



Setting
TRADITIONS™

Where our traditions...inspire your traditions!

Setting Traditions Independent Designer Agreement

| APPLICANT INFORMATION (All Sections Are Required) | | | | SPONSOR INFORMATION (All Sections Are Required) | |
|---|--|-------|-------|---|-------------------------|
| Applicant Name | | | | Sponsor Name | |
| Address | | City | State | Zip | Setting Traditions ID # |
| Phone # | | Fax # | | Sponsor Phone # | |
| E-Mail | | SS # | | Sponsor E-mail | |

(ASSUMED NAMES, CORPORATIONS, PARTNERSHIPS or TRUSTS: If your business will be owned by a corporation, partnership or trust or will be operated under an assumed name, you must complete a Business Entity Application and submit it with this Application and Agreement.)

Setting Traditions Starter Kit

Applicants are required to purchase a Setting Traditions Basic Starter Kit (optional in North Dakota). Your Basic Starter Kit includes: Catalogs, Designer Planning Guide, Business Office Necessities, Web Site Opportunity, and the confidence to get started! Alternatively, you may upgrade to the Setting Traditions Deluxe Starter Kit for an additional \$100 (optional) valued at over \$575 for a total of only \$199. This is a one-time offer. This collection enables Designers to show and demonstrate a variety of Setting Traditions products.

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|---|----|--|---|---|---|---|---|--|
| Setting Traditions Basic Starter Kit | \$ | | 9 | 9 | . | 0 | 0 | CREDIT CARD INFORMATION <input type="checkbox"/> Visa <input type="checkbox"/> Mastercard <input type="checkbox"/> Amex <input type="checkbox"/> Discover Card # _____ Exp. Date _____ Name on Card _____ Signature _____ |
| Setting Traditions Deluxe Starter Kit Upgrade | \$ | | | | . | | | |
| Sub-Total | \$ | | | | . | | | |
| Sales Tax | \$ | | | | . | | | |
| TOTAL | \$ | | | | . | | | |

I hereby represent that: (a) My Sponsoring Designer has reviewed the Setting Traditions Policies and Procedures with me and I have carefully read the Setting Traditions Policies and Procedures; (b) I am of the age of majority in my state or territory of residence; (c) I reside in the United States or U.S. Territories; (d) I have a valid Social Security number; (e) I will purchase a Setting Traditions Starter Kit (not applicable in North Dakota); (f) I will submit a properly completed (originals only - no copies) and signed Independent Designer Agreement to Setting Traditions, which agreement must then be accepted by Setting Traditions at its sole discretion; and (g) I have carefully read the terms and conditions on the reverse side of this Independent Designer Agreement.

I agree to abide by such terms and conditions.

Signature _____ Date _____

Mail the completed signed original Independent Designer Agreement to:
Setting Traditions, Inc., 30100 Towncenter Drive, Suite 320, Laguna Niguel, CA 92677.

Faxed Applications will be accepted at (800) 380-0488. You must fax both front and back of the Application. The original must be mailed to the Setting Traditions Corporate Offices within 30 days of the Application signature date. This Application must be completed in full and signed to be considered valid.

