

to use. The pricing on Resorts is not affected by Rewards Cash and continue to be a quality deal on their own.

I understand that A Leisure Life is for my personal use and those living in my immediate household under age 23. One membership cannot be used for multiple households. While I understand I may use this membership to benefit my business, my employees and other business acquaintances must purchase their own package from A Leisure Life.

I understand that I cannot rent or sell my membership and/or product from the system for profit. I have not been induced to purchase based on investment or return of any kind. I understand there are no verbal representations that have been made. Everything pertaining to this agreement is in writing and has been provided or was accessible to me prior to my electronic signature herein.

I understand that this is Organization was developed for my usage and there is no real estate or ownership involved. I understand A Leisure Life has no ownership in any of the partners/vendors products.

I understand I am not obligated to a long term contract as I am signing on with a month to month membership. The initial one time sign-up fee & monthly customer dues differ by product. The initial one time sign up fee is earned 3 days after it is paid as your service starts and resort accommodations are available to you immediately with hotels et al within 48 hours hence the set up fees are earned as the service has been provided for your use. **Neither initial fee nor monthly dues are refundable after 3 days (except as published within State laws should State laws allow a longer time frame) since we pay activation fees for your account.** Customer Monthly Dues automatically renew every month unless canceled in **writing 5 days ahead of monthly fee withdrawal date.**

I understand when I pay monthly dues and/or accept commissions that I agree to the then current company policies.

I understand that there is no financial requirement to become a Customer or Affiliate of A Leisure Life other than the one time initial fee, monthly dues, and annual renewal fee to continue the membership. No other product purchase is required. Once my application is accepted, I understand that I may access information online that contains product information and Affiliate materials, if any, and that I will be entitled to all services A Leisure Life provides to its Customers or Affiliate's, depending on my status.