



Resorts360 Independent Associate Agreement Terms and Conditions Effective – 10/01/09

To become a Resorts360 Independent Associate, you must; a) Be of legal age in his or her state or country of residence; b) If you reside in the United States or U.S. Territories you must have a valid Social Security or Federal Tax ID number; c) Purchase an Associate Business System (not applicable in North Dakota); and d) Submit a properly completed (originals only - no copies) and signed Associate Agreement to Resorts360 or enroll electronically as an Independent Sales Associate via your Enroller's Resorts360 internet website. The Company reserves the right to reject any Independent Sales Associate Agreement.

Associate Business System (ABS): \$99.00 In order to familiarize new Associate with Resorts360 products, services, sales techniques, sales aids, and other matters, the Company requires that Associate purchase an Associate Business System ("ABS") (Optional in North Dakota). Except for the purchase of the at-cost ABS, no person is required to purchase Resorts360 products, services or sales aids, or to pay any charge or fee to become an Associate. The ABS is an online tool that includes a Personalized Website and Back Office System as well as an online Training Program with essential Sales and Marketing tools to help Associates build their Resorts360 business. The ABS purchase price is \$99.00 annually.

Resorts360 Vacation Club Terms & Conditions

The Application & Agreement, Policies & Procedures are specifically incorporated herein by reference. They, along with these Terms & Conditions, form the Agreement between: Resorts360("Company") and all Resorts360 customer/customer associates. They shall be effective only upon acceptance by the Company, at its principal office.

REFUND POLICY

If any Customer is unsatisfied with any Resorts360 product or service purchased the Customer may cancel the service within five (5) calendar days for a full 100% refund of the purchase price. Send your refund request to cs@resorts360.net.

Where state laws on refunds are inconsistent with this policy, the applicable state law shall apply. Resorts360 reserves the right to issue refunds at any later time frame, at its sole discretion. Customers who purchases a Resorts360 product/service with a credit card agree to not do a "charge back" on their credit card but instead will work directly with the company for any refunds.

1.02 NO FEE OR PURCHASE REQUIRED

No initial fee, charge or wholesale purchase is required to become an Independent Associate.

1.03 Independent Associate OBLIGATIONS & RIGHTS

Independent Associate are authorized to sell Company products and services and to participate in the Independent Associate Compensation Plan. Independent Associate may sponsor new Independent Business Owners.

1.04 LEGAL AGE

Independent Associate must be of legal age in the state / province / country of their residence.

1.05 DIVORCE

When a couple sharing Independent Associate entity divorces or separates, Company will continue to pay commission checks in the same manner as before the divorce or separation until it receives written notice signed by both parties or a court decree which specifies how future commission checks should be paid, provided and if applicable, the couple has complied with the requirements of Section 5.03.

1.06 CORPORATIONS, PARTNERSHIPS & TRUSTS

Corporations, Partnerships, Limited Liability Companies or other forms of business organizations or trusts may become Independent Associate of Company when the Agreement is accompanied by a Federal Tax ID Number. Shareholders, directors, officers, partners, distributors, beneficiaries and trustees, as applicable of Independent Associate entity must agree to hold such title, and Company will hold each personally liable and bound by the Agreement and these Policies and Procedures and Terms and Conditions.

1.07 FICTITIOUS OR ASSUMED NAMES

A person or entity may not apply as Independent Associate using a fictitious or assumed name.

1.08 INDEPENDENT CONTRACTOR STATUS

Independent Associate are Independent Contractors responsible for determining their own activities without direction or control by Company. They are not franchisees, joint venture, partners, employees or agents of Company and are prohibited from stating or implying, whether orally or in writing, otherwise. Independent Associates have no authority to bind Company to any obligation. Company is not responsible for payment or co-payment of any employee benefits. Independent Associate are responsible for liability, health disability and worker's compensation insurance. Independent Associates set their own hours and determine how to conduct business, subject to Company Agreement and the Policies & Procedures and Terms and Conditions.