TERMS AND CONDITIONS

1. Definitions. "I", "my", and "me" refer to Designer. "ST" and "the Company" refer to Setting Traditions. "Agreement" shall collectively refer to the Independent Designer Agreement and its Terms and Conditions, the ST Policies and Procedures, and the ST Compensation Plan. Other defined terms, unless defined herein, are as defined in the Policies and Procedures.
2. Policies / Procedures / Compensation Plan / Amendment. I have carefully read and agree to comply with the ST Policies and Procedures and the ST Compensation Plan, both of which are incorporated into and made a part of these Terms and Conditions. I understand that I must be in good standing and not in violation of the terms of this Agreement in order to be eligible to receive any commissions or bonuses from ST. I understand that the Policies and Procedures and/or Compensation Plan may be amended from time to time at ST's sole discretion. I agree that any such amendment shall apply to me and be effective upon my receipt of notice from the Company.
3. Designer Benefits. As a ST Designer, I acknowledge that the following benefits are available to me: (a) marketing and promoting the sale of ST products; (b) participating in the Compensation Plan; (c) sponsoring other individuals as Designers and thereby building a Sales Organization and progressing through the Compensation Plan; (d) receiving periodic ST literature and other communications; (e) participating in ST sponsored support, service, training, motivational, and recognition functions, upon payment of appropriate charges, if applicable; (f) participating in promotional and incentive contests and programs sponsored by the Company; (g) the purchase of a Business Launch Collection kit if desired; and (h) purchasing ST catalogs (produced twice a year) at a reduced cost.
4. Term / Renewal / Effects of Cancellation. I understand that the term of this Agreement is one year and that it shall automatically renew for successive one year terms unless either party elects to not renew it, at such party's discretion, by notifying the other party in writing of such decision at least 30 days before the expiration of the then current term of this Agreement. If this Agreement is canceled or terminated for any reason, I understand that I will permanently lose all rights as a Designer. I shall not be eligible to sell ST products and services nor shall I be eligible to receive commissions, bonuses, or other income resulting from the activities of my former Sales Organization. Furthermore, my ability to obtain a refund for a Starter Kit or Business Launch Collection Kit arising out of a cancellation of the Agreement, is subject to the Policies and Procedures. In the event of cancellation, termination or non-renewal, I agree to waive all rights I have, including but not limited to property rights, to my former Sales Organization and to any commissions, bonuses or other remuneration derived through the sales and other activities of my former Sales Organization.
5. Operating a ST Business. As a Designer, I will run my business in accordance with the Policies and Procedures. My obligations in running my business include but are not limited to the following: (a) I shall safeguard and promote the good reputation of ST and its products; (b) I shall avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices; (c) I shall not use ST trade names, trademarks, designs, copyrights, or symbols without prior written consent from the Company; (d) I shall not engage in bonus buying, cross-sponsoring, or stacking; (e) I shall comply with all federal, state, and local laws and regulations in the conduct of my business; and (f) I shall not light or burn any candles at any Workshop Demonstrations or at any other ST functions or at any function in which I am promoting the ST opportunity, its products or services.
6. Responsibilities of Designer. As a Designer, I agree that my responsibilities include but are not limited to the following: (a) I shall engage in ongoing training of my Sales Organization as required by the Policies and Procedures; (b) I shall personally promote sales through the generation of new customers and through servicing existing customers; (c) I shall not make any disparaging, demeaning, or negative remarks about ST, other Designers, ST products, the Policies and Procedures and Compensation Plan, or ST's directors, officers, or employees; (d) when I sponsor a new Designer, I shall provide him or her with a copy of the Policies and Procedures and the Compensation Plan before he or she signs an Independent Designer Agreement; (e) I shall comply with all the terms and conditions of the electronic debit card system utilized for the payment of commissions or bonuses; (f) I shall monitor the timely delivery of ST products to Retail Customers; (g) I shall advise Retail Customers regarding the proper care and use of ST products; and (h) I shall advise Retail Customers about their statutory right to cancel an order for a product within three (3) days of placing such an order.
