



INDEPENDENT CONTRACTOR AGREEMENT

(Revised August 1, 2008)

This agreement made this _____ day of _____, 20____, between MTravel.com, a division of Montrose Travel, a host travel agency, having its principal place of business at 2349 Honolulu Avenue, Montrose, CA 91020. Hereinafter referred to as "MT", and,

Name of Independent Contractor: _____

IC Business Name: _____

Of (Street): _____

City: _____ State: _____ Zip: _____

Hereinafter referred to as the independent contractor ("IC").

Whereas, the Business and Professions code section 17550 of the state of California has made it a criminal offense to sell travel arrangements without an adequate surety bond to cover any person injured by a wrongful act or a trust account to protect deposited passengers.

Whereas, the travel industry no longer is regulated with respect to fixed selling prices.

Whereas, certain persons do not wish to be employees of appointed travel agencies whereby they must follow the rules governing employees of those agencies, nor do they choose to be appointed and bonded full service travel agency owners.

Whereas, Montrose Travel is desirous of increasing profits by selling travel to market segments that are not now available to it by offering an alternative to persons with a travel client following choosing to be independent contractors.

Therefore, in consideration of the foregoing and the following terms and conditions, Montrose Travel (MT) and Independent Contractor (IC) agree:

Your Affiliation with MTravel.com

- 1) **IC Agreement:** You may apply for affiliation in the MTravel.com Program (the "Program") offered by MT by submitting this completed IC Agreement. Submitting this indicates your agreement with and acceptance of these Terms and Conditions, as may be amended from time to time by MT in its sole discretion. MT may amend these Terms and Conditions at any time by posting the amendments on MT's Program website, www.MTravel.com. All amendments shall automatically be effective upon the effective date specified on www.MTravel.com.
- 2) **Your Approval by MT as an IC:** You will become an active IC in the Program immediately upon (i) MT's receipt and collection of your Annual Fee, (ii) MT's completion and acceptance of your background check and (iii) receipt of your online application. If you are not approved, MT will refund your Annual Fee.
- 3) **Your Annual Fee Is Applicable For A One Year Term; Automatic Renewal:** Your affiliation will be effective for one (1) year from the date you are approved by MT. Unless you or MT elect not to renew your affiliation by providing written notification of the same at least thirty (30) days prior to the expiration date of your affiliation, your affiliation will be automatically renewed on an annual basis, subject to payment and collection of the applicable Renewal Fee. MT reserves the right to amend the Renewal Fee at any time by posting the

amended Renewal Fee on www.MTravel.com.

- 4) **IC Duties:** As an IC, you shall (i) support the travel industry and MT by promoting, generating and creating travel sales for the duration of your Affiliation (ii) act according to the professional standards of the travel and tourism industry and MT and (iii) comply with this Agreement and available on www.MTravel.com, as the same may be amended by MT from time to time in its sole discretion. You acknowledge and understand that MT has provided the ARC # for the sole purpose of booking travel with Travel Suppliers. The ARC # is to be provided to these Suppliers for the purpose of issuing commission payments directly to MT. Agents are not to use the ARC # for the purpose of booking travel in which the Travel Supplier deducts any payment of commission due and payable to MT, providing the IC with a rate net of commission. Any deviation from this policy will result in your Affiliation being placed under a probationary status and may result in termination.
- 5) **Change in Classification:** An IC's affiliation classification may change based on their experience level or productivity. If your sales productivity reaches an amount that will advance your classification, your level will be advanced at the time of your Renewal. For an additional charge, determined by MT, in its sole discretion, from time to time, you may choose to advance your classification level at the time that the requirements for the advanced classification are met. The Fee for immediate advancement is available upon request by contacting MT's Accounting Department. Once you have advanced your classification, upon renewal you will be charged the Renewal Fee designated for the advanced classification.