1.09 TAXATION

As Independent Contractors, Independent Associate will not be treated as franchisees, owners, employees or agents of Company for federal or state tax purposes including, with respect to the Internal Revenue Code, Social Security Act, Federal Unemployment Act, State Unemployment Acts or any other federal, state, or local statute, ordinance, rule or regulation. At the end of each calendar year, Company will issue to each Independent Associate IRS Form 1099, as required by law, or other applicable documentation for non-employee compensation as an Independent Business Owner.

1.10 Independent Associate IDENTIFICATION NUMBER

Independent Associate are required by federal law to obtain a Social Security number or Federal Tax ID number. Independent Associate will be identified by this number, or a company assigned number, for purposes of Company's business. The Independent Associate assigned Identification Number must be placed on all orders and correspondence with the Company.

1.11 LEGAL COMPLIANCE

Independent Associate must comply with all country, federal, state and local statutes, regulations and ordinances concerning the operation of their business. Independent Associate are responsible for their own managerial decisions and expenditures including all estimated income and self-employment taxes.

1.12 NO EXCLUSIVE TERRITORIES

No franchise is granted and there are no exclusive territories for sales or sponsoring purposes. No geographical limitations exist on sponsoring or selling within the United States; provided, however, that Company reserves the right not to sell product or services or contract with Independent Associate in specified states within the United States.

SECTION TWO: TERM & RENEWAL

2.01 TERM

Subject to the terms of Section 4.01, the Agreement shall have a term which shall begin on the date of acceptance by Company and end one year from the date thereof (the "Anniversary Date").

2.02 RENEWAL

Independent Associate must renew annually, on the Anniversary Date and Independent Associate has the right to decline to accept any renewal at its sole discretion. Company may require that Independent Associate execute a new Agreement upon renewal. Independent Associate not renewing by the renewal date shall be deemed to have voluntarily terminated their Independent Associate relationship with Company, and thereby lose their Independent Associate entity, all sponsorship rights, their position in the Compensation Plan and all rights to commissions and bonuses. Independent Associate who fail to renew their Independent Associate status may not reapply under a new sponsor for six (6) months after non-renewal.

SECTION THREE: SPONSORSHIP

3.01 SPONSORING

Independent Associate may sponsor other Independent Associate into Company's business. Independent Associate must ensure that each potential new Independent Associate has reviewed and has had access to the current Policies & Procedures, Terms and Conditions and Compensation Plan prior to or when giving the individual an Agreement.

3.02 MULTIPLE AGREEMENTS

If an applicant submits multiple Independent Associate which list different sponsors, only the first completed Agreement received by Company will be accepted.

3.03 TRAINING REQUIREMENT

A Sponsor must maintain an ongoing professional leadership association with Independent Associate in his or her organization and must fulfill the obligation of performing a bona fide supervisory or sales function in the sale or delivery of products and services.

3.04 INCOME CLAIMS

Independent Associate must truthfully and fairly describe the Compensation Plan. No past, potential or actual income claims may be made to prospective Independent Associate, nor may Independent Associate use their own incomes as indications of the success assured to others. Commission checks may not be used as marketing materials. Independent Associate may not guarantee commissions or estimate expenses to prospects.

3.05 TRANSFER OF SPONSORSHIP

The company does not permit the transfer of sponsors. Direct Sales is a business of creating relationships. Once an Independent Associate is sponsored, the company believes in maximum protection of that relationship.

3.06 CROSS SPONSORING

Independent Associate may not sponsor, or attempt to sponsor, another Independent Associate into any other direct sales company with the exception of personally sponsored Independent Associate or, nor into another Independent Associate's sales organization. In addition, no Independent Associate may participate in any action that causes another Independent Associate to be sponsored through someone else into another direct sales company.

