

# BUSINESS SUPPORT MATERIALS ARBITRATION AGREEMENT (“BSMAA”)

*Please read carefully the Disclosures and Arbitration Agreement that follow before signing. The Disclosures section contains important information about buying or selling independently produced Business Support Materials, and the Agreement section affects your legal rights.*

**YOU DO NOT HAVE TO BUY BUSINESS SUPPORT MATERIALS TO BE AN INDEPENDENT BUSINESS OWNER (“IBO”).**

THIS AGREEMENT SHOULD BE SIGNED BY EACH IBO WHO CHOOSES TO PURCHASE INDEPENDENTLY PRODUCED BUSINESS SUPPORT MATERIALS FROM, OR SELL SUCH MATERIALS TO, ANOTHER IBO. THE AGREEMENT DOES NOT DETERMINE PRICE, QUANTITY, OR SELECTION – THOSE ARE INDIVIDUAL DECISIONS – BUT IT OBLIGATES BUYERS AND SELLERS TO OBEY THE BUSINESS SUPPORT MATERIALS RULE, AND IT PROVIDES FOR MEDIATION AND COMPULSORY BINDING ARBITRATION OF ANY DISPUTES.

## DISCLOSURES ABOUT INDEPENDENTLY PRODUCED BUSINESS SUPPORT MATERIALS

Under the Independent Business Ownership Plan, all IBOs are responsible for training and motivating those whom they sponsor. To assist you with your own training and motivation, as well as training and motivating others, some IBOs independently produce and distribute merchandising aids and support services, which are not offered by Quixtar Inc. or Quixtar Canada Corporation (“Business Support Materials”). These may include books, magazines and other printed materials, audio tapes, video tapes, software, Web sites, Internet services and other electronic media, rallies, meetings and educational seminars. While these Business Support Materials are not required, you may decide that they can play a useful role in building a profitable Independent Business. **However, you should carefully consider each of the following factors before purchasing any Business Support Materials.**

- 1. Limiting expenditures.** You should carefully monitor your purchases of Business Support Materials so that such expenditures do not become excessive. The cost of purchasing tapes and books and the expenses incurred in attending seminars, rallies and other meetings must be justified by their benefit to your Independent Business. You should only purchase items or attend functions that provide information helpful to you in merchandising products and sponsoring others to do the same.
- 2. Limiting time commitments.** You must decide how much time (if any) you want to spend attending motivational and training functions, viewing or listening to tapes, and reading books, magazines and other printed materials. You should carefully consider the impact of this time on your occupation, your other business-related activities, and your family.
- 3. Compliance with IBO Rules of Conduct.** The IBO Rules of Conduct contain important provisions affecting the purchase, sale and use of Business Support Materials. These Rules are contained in the Business Reference Guide, which is found in your Quixtar Registration Materials, as well as on the QUIXTAR® Web site. Before purchasing Business Support Materials or furnishing them to others, you should be thoroughly familiar with these rules and guidelines. Business Support Materials are not substitutes for official Quixtar literature or sales and training aids.

PURCHASE OF BUSINESS SUPPORT MATERIALS AND SERVICES IS **STRICTLY VOLUNTARY**. NO ONE MAY REQUIRE, OR IN ANY WAY PRESSURE YOU TO BUY OR USE SUCH ITEMS.

- 4. You are not required to buy Business Support Materials.** You should purchase Business Support Materials only if you decide they assist you in building a more successful and profitable Independent Business. **If you sponsor others, you have an obligation to train and motivate them whether or not they choose to buy Business Support Materials.** All IBOs are free to change their volume of purchases of such items, to cancel standing orders, or to cease such purchases at any time without threats, pressure, or retaliation.
- 5. Cross-line selling.** You are free to *buy or obtain* Business Support Materials for your own use, or for resale, from any supplier you choose. However, the IBO Rules of Conduct prohibit IBOs from *soliciting sales* of independently produced products and services, including Business Support Materials, to IBOs the seller does not personally sponsor.
- 6. Independently offered.** Business Support Materials are offered *independently of Quixtar* and have not been endorsed or approved by Quixtar. Business Support Materials should be clearly labeled to show who produced them. IBOs who choose to sell Business Support Materials must make it clear to their customers that such materials are produced and sold independently.
- 7. Profit to sellers.** Some IBOs who sell Business Support Materials may purchase these items at wholesale prices and resell them for a profit, and speakers at meetings and functions may be paid for their appearance.
- 8. Refund policies.** Business Support Materials are not covered under Quixtar’s Satisfaction Guarantee or its Buy-Back Rule. However, the IBO Rules of Conduct and this Agreement require an IBO selling Business Support Materials to, upon request, buy back any Business Support Materials purchased for the buyer’s personal use, on commercially reasonable terms, and for a period of 180 days from the date of purchase. Items shall be returned to the selling IBO, or other designated party, with proof of purchase. Business Support Materials purchased for stock or inventory, or for any reason other than the buyer’s personal use, are not subject to this policy but shall be governed by whatever refund policy is agreed to with the selling IBO. For seminars, rallies, and other meetings, the selling IBO shall buy back any tickets purchased for the buyer’s personal use for a period of 30 days following the event on a satisfaction guaranteed basis. Such buy-back applies only to that portion of the ticket cost related to admission to the meeting or function, and shall not include the cost of travel, meals, or hotel accommodations.