7. Independent Contractor. I understand that as a Designer I shall be an independent contractor. I am not purchasing a franchise or business opportunity. I am not an employee, agent, partner or joint venture partner. I am responsible for paying all local, state, and federal taxes due from all compensation I receive from ST. I have no authority to bind ST to any obligation. I shall set my own hours and goals. I am responsible for all expenses I incur in running my business. I understand that I shall control the manner and means by which I operate my ST business, subject to my compliance with these Terms and Conditions, the Policies and Procedures and the Compensation Plan. I agree that I will be solely responsible for paying all expenses incurred by myself, including but not limited to travel, food, lodging, secretarial, office, long distance telephone and other expenses. I UNDERSTAND THAT I SHALL NOT BE TREATED AS AN EMPLOYEE OF ST FOR FEDERAL OR STATE TAX PURPOSES. ST is not responsible for withholding, and shall not withhold or deduct from my commissions and bonuses, if any, FICA, or taxes of any kind, unless such withholding becomes legally required. I agree to be bound by all sales tax collection agreements between ST and all appropriate taxing jurisdictions, and all related rules and procedures.
8. Confidential Information. I understand that the information and materials provided to me contain ST confidential and proprietary information. I will not use, disclose or reproduce these materials for any purpose other than the operation of my ST business without ST's prior written consent. I agree that ST may pursue injunctive relief should I breach this promise.
9. Assignment. I may not assign any rights or delegate my duties under this Agreement without the prior written consent of ST. I understand that any attempt to transfer or assign this Agreement without the express written consent of ST renders this Agreement voidable at the Company's option and may result in termination of my business.
10. Entire Agreement. This Agreement, in its current form and as amended by ST at its discretion, constitutes the entire contract between ST and me, and supercedes any prior or contemporaneous verbal or written agreements concerning the subject matter hereof. To the extent of any conflict or inconsistency between this Agreement and any other agreement (other than the Policies and Procedures), this Independent Designer Agreement shall supersede and prevail over any term of any other agreement as to the matters addressed herein. To the extent of any conflict or inconsistency between this Agreement and the Policies and Procedures (in their current form or as subsequently modified), the Policies and Procedures shall in all instances supersede and prevail over any term of this Agreement as to the matters addressed herein.
11. Governing Law / Venue / Arbitration. This Agreement will be governed by and construed in accordance with the laws of the State of California without regard to principles of conflicts of laws. All disputes and claims arising out of or relating to this Agreement shall be settled totally and finally by arbitration in Orange County, California, in accordance with the Federal Arbitration Act and the Commercial Arbitration Rules of the American Arbitration Association, except that all parties shall be entitled to discovery rights allowed under the Federal Rules of Civil Procedure. All issues related to arbitration shall be governed by the Federal Arbitration Act. The decision of the arbitrator shall be final and binding on the parties and may, if necessary, be reduced to a judgment in any court of competent jurisdiction. The prevailing party will be entitled to receive from the losing party costs and expenses of arbitration, including legal and filing fees. This agreement to arbitrate shall survive any termination or expiration of the Agreement. Nothing in this Agreement or the Policies and Procedures shall prevent ST from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction, permanent injunction or other relief available to safeguard and protect ST's interest prior to, during or following the filing of any arbitration or other proceeding or pending the rendition of a decision or award in connection with any arbitration or other proceeding. The parties consent to jurisdiction and venue before any federal or state court in Orange County, California for purposes of enforcing an award by an arbitrator or any other matter not subject to arbitration. Notwithstanding the foregoing, Louisiana residents may bring an action against ST with jurisdiction and venue as provided by Louisiana law.
12. Statute of Limitations. If I wish to bring an action against ST for any act or omission relating to or arising from this Agreement, I must bring such action within one year from the date of the alleged conduct giving rise to the cause of action or I am barred forever from bringing such an action. I waive all claims that any other statute of limitations applies.
13. Publicity Release. I authorize ST to use my name, photograph, personal story and/or likeness in advertising or promotional materials and waive all claims for remuneration for such use.
14. Miscellaneous. A faxed copy of this Agreement shall be treated as an original in all respects. I have entered into this Agreement of my own free will and volition. No one has induced or pressured me into signing this Agreement. I have had the opportunity to seek independent advice of counsel in entering this Agreement to the extent I so chose. Other than the Policies and Procedures, the Compensation Plan, and this Independent Designer Agreement, I have relied on no other written or verbal statements, promises, or materials in electing to enter into and sign this Agreement.