General

- 6) **Market Segment:** IC Declares that IC is engaged in an independent travel business that is separate and distinct from MT's regular business. IC has a client following closely tied to IC that will not buy travel arrangements directly from MT. This market segment is not available to MT.
- 7) **IC's Clients:** IC agrees to sell IC's client following only, and that IC will never respond to a regular incoming telephone call nor talk to a regular walk-in prospect when IC is in the office of MT, nor will IC be compensated by MT for any such activity.
- 8) **IC's Right to Control:** MT will furnish no leads to IC but will help IC build IC's business. IC must represent to the general public that IC owns a travel business. IC is not restricted to any specific territory. While MT may offer IC bonuses, discounts, contests, and other incentives to induce maximum effort, nothing prohibits IC from working with other suppliers. Recognizing that IC's have specific and unique skills necessary to run their travel business, MT offers no supervision of any type to IC. IC determines IC's place of work, time schedule, rules of work, quality of work, and controls collection of client funds. No oral or written reports will be required from IC at any time. Attendance is not mandatory for any function or meeting.
- 9) **IC's Own Business:** IC agrees to operate IC's own business and set IC's own hours of operation over which MT has no control. IC shall bear all risks financially for IC's advertising, promotions, delivery, premium mail services, client gifts, print costs, business cards, letterheads, invoices, office supplies, charity contributions, auto expense, legal fees, accounting fees, bad debts, mistakes in tickets or documents, quotes or collections, client deposits up front, business travel expense, medical and hospital insurance, dues and subscriptions, auto and personal liability insurance, business insurance, state and federal income taxes, commission payments and support to own IC's, payroll taxes if employees are hired, FICA, SDI, unemployment tax, and workmen's compensation insurance and hold MT harmless therefrom. It is the sole responsibility of the IC to pay for repairs of personal property used for business purposes (e.g. personal computers, printers, calculators, etc.). IC shall obtain any necessary business license, Employee Identification Numbers and withhold properly for any of its employees, holding MT harmless therefrom. IC agrees to follow the rules and laws of outside agencies governing the travel industry, including, but not limited to those of the state of California, the U.S. Government, county and local, National Do Not Call Registry, CAN-SPAM act of 2003, ARC, IATAN, CLIA, and Amtrak. Any violation of these rules is the sole obligation of IC. IC indemnifies MT from any such obligation arising from IC's violations of any governing body.
- 10) You are at least eighteen (18) years of age; you will notify of MT of any change of information (including credit card information) as soon as practicable after such change; and you have not become an IC solely to obtain benefits that may be offered by travel and tourism suppliers to the travel agency community or to MT ICs.

- 11) **MT Liability to IC Client:** Other than providing legal tickets and documents in a timely manner in accordance with the law, MT neither assumes nor accepts any liability to any IC client.
- 12) **No Quota:** MT will never impose a minimum quota on IC. IC is free to purchase from MT or not, as IC chooses. However, each must complete any negotiated items such as obligations on client projects in progress. Terms of each individual project are to be negotiated between IC and MT and agreed to mutually. MT has no right to determine unilaterally whether or not IC continues to perform services.
- 13) **IC Right to Price:** IC has the right to resell any such travel at any price IC chooses and profit by the difference between cost and selling price; therefore, the cost of discounting is the sole responsibility of the IC and must be paid for out of the IC's portion of the profit. All of IC's activity must conform to all federal, state and local laws and statutes as well as supplier requirements.
- 14) **MT Credentials:** MT agrees that all tickets and documents furnished to IC for IC's clients will comply with state and federal laws to protect against travel "scams" and unscrupulous travel promoters. MT is an official member in good standing of the California Seller of Travel Program and has been assigned #1018299-10. MT is a member of the Travel Consumer Restitution Fund. MT also has registered as a Seller of Travel in Iowa (#763), Nevada (#2003-0393) and Washington (#602 341 432) and Florida. In addition, MT maintains bonds and/or Letters of Credit with various government entities to remain within all laws, and with many suppliers to obtain lower prices or maximum commissions. IC's clients must make payments by check to MT in MT's name or by credit card to MT or to the supplier directly to receive this protection. However, IC has the right to maintain bonds, Affiliations, or letters of credit on his own for any reason.
- 15) **IC's Liabilities / No Employee Relationship:** MT and IC agree that IC's purchases are not an essential or integral part of MT's regular business. IC acts to further IC's business, not that of MT. All tickets and documents sold by IC to IC's clients are provided in the name of disclosed principals such as airlines, cruise lines, hotels, tour companies, car rental companies and Amtrak. MT has no right or power to correct improperly handled orders by IC other than stated elsewhere in this agreement. IC is solely responsible for any misquotes or any monies due IC's clients due to IC error. IC is not a bonded employee of MT. IC is not an agent of MT. Quotations, pricing, disclosed or undisclosed defaults, supplier bankruptcies and correct information for clients are the sole responsibility of IC.
- 16) **IC's Right To Recruit Sub-Agents/Hire Employees:** IC retains the right to employ or recruit sub-agents and assistants or acquire partners at its expense. If the sub-agent's sales require tracking, for a nominal annual fee, MT provides a sub-agent account number as well as a website. All commissions are paid to the IC with detail by sub-agent provided on the monthly payment report. It is the responsibility of the IC to pay its employees and IC's. IC assumes all legal and financial responsibility for these associates.
- 17) **Insurance / Claims:** MT does not provide IC with Workman's Compensation Insurance, State Disability Insurance, Auto or any form of liability insurance, because IC is outside the scope of such employee benefits. IC agrees to hold harmless and indemnify MT against any claim for injury that may occur to IC in performance of IC's duties. If IC is injured while visiting MT's office, liability insurance coverage is in effect as it is for any client of MT.
- 18) **Additional Automation:** If the IC wishes to install Apollo, all costs, fixed and variable, are the sole responsibility of the IC. In the event that IC is not generating a minimum of ten tickets/month by the end of IC's third month on Apollo, MT will disconnect Apollo at a cost of \$100 to IC.
- 19) **Delivery:** Delivery charges including brochure fulfillment from MT is the responsibility of the IC as outlined in Exhibit A.
- 20) **IC's Use of MT Name and Identification Numbers:** IC agrees to never use MT's name or ARC, CLIA, IATAN, ASTA, ARTA, CST # or any other identification number for any reason or with any supplier without MT's knowledge.
- 21) **Proprietary Information:** While associated with MT as an IC you have access to extremely confidential, proprietary information. This information is typically, but not limited to, special pricing/commission programs from our vendors, agent website information, marketing programs and business strategies and is unique to MT. These programs are for your use in furthering your travel business while