SECTION FOUR: RESIGNATION/TERMINATION

4.01 VOLUNTARY RESIGNATION

a) Independent Associate may voluntarily terminate his or her Independent Associate status by failing to renew or by sending thirty (30) days written notice of such resignation or termination to Company. Voluntary resignation is effective upon receipt of such notice by Company.

b) Independent Business Owner who resigns or terminates their Independent Associate status may reapply as Independent Business Owner, six (6) months after resignation.

4.02 SUSPENSION

Independent Associate may be suspended for violating the terms of his or her Agreement, which include these Policies and Procedures, the Compensation Plan and other documents produced by Company. When a decision is made to suspend Independent Business Owner, Company will inform the Independent Associate in writing that the suspension has occurred effective as of the date of the written notification, the reason for the suspension and the steps necessary to remove such suspension (if any). The suspension notice will be sent to the Independent Associate's "address on file" pursuant to the notice provisions contained in the Policies & Procedures and Terms and Conditions. Such suspension may or may not lead to termination of the Independent Associate as so determined by Company at its sole discretion. If the Independent Associate wishes to appeal, Company must receive such appeal in writing within fifteen (15) days from the date of the suspension notice. Company will review and consider the suspension and notify the Independent Associate in writing of its decision within thirty (30) days from the date of the suspension notice. The decision of Company will be final and subject to no further review. Company may take certain action during the suspension period, including, but not limited to, the following:

a) Prohibiting the Independent Associate from holding himself or herself as Independent Associate or using any of Company's proprietary marks and/or materials;

b) Withholding commissions and bonuses that are due the Independent Associate during the suspension period;

c) Prohibiting the Independent Associate from purchasing services and products from Company; and/or;

d) Prohibiting the Independent Associate from sponsoring new Independent Business Owners, contacting current Independent Associate or attending meetings of Independent Business Owners.

If Company, at its sole discretion, determines that the violation which caused the suspension is continuing, and has not satisfactorily been resolved or a new violation involving the suspended Independent Sales Associate has occurred, the suspended Independent Associate may be terminated.

4.03 TERMINATION

Independent Associate may be immediately terminated for violating the terms of his or her Agreement, which include these Policies & Procedures, Terms and Conditions and the

Compensation Plan and other documents produced by Company upon written notice. Company may terminate a violating Independent Associate without placing the Independent Associate on suspension, at Company's sole discretion. When the decision is made to terminate Independent Business Owner, Company will inform the Independent Associate in writing at the address in the Independent Associate's file that the termination has occurred.

4.04 APPEAL

If Independent Associate wishes to appeal the termination, Company must receive the appeal in writing within fifteen (15) days from the date of notice of termination. If no appeal is received within the fifteen (15) day period, the termination will automatically be deemed final. If Independent Associate files a timely notice of appeal, Company will review the appeal and notify the Independent Associate of its decision within ten (10) days after receipt of the appeal. The decision of Company will be final and subject to no further review. In the event the termination is not rescinded, the termination will remain effective as of the date stated in the original termination notice.

4.05 EFFECT OF TERMINATION

Immediately upon termination, the terminated Independent Business Owner:

- a) Must remove and permanently discontinue the use of the trademarks, service marks, trade names and any signs, labels, stationary or advertising referring to or relating to any product, plan or program of Company.
- b) Must cease representing themselves as Independent Associate of Company;
- c) Loses all rights to his or her Independent Associate position in the Compensation Plan and to all future commissions and earnings resulting there from;
- d) Must take all action reasonably required by Company relating to protection of Company's confidential information. Company has the right to offset any amounts owed by Independent Associate to Company including, without limitation, any indemnity obligation incurred pursuant to Section 11.01 herein, from commissions or other compensation due to the Independent Business Owner.

4.06 REAPPLICATION

The acceptance of any reapplication of a terminated Independent Associate or the application of any family distributor of a terminated Independent Associate shall be at the sole discretion of Company and can be denied.

4.07 STATE LAWS

Where state laws on termination are inconsistent with this policy, the applicable state law shall apply.

