

Terms of Agreement

I hereby apply to become an Independent Representative (hereinafter "Distributor") of the *Compass* (hereinafter "Company") marketing program.

As an independent Distributor, I understand and agree that:

1. I am of legal age in the state in which I enter this agreement.
 2. I shall become a Company Distributor upon acceptance of this application by the Company. As a Distributor, I shall have the right to sell the services and products offered by the Company in accordance with the Company's marketing program and statement of policy, which may be amended and changed from time to time.
 3. Upon notification to Distributors, the Company, at its discretion, may amend the marketing plan, product pricing, statement of policy, etc.
 4. I have carefully reviewed the Company's marketing plan, rules and regulations, and policies and procedures, and acknowledge that they are incorporated as part of this agreement in their present form and as modified from time to time by the Company.
 5. The term of the Company distributorship agreement is one year. Company Distributors, who wish to continue their distributorships, must apply to renew their Distributor agreement annually. The Company reserves the right to accept or reject your application for renewal and the renewal shall be deemed accepted if it has not been rejected in writing by the Company within 30 days of receipt of the renewal fee and application. The renewal fee is for ongoing sales and marketing materials support in both written and electronic and online media formats, including product and service and training updates, website development, and maintenance and hosting, and accounting and technical support of management of your marketing sales activity, and management of both your business and sales force management.
 6. A Distributor shall be entitled to cancel participation in the marketing program at any time and for any reason upon notice to the Company. Upon notification of cancellation or termination, the sponsoring Distributor or the Company will repurchase inventory and mandatory sales kit materials in accordance with its policies as stated in the Company's marketing program and statement of policy.
 7. Upon acceptance of this application by the Company, I will be an independent contractor responsible for my own business and not an employee of the Company. I will not be treated as an employee in regard to any laws covering employees, including but not limited to the Federal Insurance Contributions Act, the Social Security Act, the Federal Unemployment Tax Act, income tax withholding at source or for any federal or state tax laws. It is my responsibility to pay self employment, state and federal income taxes as required by law.
 8. I will not use the Company's trade name and/or trademark except in the advertising provided to me by the Company or in other advertising without prior written approval by the Company.
 9. Any Distributor, who sponsors other Distributors, must fulfill the obligation of performing a bona fide supervisory, distributing and selling function in the sale or delivery of product to the ultimate consumer and in the training of those sponsored. Distributor must have ongoing contact, communication and management supervision with his or her sales organization. Examples of such supervision may include, but are not limited to: newsletters, written correspondence, personal meetings, telephone contact, voice mail, electronic mail, training sessions, accompanying individuals to Company training and sharing genealogy information with those sponsored. Distributors should be able to provide evidence to the Company semiannually of ongoing fulfillment of sponsor responsibilities. If a Distributor is an Enroller in the marketing program entitled to Enroller bonuses, then the Enroller is obligated to the same responsibilities of supervisory, communication and training activities with respect to Distributors he or she has enrolled, irrespective of whether the Enroller is also the Sponsor of those Distributors.
 10. The company's program is built upon retail sales to the ultimate consumer. The company also recognizes that Distributors may wish to purchase product or service in reasonable amounts for their own personal or family use. For this reason, a retail sale for bonus purposes shall include sales to non-participants, as well as sales to Distributors for personal or family use which are not made for purposes of qualification or advancement. It is company policy, however, to strictly prohibit the purchase of product or large quantities of inventory in unreasonable amounts solely for the purpose of qualifying for bonuses or advancement in the marketing program. Distributors may not inventory load nor encourage others in the program to load up on inventory. Distributors must fulfill published personal and downline retail sales requirements, including requisite retail sales to non-participants, as well as supervisory responsibilities, to qualify for bonuses, overrides or advancements.
 11. The Distributor acknowledges that Distributor is a wholly independent marketing representative who establishes and services retail customers for Company products as an independent contractor. The position of Distributor does not constitute either a sale of a franchise or a distributorship, and absolutely no fees have been or will be required from the Distributor for the right to distribute the Company's products pursuant to this agreement. This agreement is not intended and shall not be construed to create a relationship of employer employee, agency, partnership, or joint venture between any Distributor, sponsor and/or the Company.
- As an independent contractor, the Distributor shall:
- A. Abide by any and all federal, state, county and local laws, rules and regulations pertaining to this agreement and/or the acquisition, receipt, holding, selling, distributing or advertising of Company products.
 - B. At the Distributor's own expense, make, execute or file all such reports and obtain such licenses as are required by law or public authority with respect to this agreement and/or the receipt, holding, selling, distributing or advertising of Company products.
 - C. Be solely responsible for declaration and payment of all local, state and federal taxes as may accrue because of the Distributor's activities in connection with this agreement.
12. No purchase or investment is necessary to become a Company Distributor other than the purchase of a Distributor sales kit which is sold "at Company cost." (Purchase is optional in North Dakota.)
 13. Prior written approval from the Company is required for the following:
 - A. To advertise Company products;
 - B. For there to be more than one Distributor in an immediate family in one household;
 - C. Issuance of a position in a Company or corporate name.
 14. The Company may immediately terminate a Distributor who discredits the Company's name, violates any requirement contained in this Agreement, Company Policy and Procedures, or training manuals or misrepresents the Company's products or business opportunity by making claims contrary to the Company's product literature and labels.
 15. This agreement constitutes the entire agreement between the Distributor and Company and no other additional promises, representations, guaranties or agreements of any kind shall be valid unless in writing.
 16. This agreement shall be governed by the laws of the state of California, and all claims, disputes and other matters between the parties of this agreement shall be brought in Superior Court of California, County of Santa Clara, in San Jose, California, or in the U.S. District Court for the Northern District of California, in San Jose, California.
 17. I acknowledge that I have read and understand and agree to the terms set forth in this agreement.
 18. This agreement is not in force until accepted by the Company.