affiliated with MT. Under NO circumstances can this information be shared with any travel provider (supplier or agency) or outside entity without written consent from Andi McClure-Mysza.

- 22) **IC's Who Are Not United States Residents or Citizens:** If you are, or if you book travel on behalf of, a resident and/or citizen of a country other than the USA, you acknowledge that applicable laws, regulations, taxes, and tariffs, as well as factors including, but not limited to, costs and charges associated with foreign shipping and handling, exchange rate fluctuations, and points of origin/destination, may reduce or eliminate benefits of doing business as an IC with MT that would otherwise be available to a resident and citizen of the USA.

Accounting/Financial

- 23) **MT to Pay IC by the 15th of Each Month / Bookings Must be in MTravel.com or Globalware:** IC's are paid by the 15th of each month and are paid in the month following traveler departure. IC and MT will share the responsibility of identifying referral clients for payment. Payment for travel and insurance is made based on purchases / bookings made on MTravel.com or entered into the Booking Form on MTravel.com or an existing CRS system at MT. If purchases / bookings are made offline and not entered into the Booking Form on MTravel.com or CRS at the time of booking, MT is unaware of their existence and cannot pay the IC. ***The Booking Form must be submitted at the time that you give any money to a supplier.*** If the Booking Form is completed AFTER travel, your commission payment will be forfeited. It is IC's sole responsibility to review all payment and productivity reports sent by MT. Any discrepancy in any MT provided payment or report must be reported to MT by IC within 30 days of receipt of said report.
- 24) **Accounts Receivable:** It is IC's sole responsibility to collect from clients who have been extended credit. If money cannot be collected, then IC must pay the bill personally. Payment must be collected within seven (7) days of the extension of credit. IC will not receive credit for the sale until payment is collected and will receive no credit for the sale if payment is not made within 30 days.
- 25) **Debit Memos:** When debit memos are received that pertain to an IC booking, MT's ARC department will provide a copy of the debit memo to the IC. If IC does not believe the debit memo to be valid, documentation to dispute the claim with the supplier must be furnished to MT's ARC department within 7 days. MT's ARC department will work on IC's behalf to clear or reduce the debit memo. If MT's ARC department is not successful, or not successful to IC's satisfaction, IC maintains the right to continue to dispute the debit memo. In any case, IC is responsible for payment to MT of any debit memo 45 days after receipt.
- 26) **Commission Receivable:** In the event that MT is unable to collect outstanding commissions due from a supplier through normal channels, it is the IC's responsibility to collect commission and payments receivable from suppliers.
- 27) **Credit Card Transaction Liability:** If IC's client uses a credit card, IC is responsible for all cardholder signatures. IC is responsible for all disputed, declined, or fraudulent charges within 30 days of knowledge.
- 28) **1099:** MT will issue a 1099 statement at the end of each calendar year for tax purposes if IC earns \$600 or more during the year unless IC operates a corporation. It is IC's responsibility to pay all applicable taxes and fees.
- 29) **Payment Authorization:** You authorize MT to collect payment of your Annual Fees, Renewal Fees and any other charges, including charges for additional items offered by MT, which includes but is not limited to monthly charges for Apollo access, by automatically charging any billing vehicle MT has on file for you. Should you prefer to be billed in advance for your annual Renewal Fee rather than charged automatically, you must notify MT in writing no less than thirty (30) days from the expiration date of your anniversary. For any amount owed by you to MT, MT reserves the right to (i) assess late fees and penalties for past due balances to the maximum extent allowed by law, (ii) process the balance due and all associated late fees and penalties (for past due amounts) on any billing vehicle that MT has on file for you, (iii) offset the balance due plus any late fees and penalties against any type of Commissions or Referral Incentives payable to you, and (iv) hold any documents, without liability to you, that MT may have in its possession until the balance due and all associated late fees and penalties (for past due amounts) are remitted.
- 30) **Payments Not Collected:** If MT is unable to collect the full amount of any payment due MT, MT reserves the right to terminate or suspend your affiliation without notification.