SECTION FIVE: TRANSFERABILITY

5.01 ACQUISITION OF BUSINESS

Any Independent Associate desiring to acquire an interest in another Independent Associate's business must first terminate his or her Independent Associate status and wait six (6) months before becoming eligible for such a purchase. All such transactions must be fully disclosed and must be approved by Company in advance.

5.02 TRANSFERS OF Independent Business Owner

Except as expressly set forth herein, Independent Associate may not sell, assign or otherwise transfer his or her Independent Associate entity (or rights thereof) to another Independent Associate or to an individual which has an interest in Independent Business Owner. Independent Associate may transfer his or her Resorts360 Independent Associate entity to his or her sponsor, subject to the conditions of Section 5.03. In such an event, the sponsor's entity and the transferring Independent Associate's entity shall be merged into one entity.

5.03 CONDITIONS TO TRANSFERABILITY

Independent Associate may not sell, assign, merge or transfer his or her Independent Associate entity (or rights thereto) without the prior written approval of Company and compliance with the following conditions:

- a) Company possesses the right of first refusal with respect to any sale, assignment, transfer or merger of any Independent Associate entity. Independent Associate wishing to sell, assign, transfer or merge his or her Independent Associate entity must first provide Company with the right and option to make such a purchase or receive such transfer in writing on the same terms and conditions as any outstanding or intended offer. Company will advise the Independent Associate within ten (10) business days after receipt of such notice of its decision to accept or reject the offer. If Company fails to respond within the ten (10) day period or declines such offer, the Independent Associate may make the same offer or accept any outstanding offer which is on the same terms and conditions as the offer to Company to any person or entity who is not Independent Business Owner, married to, or a dependent of Independent Associate or who has any interest in Independent Business Owner;
- b) The selling Independent Associate must provide Company with a copy of all documents which detail the transfer, including, without limitation, the name of the purchaser, the purchase price and terms of purchase and payment;
- c) An office administration transfer fee of \$100.00 must accompany the transfer documents;
- d) The documents must contain a covenant made by the selling Independent Associate for the benefit of the proposed purchaser not to compete with the purchaser or attempt to divert or sponsor any existing Independent Associate for a period of one (1) year from the date of the sale or transfer;
- e) Upon a sale, transfer or assignment being approved in writing by Company, the buying Independent Associate must assume the position and terms of agreement of the selling Independent Associate and must execute a current Agreement and all such other documents as required by Company; and
- f) Company reserves the right, at its sole discretion, to stipulate additional terms and conditions prior to approval of any proposed sale or transfer. Company reserves the right to disapprove any sale or transfer, where allowed by law.

5.04 CIRCUMVENTION OF POLICIES

If it is determined, at Company's sole discretion, that Independent Associate entity was transferred in an effort to circumvent compliance with the Agreement, the Policies & Procedures, Terms and Conditions or the Compensation Plan, the transfer will be declared null and void. The Independent Associate entity will revert back to the transferring Independent Business Owner, who will be treated as if the transfer had never occurred from the reversion day forward. If necessary and at Company's sole discretion, appropriate action, including, without limitation, termination, may be taken against the transferring Independent Associate to ensure compliance with the Policies and Procedures and Terms and Conditions.

5.05 SUCCESSION

Notwithstanding any other provision of this Section, upon the death of Independent Business Ownership, the Independent Business Ownership will pass to his or her successors in interest as provided by law. However, Company will not recognize such a transfer until the successor in interest has executed a current Agreement and submitted certified copies of the death certificate, will, trust or other instrument required by Company. The successor will thereafter be entitled to all the rights and be subject to all the obligations of a Company Independent Business Owner.

5.06 RE-ENTRY

Any Independent Associate who transfers his or her Independent Associate must wait for six (6) months after the effective date of such transfer before becoming eligible to reapply to become an Independent Business Owner.