9. **No guarantee of results.** Your success as an IBO depends upon your own hard work. No one can promise or guarantee that the use of any specific method, approach, or sales aid will result in a more profitable Independent Business or the achievement of any specified level of success. No one can guarantee that the techniques, attitudes, or approaches suggested in Business Support Materials will work for you, and you must never make any such claim in selling Business Support Materials to others.
10. **Use with prospects.** The IBO Rules of Conduct, which are contractually binding on all IBOs, prohibit the use of any recruiting literature (including audio and video tapes) not produced or authorized by Quixtar in any phase of the recruiting process. Business Support Materials, therefore, may not be sold, loaned, shown, given to or otherwise used with prospects, except as specifically authorized in writing by Quixtar Inc. or Quixtar Canada Corporation.

## AGREEMENT TO ARBITRATE DISPUTES

**Disputes; Conciliation.** The undersigned parties agree to give notice in writing of any claim or dispute arising out of or relating to Business Support Materials to the other party or parties involved in the dispute, specifying the basis for the claim and the amount claimed or relief sought. During a period of not less than 90 days after the written notice is received, the parties shall attempt to resolve the dispute amicably through direct discussions, and, if appropriate, using the Dispute Resolution Procedures contained in the IBO Rules of Conduct, including the conciliation process.

**Binding arbitration.** If the claim or dispute is not resolved within 90 days, or after the conciliation process is complete, whichever is later, the parties agree to submit any remaining claim or dispute arising out of or relating to Business Support Materials (including any claim a party to this Agreement may make against any publisher, author, speaker, distributor, manufacturer, seller, reseller, or marketer of Business Support Materials; or against Quixtar Inc., Quixtar Canada Corporation, and any parent, subsidiary, affiliate, predecessor or successor thereof, or any of their officers, directors, agents, or employees) to binding arbitration in accordance with the Arbitration Rules, which are set forth in the IBO Rules of Conduct. The arbitration award shall be final and binding, and judgment thereon may be entered by any court of competent jurisdiction. Demand for arbitration shall be made within 2 years after the issue has arisen, but in no event after the date when the initiation of legal proceedings would have been barred by the applicable statute of limitations. The parties acknowledge that this Agreement evidences a transaction involving interstate or interprovincial commerce, as the case may be in the United States or Canada. The United States Arbitration Act shall govern the interpretation, enforcement, and proceedings in any state or federal court of the United States. The Ontario Arbitrations Act (1991) or any Canadian arbitration statute that may supersede it, shall govern the interpretation, enforcement, and proceedings in any federal or provincial court in Canada. The parties intend for the Arbitration Rules to apply to the maximum degree possible in any arbitration.

**Confidentiality.** Once a notice of claim has been sent, the Dispute Resolution Procedures, including conciliation and any binding arbitration, shall remain confidential. No party involved in a claim or dispute submitted under the Dispute Resolution Procedures or the Arbitration Rules shall disclose to any other person not directly involved in the conciliation or arbitration process: (a) the substance of, or basis for, any claim; (b) the content of any testimony or other evidence presented during the conciliation and arbitration process or obtained through discovery; or (c) the terms or amount of any conciliation or arbitration award.

**I HAVE CAREFULLY READ AND UNDERSTAND THE BUSINESS SUPPORT MATERIALS ARBITRATION AGREEMENT, AND IN EXCHANGE FOR THE RIGHT AS AN IBO TO BUY, SELL, DISTRIBUTE, RECEIVE, AND USE BUSINESS SUPPORT MATERIALS, I AGREE TO ABIDE AND BE BOUND BY THE TERMS SET FORTH HEREIN AND TO ARBITRATE ANY DISPUTES UNDER THE IBO ARBITRATION RULES.**

<b>SPONSOR*</b>			
SPONSOR SIGNATURE <b>X</b>		PARTNER SIGNATURE (if applicable) <b>X</b>	
SPONSOR NAME(S) - PLEASE PRINT		DATE	
		IBO NO.	
<b>IBO*</b>			
IBO SIGNATURE <b>X</b>		PARTNER SIGNATURE (if applicable) <b>X</b>	
IBO NAME(S) - PLEASE PRINT		DATE	
		IBO NO.	
STREET ADDRESS		CITY	STATE
		ZIP CODE	
SOCIAL SECURITY NO./FEDERAL ID NO.	SOCIAL SECURITY NO./FEDERAL ID NO.	DAYTIME TELEPHONE NO.	E-MAIL ADDRESS

\*This Agreement should be signed by the Sponsor, Plan Presenter (if different) and IBO. If operating in partnership form, any individual Sponsor, Plan Presenter or IBO signing above acknowledges that s/he has authority to bind their respective partnership and each of its partners to the terms of the Agreement.

Your trade association, the Independent Business Owners Association International (IBOAI), maintains a servicing arrangement with Quixtar to process and retain your completed BSMAA.

**UPON COMPLETION:**

- MAIL ORIGINAL COPY WITH APPROPRIATE SIGNATURES IN ENVELOPE PROVIDED TO: QUIXTAR INC., Customer Support (58C-2A), 7575 Fulton Street East, Ada, MI 49355
- OR FAX TO: 800-253-4673
- DO NOT INCLUDE ANY OTHER CORRESPONDENCE OR ORDERS
- SEND A COPY TO YOUR SPONSOR AND KEEP A COPY FOR YOUR FILES