- 31) **Orientation:** You will be given a 30 day grace period to attend our Orientation session to learn the appropriate way to report your bookings. Any errors in reporting your bookings made beyond this period will revert your commission split to 10% (same level as a referral booking) due to the additional accounting work involved.

Marketing

- 32) **Quality Standards and Rules for Your Use of the MT logo:** You agree when creating marketing materials using MT's Logos that you will submit a copy of such marketing materials to MT for approval prior to distribution of said materials. You may not alter the MT Logos in any way, including, but not limited to, skewing, changing the color, rotating, separating logo elements, or changing typefaces. If your use of the MT Logos is not acceptable, you agree to remedy such deficiencies immediately as MT may direct.
- 33) **Advertising:** MT has no right to control IC's advertising in yellow pages, local directories, mailing programs, or other promotional activities except when MT's name or CST# is used in the advertising, in which case, MT needs to provide authorization in advance of such use. IC is free to seek and solicit clients from the general public without regard to any MT rules for employees.
- 34) **IC Client Confidentiality:** MT will hold IC client names in strict confidence. MT will not knowingly promote by direct mail or email to IC's current client base (excludes prospects or potential clients). Upon IC's request, these names will be purged from MT's mailing list. IC's client list is always the property of IC.
- 35) **Marketing Support:** Turnkey marketing programs will be made available to IC. It is the responsibility of the IC to determine if IC elects to participate or not. All marketing materials must contain the MT CST #1018299-10 and disclosure required by California Business and Professions Code, section 17550.13 and section 17550.24 and indicate "affiliated with MT".

Travel Benefits

- 36) **IC on MT's IATAN List:** At IC's request, IC may apply for an IATAN card when all industry rules are met. As of this writing, current industry rules are as such: Annual Form 1099 or corporate statement gross income equals or exceeds \$5,000 (20 hours per week times 48 weeks times federal minimum wage per hour equals a minimum of \$5,000 gross profit earned per year to qualify). Reduced rate travel and familiarization trips are available to IC through MT when the above conditions are met and the IC has obtained an IATAN card. Travel trade publications sometimes offer reduced rate trips IC may qualify for. All reduced rate travel must be booked and paid by IC.
- 37) **CLIA Card:** IC is eligible to apply for the CLIA card when all industry rules are met.

Commissions and Fees

- 38) **Commission Split and Fees:** See Exhibit A for details.
- 39) **MT Backup / Commission Split:** MT will help IC's clients when IC is not available if IC requests. For any IC transaction, if MT makes a reservation, produces tickets or invoices, or aids the transaction process in any way, the commission sharing becomes a referral and the IC receives 10% of the net commission.
- 40) **Up-Front Supplier Commissions:** IC is entitled to the benefits of all up front supplier overrides negotiated by MT due to MT's size, buying power, and supplier relationships. These up front overrides change frequently and MT will publish new schedules as necessary. Example: If the IC is in the 50% commission sharing bracket by performing all tasks on a booking and MT negotiates an up front override with the supplier of 15%, the IC will make a total of 7.5% (10% regular commission plus 5% up front override = 15%. IC share is 50% or 7.5%).