SECTION SIX: PROPRIETARY INFORMATION

6.01 CONFIDENTIALITY AGREEMENT

During the term of the Agreement, Company may supply to Independent Associate confidential information, including, but not limited to genealogical reports, customer lists, customer information developed by Company or developed for and on behalf of Company by Independent Associate (including, but not limited to, credit data, customer and Independent Associate profiles and product purchase information), Independent Associate lists, manufacturer and supplier information, business reports, commission or sales reports and such other financial and business information which Company may designate as confidential. All such information (whether in written or electronic format) is proprietary and confidential to Company and is transmitted to Independent Associate in strictest confidence on a "need to know" basis for use solely in Independent Associate business with Company.

Independent Associate must use their best efforts to keep such information confidential and must not disclose any such information to any third party, or use this information for any non-company activity directly or indirectly while an Independent Representative and thereafter. Independent Associate must not use the information to compete with Company or for any purpose other than promoting Company's program and its products and services. Upon expiration, non-renewal or termination of the Agreement, Independent Associate must discontinue the use of such confidential information and promptly return any confidential information in their possession to Company.

6.02 COPYRIGHT RESTRICTIONS

With respect to product purchases from Company, Independent Associate must abide by all manufacturers' use restrictions and copyright protections.

6.03 VENDOR CONFIDENTIALITY

Company's business relationships with its vendors, manufacturers and suppliers are confidential. Independent Associate must not contact, directly or indirectly, or speak to, or communicate with any supplier or manufacturer of Company except at Company sponsored events at which the supplier or manufacturer is present at the request of Company.

SECTION SEVEN: TRADEMARKS, LITERATURE & ADVERTISING

7.01 TRADEMARKS

Company's name trademarks, service marks and copyrighted materials are owned by the Company. The use of such marks and materials must be in strict compliance with these Policies and Procedures.

7.02 ADVERTISING & PROMOTIONAL MATERIALS

Only the promotional and advertising materials produced by Company or approved in advance in writing by Company may be used to advertise or promote an Independent Associate's business or to sell products and services of Company. Company's literature and materials may not be duplicated or reprinted without the prior written permission.

7.03 USE OF COMPANY NAME

Independent Associate may use the name of Company only in the following format: "Independent Independent Associate for Resorts360".

7.04 STATIONERY AND BUSINESS CARDS

Independent Associate are not permitted to "create" their own stationery, business cards or letterhead graphics, if Company's trade name or trademarks are used. Only the approved Company's graphics version and wording are permitted; letterhead, envelopes and business cards must be ordered using the stationery order form.

7.05 ELECTRONIC ADVERTISING

Independent Associate may not advertise or promote their Independent Associate business or Company's business, products or marketing plan or use Company's name in any electronic media or transmission, including on the Internet via web sites or otherwise, without the prior written approval of Company's legal department.

7.06 TELEPHONE LISTING

Independent Associate are not permitted to use Company's trade name in advertising their telephone and telecopy numbers in the white or yellow page sections of the telephone book. Independent Associate are not permitted to list their telephone numbers under Company's trade name without first obtaining Company's prior written approval. If approval is granted for an "800" (toll free) listing, it must be stated in the following manner: "Independent Associate for Company".

7.07 TELEPHONE ANSWERING

Independent Associate may not answer the telephone by saying "Resorts360," or in any other manner that would lead the caller to believe that he or she has reached the offices of the Company.

7.08 IMPRINTED CHECKS

Independent Associate are not permitted to use Company trade name or any of its trademarks or service marks on their business or personal checking accounts.

7.09 MEDIA INTERVIEWS

Independent Associate are prohibited from granting radio, television, newspaper tabloid or magazine interviews or using public appearances, public speaking engagements, or making any type of statement to the public media to publicize the Company, its products or Company businesses, without the express prior written approval of Company. All media inquires should be in writing and referred to Company's corporate office, legal department.

7.10 ENDORSEMENTS

No endorsements by a Company officer or administrator or third party may be asserted, except as expressly communicated in Company literature and communications. Federal and state regulatory agencies do not approve or endorse direct selling programs. Therefore, Independent Associate may not represent or imply, directly or indirectly, that Company's programs, products or services have been approved or endorsed by any governmental agency.

7.11 RECORDINGS

Independent Associate may not produce or reproduce for sale or personal use products sold by Company or any Company-produced literature, audio or video material, presentations, events or speeches, including conference calls. Video and/or audio taping of Company meetings and conferences is strictly prohibited.

7.12 REPACKAGING PROHIBITED

Independent Associate may not repackage products or materials of Company.

7.13 INDEPENDENT COMMUNICATIONS

Independent Business Owners, as Independent Contractors, are encouraged to distribute information and direction to their respective organizations. However Independent Associate must identify and distinguish between personal communications and the official communications of Company.

SECTION EIGHT: PAYMENT OF COMMISSIONS

8.01 BASIS FOR COMMISSIONS

Commissions and other compensation cannot be paid until a completed Agreement has been received and accepted by Company. Commissions are paid ONLY on the sale of Company services and products. No commissions are paid on the purchase of Sales materials or for Sponsoring Independent Business Owners. In order to receive commissions on products and services sold, Company must have received and accepted an Agreement prior to the end of the commission period in which the sale is made.

8.02 COMMISSION PERIOD

A business period refers to the time period opening on the first (1st) day of the commission period and extending up until order entry closes on the last business day of the period (Midnight, PST). Company offices are open 9am - 5pm, with the exception of certain holidays as posted by the Company.

8.03 COMMISSION PAYMENTS

Commissions are paid to "qualified" Independent Associate as defined within the Compensation Plan. Independent Associate must consult the Compensation Plan for a detailed explanation of the benefits, commission structure and requirements of the Compensation Plan.

8.04 OFFSET OF COMMISSIONS

Any commissions or bonuses earned and paid on products returned is the obligation of and must be repaid to Company by Independent Associate earning such commissions. Company has the right to offset such amounts against future commissions and other compensation paid or owed to such Independent Associate who received commissions.

SECTION NINE: PURCHASE & SALE OF PRODUCTS

9.01 STOCKPILING PROHIBITED

The success of Company depends on retail sales to the ultimate consumer; therefore all forms of stockpiling are prohibited. Company recognizes that Independent Associate may wish to purchase certain products for their own use. However, Company strictly prohibits the purchase of products in unreasonable amounts and prohibits the purchase of products only or primarily to qualify for compensation.

9.02 RETAIL SALES RULES

Independent Associate must save a copy of the Retail Sales Slip given to retail customers; receipt shall be fully completed and include the name, address and phone number of each retail customer and, upon request by Company, provide copies of such receipts to Company. If Company determines that retail sales were not actually made, the Independent Associate must repay Company all commissions earned during the calendar period in which the retail sales were to have been made.

9.03 OVER 70% RULE

In order to receive commissions and overrides, Independent Associate must certify on each product order form that they have sold over seventy percent (70%) in dollar value of all products and commissionable services previously purchased by the Independent Associate at wholesale from the company, to Non-Independent Associate consumers. Independent Associate shall maintain retail sales records available to the company for inspected on request.

9.04 ORDERING METHODS

All orders submitted to Company shall have the Independent Associate Identification Number placed thereon to assist Company in crediting the appropriate Independent Business Owner.

9.05 PAYMENT OPTIONS

Purchases may be paid by cashier's check, ACH, debit card, or major credit card. The Independent Associate and retail customers are responsible for paying the costs of any returned checks plus an administrative fee charged by Company, which fee may change at any time based on past payment history of the customer. If an underpayment is made, the order will not be processed until the full amount is received by Company. If an overpayment is made, Company will process the order and issue a credit to Independent Associate's account, which will automatically refund on the next commission check paid to Independent Business Owner. Orders will not be processed if cancellation of a credit card is made. Orders for products are not effective until accepted by Company.