- 41) **Referral incentives Payable to You:** MT may pay you an incentive as specified in the Commission/Fee Schedule for referring the MTravel.com Program to other individuals. Referral Incentives are paid by MT only if and when the individual you refer is approved as an IC. MT reserves the right to pay you your Referral Incentives only when your accrued payable Incentives equal or exceed \$75.00.
- 42) **Extra Commission or Fees / Extra Commission:** MT will share equally or as per this agreement in any excess income IC may earn or receive over the industry standard derived from the use of any of MT's deals or for any business put through MT.
- 43) **IC Transaction Fees:** IC has the right to charge whatever transaction fee to their customer(s) they so desire. Our typical percentage commission split does not apply to these transaction fees. Rather, a flat fee of \$10/airline ticket for MTravel.com on-line (\$5 to IC, \$5 to MT) and \$13/ticket for off-line reservations via Apollo or supplier website will be charged by MT to IC on all airline tickets issued or reissued by IC. Further, if IC uses CliqBook for corporate accounts, CliqBook pricing is based on corporate account online self booking volume and a separate contract is required/issued.

Note: The above pertains to transactions completed in their entirety by the IC, without the aid of MT personnel. If any MT personnel are involved with the transaction, then the standard referral commission split outlined will be applied.

Groups

- 44) **MT's Blocked Group Cruise Space / Earned Free Cabins:** IC's have the ability to purchase and resell cruise line cabins to their individual clients at heavily discounted rates per our Blocked Group Cruise Space because of MT's buying power. Free cabins earned are pro-rated based on IC's sales on that group sailing. If IC chooses in advance and actively promotes specific MT Blocked Cruise Sailings, provided such arrangements are authorized in advance and in writing by MT, IC may use such free space for key group organizers if earned.
- 45) **IC Group Travel / Free Space:** MT suggests IC develop and build group business or organize and lead groups as the escort. MT will provide guidance in negotiating groups if requested. Each group project outside the scope of this standard commission sharing agreement must be negotiated between IC and MT on an individual basis.
- 46) **When Free Space Belongs to IC:** Providing IC pays all deposits, promotion and advertising with IC's own money, free or reduced rate travel earned from such projects belongs 100% to IC and may be used or given away as IC sees fit. If IC wishes MT to participate in administrative functions, other than cost negotiations, IC will reimburse MT for services rendered on mutually agreeable terms. If free space is earned, but not used, the value of the free space is considered commission and split per our normal agreement.
- 47) **IC Group Business and Third Party:** If IC develops group business with the help of a third party, it is the responsibility of the IC to discuss a commission sharing arrangement in advance with MT. MT must agree prior to IC offering the commission sharing arrangement to the third party. IC cannot bind MT without MT's prior approval.
- 48) **IC Furnished Group Lead:** If IC provides a lead for a group organizer, but is not involved in cultivating the group beyond the original lead, a finders fee may be paid by MT to IC. The amount will correlate to the actual value and profitability of the travel done by the group and will be negotiated on a group by group basis. A finder's fee based on the net profit may be paid (See Exhibit A).
- 49) **Group Air Contracts:** IC does not have the right to sign or enter into any group air contracts or other contracts with any carriers or suppliers involving any of MT's ARC numbers without the express approval of Andi McClure-Mysza, Joe McClure, Julie McClure or Laurie Tullock. If IC does so, IC risks any or all of the following: (1) Termination of IC contract; (2) IC will be financially responsible for any loss of override or negative financial impact due to group contract; (3) IC will receive no payment on any commission or fees generated on the group. If IC does not have the ability to issue group air tickets (eg. does not have Apollo), MT will do so for a fee of \$20 per ticket. If IC does not comply with the group air procedures outlined on the Agent Site, this fee is subject to increase. This amount will be collected from IC by MT regardless if IC charges its client.

Commercial Travel

- 50) **Commercial Travel Program**: IC is entitled to sell the complete commercial account program including all client benefits. All fixed expenses associated with handling such business (i.e. 800 phone numbers currently in use, and corporate rate car and hotel programs) will be absorbed by MT. All variable expenses associated with handling such business (i.e. 24 hour services, Management reports, limousine service, airport club Affiliations, absorption of PTA's, emergency expenses, delivery, new 800 phone numbers or any other out of the ordinary expenses necessary in servicing commercial business), if approved in advance, will be shared by IC and MT per Exhibit A and will be deducted from the profit generated prior to profit sharing.
- 51) **IC Furnished Commercial Account Leads**: In exchange for referring business to MT, MT will pay referrer one lump sum payment equal to 10% times the 1st 6 months total net commissions* generated. Payment will be made within 30 days of the ending of the sixth month. For payment to be made: 1) account must be booking travel for at least 6 months; 2) account must show signs of continuing the relationship beyond 6 months, 3) account cannot have been an account of MT in the past. (*Net commissions are commissions paid to MT by airlines or other travel suppliers, exclusive of consolidator or coupon mark-ups, less any direct commission discounting).

Termination/Cancellation of Expiration of Affiliation

- 52) **Termination of Your Affiliation**: In the event that you fail to comply with this Agreement, MT may immediately terminate your Affiliation. If your Affiliation is terminated by MT for any reason, you will not be entitled to any refund of payments or Annual or Renewal Fees. Should IC's termination be due to the commitment of a wrongful act relating to MT or the travel industry, IC consents that MT may disseminate this information in writing or verbally to others in the travel industry.
- 53) **Return of Materials Upon Termination, Cancellation or Expiration**: Upon termination, cancellation or expiration of your Affiliation, you must immediately return your IATAN and CLIA cards to MT. Upon termination of your Affiliation, you waive all rights to any additional Commissions and/or Referral Incentives.
- 54) **Effect of Termination on Compensation**: In the event of the termination of this agreement prior to the completion of its term specified herein, IC shall be entitled to the compensation earned by him/her prior to the date of termination as provided for in this agreement computed up to and including that date; IC shall be entitled to no further compensation as of the date of termination, except that which was booked and earned prior to termination. Agency reserves the right to hold back final payments for up to 6 months against future debit memos and/or charge backs. IC retains ownership of his/her client database.

Other Items

- 55) **You Indemnify MT**: You shall indemnify and hold MT and MT's employees, contractors, officers, directors, shareholders, IC's and/or affiliates harmless from and against any and all claims suffered by MT arising out of or in respect of (i) any violation of law by you, (ii) fraud, misrepresentation, willful misconduct or gross negligence on the part of you, (iii) any violation of this Agreement by you, (iv) any costs, fees, expenses, liabilities or penalties associated with any withholding taxes, FICA taxes, federal unemployment taxes, and any other federal, state or local taxes, payments or filings required to be paid, made or maintained in connection with any payments made to you by MT.
- 56) **Disclaimer Of Warranty**: In the event that any travel product or service provided by a third party supplier is unsatisfactory to you, you will look solely to the provider of the product or service for rectification. All warranties, expressed or implied, related to travel products provided by a third party supplier are the responsibility of the third party supplier.
- 57) **Call Monitoring and Recording**: Montrose Travel records all calls incoming and outgoing for customer service and training purposes. By signing this agreement, I understand and give my consent that any calls I may participate in with Montrose Travel may be recorded.

- 58) **Certain Provisions Survive Termination, Cancellation or Expiration of Your Affiliation:** All covenants, agreements, representations and warranties made in this agreement shall survive the termination, cancellation or expiration of your Affiliation.
- 59) **MT's Right to Change:** MT reserves the right to modify any portion of this Agreement at any time with or without the consent of IC. MT's Commission/Fee Schedule is posted on www.MTravel.com, or a copy may be obtained by calling MT. The Commission/Fee Schedule may be amended from time to time by MT in its sole discretion. If MT does change any part of this Agreement in the future, this signed Agreement will honor any bookings in progress. Upon any change, IC retains the right to continue to do business with MT or not. If IC chooses to no longer do business with MT as a result of the change(s) to the Agreement, a pro-rated refund of the IC's annual fee will be issued.
- 60) **Arbitration:** Any dispute between IC and MT concerning the terms and conditions of this agreement shall be submitted to binding arbitration pursuant to the laws of the state of California.
- 61) **Attorney's Fees and Costs:** If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, costs and necessary disbursements in addition to any relief to which he may be entitled.
- 62) **Law Governing Agreement:** This agreement shall be governed and construed in accordance with the laws of California.
- 63) **Complete Agreement; Modification or Waiver:** This agreement represents the complete understanding of the parties with respect to the described independent contractor relationship. It is not to be amended after the date hereof except by an instrument in writing signed by both parties. No amendment, modification, termination or waiver shall be binding unless in writing and signed by the party against whom the amendment, modification, termination, or waiver is sought to be enforced. No waiver of any provisions of this agreement shall be deemed, or shall constitute a waiver or any other provisions, whether or not similar, nor shall any waiver constitute a continuing waiver.