9.06 PRODUCT DELIVERY

Upon clearance of payment, the products and materials ordered will be available.

9.07 RETAIL PRICING

Company provides a suggested retail price as a guideline.

9.08 PROMOTIONAL ITEMS

All promotional items which bear Company name or logo must be purchased solely from Company unless prior written permission is obtained from Company.

9.09 PLACE OF SALE

The integrity of Company's marketing plan is built upon person-to-person, one-on-one and in-home presentation methods of sale. Company's products may not be sold to or displayed by any retail outlet, including, but not limited to supermarkets or food stores, flea markets or swap meets, permanent restaurant displays, bars or night clubs or any such similar establishment, convenience stores or gas stations without written authorization from the company.

9.10 PRODUCT & SERVICES CLAIMS

Independent Associate may make no claim, representation or warranty concerning any product or service of Company, except those expressly approved in writing by Company or contained in official Company materials.

9.11 FAX BLASTS, SPAMMING

Fax blasting and unsolicited e-mailing (SPAMMING) is prohibited.

SECTION TEN: RETAIL GUARANTEE & REFUND POLICY

10.01 BUYER'S RIGHT TO CANCEL

Federal law grants a buyer the right to cancel certain sales without penalty prior to midnight of the third business day after the transaction. This rule covers retail consumer sales of \$25.00 or more that occur away from the seller's main office. Where state laws are different this policy the state laws will apply.

SECTION ELEVEN: GENERAL PROVISIONS

11.01 INDEMNITY AGREEMENT

Each and every Independent Associate agrees to indemnify and hold harmless Company, its shareholders, officers, directors, employees, agents and successors in interest from and against any claim, demand, liability, loss, cost or expense including, but not limited to, court costs and attorneys' fees, asserted against or suffered or incurred by any of them, directly or indirectly arising out of or in any way related to or connected with allegedly or otherwise, the Independent Associate(a) activities as Independent Business Owner; (b) breach of the terms of the Agreement; and/or (c) violation of or failure to comply with any applicable federal, state or local law or regulation.

11.02 PROCESSING CHARGES

Company reserves the right to institute a processing charge for commission checks.

11.03 OTHER SERVICES & PRODUCTS

Independent Associate may not promote or sell another companies' products or services at functions organized to feature Company's products. Independent Associate are not restricted from selling other companies' services and products which are not similar to or competitive with the products and services of Company. However promotion of competitive services, products and/or business programs with anyone, including Independent Business Owners, is strictly prohibited.

11.04 LIABILITY

To the extent permitted by law, Company shall not be liable for, and each Independent Associate releases Company from, and waives all claims for any loss of profits, indirect, direct, special or consequential damages or any other loss incurred or suffered by Independent Associate as a result of (a) the breach by Independent Associate of the Agreement and/or the Terms and Conditions or the Policies and Procedures; (b) the operation of Independent Associate's business; (c) any incorrect or wrong data or information provided by Independent Business Owner; or (d) the failure to provide any information or data necessary for Company to operate its business, including, without limitation, the enrollment and acceptance of Independent Associate into the Compensation Plan or the payment of commissions and bonuses.

11.05 RECORDKEEPING

Company encourages all Independent Associate to keep complete and accurate records of all their business dealings.

11.06 FORCE MAJEURE

Company shall not be responsible for delays or failure in performance caused by circumstances beyond a party's control, such as strikes, labor difficulties, fire, war, natural disasters, government decrees or orders or curtailment of a party's usual source of supply.

11.07 VIOLATIONS

It is the obligation of every Independent Associate to abide by and maintain the integrity of the Policies & Procedures. If Independent Associate observes another Independent Associate committing a violation, he or she should discuss the violation directly with the violating Independent Business Owner. If the Independent Associate wishes to report such violation to Company, he or she must detail violations in writing only and mark the correspondence "Attention: Legal Department".