EXHIBIT A

Commissions

(Updated 8/1/08)

| | NEW TO THE TRAVEL INDUSTRY | EXPERIENCED AGENTS AND AGENCIES | ESTABLISHED AGENTS AND AGENCIES |
|--|---|---|---|
| Criteria | Motivation to build a travel business | Subjective, but about 1 year or \$5,000 in earned commissions | \$10,000+/year in total commissions <i>(recent proof of volume required via 1099 or check stubs)</i> |
| Preferred Supplier Cruise, Tour, Package | 50% | 70% | 80% |
| Other Cruise, Tour, Package (non-Preferred) | 40% | 60% | 70% |
| Commissionable Airfare (see Air fee section for non-commissionable air) | N/A | 50% | 50% |
| Hotel | 50% | 70% | 80% |
| Car Rental | 50% | 70% | 80% |
| Dynamic Packaging on-line | 50% | 70% | 80% |
| Travel Insurance | 50% | 70% | 80% |
| Call center booking - leisure | 10% | 10% | 10% |
| Vacation/Sick Coverage | 10% | 10% | 10% |
| Referral Incentive (amount based on Experience level of referred person) | \$20 | \$30 | \$30 |
| Groups**: | | | |
| Groups – payment by credit card to supplier (entire group) | 50% - preferred supplier 40% - non-preferred supplier | 70% - preferred supplier 60% - non-preferred supplier | 80% - preferred supplier 70% - non-preferred supplier |
| Groups – payment by credit card to MT or by check | 40% - preferred supplier 30% - non-preferred supplier | 60% - preferred supplier 50% - non-preferred supplier | 70% - preferred supplier 60% - non-preferred supplier |
| Earned complimentary travel (group tour conductors/comps used) | 100% | 100% | 100% |
| Groups – assisted by MT personnel | Negotiable | Negotiable | Negotiable |
| Groups – referred to us | 10% | 10% | 10% |
| Corporate Accounts: | | | |
| ClqBook | Based on the corporate account online self booking volume | Based on the corporate account online self booking volume | Based on the corporate account online self booking volume |
| Variable Expenses (delivery, 24 hour service, etc.) | 50% paid by IC | 70% paid by IC | 80% paid by IC |
| Management Reports (iBank) - optional | \$50/month | \$50/month | \$50/month |
| Referred Account | One lump sum payment equal to 10% times the 1 st 6 months total net commissions* generated | One lump sum payment equal to 10% times the 1 st 6 months total net commissions* generated | One lump sum payment equal to 10% times the 1 st 6 months total net commissions* generated |

*Commission percentages reflect your commission split on upfront supplier commissions. These range up to 18% for leisure suppliers and 40% on preferred travel insurance.

*IC's may move between these program levels based on commissions earned during a rolling 12 month period. To upgrade to the Experienced or Established level and earn higher commissions, you simply pay the differential in the annual program fee at the time of conversion. The new commission split will affect new, non-deposited bookings. All travel booked, but not yet traveled will be paid at the original commission split.

**Group commission splits are net of group related expenses. These include advertising, computer programming, web page development, and other direct expenses.

Annual and Variable Program Fees (Updated 8/1/08)

| | NEW TO THE TRAVEL INDUSTRY | EXPERIENCED AGENTS AND AGENCIES | ESTABLISHED AGENTS AND AGENCIES |
|--|---|---|---|
| Annual Fee | \$299 | \$399 | \$499 |
| Renewal Fee | \$259 | \$359 | \$459 |
| Sub-Agent Fee | \$100 | \$100 | \$100 |
| Additional Private Labeled Website for Special Account | \$25 | \$25 | \$25 |
| | | | |
| Optional: | | | |
| Apollo using Terminal Server (requires Remote Desktop Connection license) | N/A | \$15/month | \$15/month |
| Apollo using Terminal Server for Sub-Agent (requires Remote Desktop Connection license) | N/A | \$15/month + 1x set-up fee of \$75 | \$15/month + 1x set-up fee of \$75 |
| Apollo Non-Use Disconnect Fee | \$100 | \$100 | \$100 |
| | | | |
| Delivery: | | | |
| USPS Priority (with signature) | \$9.99 | \$9.99 | \$9.99 |
| Fed Ex 2 Day | \$14.99 | \$14.99 | \$14.99 |
| Fed Ex Overnight | \$19.99 | \$19.99 | \$19.99 |
| Standard Postage (from MTravel.com) | N/C | N/C | N/C |
| Brochure Mailing – priority mail or bound printed matter | \$5 | \$5 | \$5 |
| | | | |
| Service Fees Related To Airline Tickets: | | | |
| Air Tickets/Amtrak – GDS | N/A | \$13 fee to MT for any total service fee of \$50 or less; 50%/50% for any total service fee \$51+ | \$13 fee to MT for any total service fee of \$50 or less; 50%/50% for any total service fee \$51+ |
| Group Air Tickets – non-Apollo users (you set up the block space airline contract and MT issues the tickets for you) | \$20/ticket | \$20/ticket | \$20/ticket |
| Air Tickets– MTravel.com online | \$10 total service fee programmed into site (\$5 to IC) | \$10 total service fee programmed into site (\$5 to IC) | \$10 total service fee programmed into site (\$5 to IC) |