11.08 AMENDMENTS

Company reserves the right to amend the Agreement, Policies & Procedures, its retail prices, product and service availability and the Compensation Plan type at any time without prior notice as it deems appropriate. Amendments will be communicated to Independent Associate through official Company publications or the company website. Amendments are effective and binding upon submission to the Company website. In the event any conflict exists between the original documents or policies and any such amendment, the amendment will control.

11.09 NON-WAIVER PROVISION

No failure of Company to exercise any power under these Policies & Procedures or to insist upon strict compliance by Independent Associate with any obligation or provision herein, and no custom or practice of the parties at variance with these Policies & Procedures, shall constitute a waiver of Company's right to demand exact compliance with these Policies & Procedures. Company's waiver of any particular default by Independent Associate shall not affect or impair Company's rights with respect to any subsequent default, nor shall it affect in any way the rights or obligations of any other Independent Business Owner. No delay or omissions by Company to exercise any right arising from a default effect or impair Company's rights as to that or any subsequent or future default. Waiver by Company can be affected only in writing by an authorized officer of Company.

11.10 GOVERNING LAW

The Agreement and these Policies and Procedures shall be governed by the laws of the State of Washington.

11.11 DISPUTES

In the event a dispute arises between the Company and an Independent Associate regarding their respective rights, duties under this agreement, or in the event of a claim of breach of the Independent Associate Agreement, it is agreed that such dispute shall be exclusively resolved pursuant to binding arbitration under the Commercial Rules of the American Arbitration Association with arbitration to occur in Cape Coral, FL, USA. The Arbitrator may award, in addition to declaratory relief, contractual damages and shall award reasonable attorney's fees and costs to the prevailing party. An award of attorney's fees and costs shall continue through any review, appeal or enforcement of an arbitration decision. The arbitration decision may be enforced in any court of competent jurisdiction. This provision shall not be construed so as to prohibit either party from obtaining preliminary or permanent injunctive relief in any court of competent jurisdiction. The parties each expressly waive their right to collect consequential, punitive and exemplary damages from the other party.

11.12 ENTIRE AGREEMENT

The Policies & Procedures are incorporated into the Agreement and, along with the Compensation Plan, constitute the entire agreement of the parties regarding their business relationship.

11.13 SEVERABILITY

If under any applicable and binding law or rule of any applicable jurisdiction, any provision of the Agreement, including these Policies & Procedures, or any specification, standard or operating procedure which Company has prescribed is held to be invalid or unenforceable, Company shall

have the right to modify the invalid or unenforceable provision, specification, standard or operating procedure or any portion thereof to the extent required to be valid and enforceable, and the Independent Associate shall be bound by any such modification. The modification will be effective only in the jurisdiction in which it is required.

11.14 LIMITATION OF DAMAGES

TO THE EXTENT PERMITTED BY LAW, COMPANY AND ITS INDEPENDENT BUSINESS OWNERS, OFFICERS, DIRECTORS, EMPLOYEES AND OTHER Associate, SHALL NOT BE LIABLE FOR, AND Independent Associate HEREBY RELEASE THE FOREGOING FROM, AND WAIVE ANY CLAIM FOR LOSS OF PROFIT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES WHICH MAY ARISE OUT OF ANY CLAIM WHATSOEVER RELATING TO COMPANY PERFORMANCE, NONPERFORMANCE, ACT OR OMISSION WITH RESPECT TO THE BUSINESS RELATIONSHIP OR OTHER MATTERS BETWEEN ANY COMPANY AND COMPANY, WHETHER SOUNDING IN CONTRACT TORT OR STRICT LIABILITY. COMPANY SHALL NOT EXCEED AND IS HEREBY EXPRESSLY LIMITED TO, THE AMOUNT OF UNSOLD COMPANY SERVICES AND/OR PRODUCTS OF COMPANY OWNED BY THE Independent Associate AND ANY COMMISSIONS OWED TO THE INDEPENDENT BUSINESS OWNER

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