| | | | |
|---|----------------------------------|----------------------------------|----------------------------------|
| Consolidator ticket mark up | 50% | 50% | 50% |
| Debit Memos | \$25 | \$25 | \$25 |
| Refund | \$15 | \$15 | \$15 |
| Exchange | \$15 | \$15 | \$15 |
| Void | N/A | \$15 | \$15 |
| Air Ticket booked through Montrose Travel via phone | \$30 (\$5 to IC) | \$30 (\$5 to IC) | \$30 (\$5 to IC) |
| Other Fees: | | | |
| Mark up/fees | 50% | 70% | 80% |
| FIT Cruise/tour processing fee for FOP check or merchant credit card | \$10 | \$10 | \$10 |
| Merchant Fee (Montrose Travel charges the client credit card, not the supplier) | 3% | 3% | 3% |
| Bounced check | \$50 | \$50 | \$50 |
| IATAN Card | Actual charge – payable to IATAN | Actual charge – payable to IATAN | Actual charge – payable to IATAN |
| CLIA Card | Actual charge – payable to CLIA | Actual charge – payable to CLIA | Actual charge – payable to CLIA |
| Custom Reports Requested by IC (optional) | \$25/hour | \$25/hour | \$25/hour |
| 24 Hour Platinum Emergency Service: | | | |
| Per Call | \$13.50 | \$13.50 | \$13.50 |
| Issue new e-ticket (per ticket) | \$11 | \$11 | \$11 |
| Exchange (per ticket) | \$25 | \$25 | \$25 |
| Other: | | | |
| Summer Party | Yes | Yes | Yes |
| Year End Party | Yes | Yes | Yes |
| President's Club | Yes | Yes | Yes |
| Cornerstone QC | Yes | Yes | Yes |

EXHIBIT B

Additional Information About Apollo (Optional)

If you will be booking a minimum of 20 airline tickets/month, then Apollo is something you'll want to consider as an experienced agent or if you have completed Apollo training through a recognized travel school. It's a "must have" as a corporate agent.

The primary benefit of having Apollo is the ability to set your own air service fees, thereby increasing your profit potential. It is not necessary, however, to have Apollo in order to book airline tickets. Your private labeled consumer website has air booking capabilities with a fixed \$10/ticket fee built into the pricing (\$5 goes to you, \$5 goes to Montrose Travel).

The other benefit of having Apollo is that it gives you complete control over your air, car, hotel and leisure bookings. For bookings made in Apollo, you will be able to create invoices, make changes to existing reservations, make cancellations, exchange and issue tickets, etc. You, personally, do not have these capabilities with bookings made on your private labeled consumer website. Because of this access to bookings, it is imperative that you are trained properly and understand your financial responsibility.

It is your responsibility to become proficient in this program as well as the Montrose Travel procedures. We will monitor PNR's for your first 30 days of booking to ensure that policies and procedures are followed – for both our benefit.

The cost of Apollo is \$15/mo. You are required to have Remote Desktop Connection software to allow you to connect to us via Terminal Server.

Last, be aware that there is an *Apollo Non-Use Disconnect Fee* of \$100 if you do not issue a minimum of 10 tickets by the end of your third month on the system, so please make your decision wisely.

If you have been an active user of Apollo for the past 2+ years or if you have recently completed an acceptable Apollo Training Program, you may review the Montrose Travel Standards (procedures), and then take a Skills Evaluation Test to proceed with your Apollo set-up.

If you DO NOT fall into either of the categories above, you will need to participate in one of the following training options (please select one):

- **4 day classroom training with an instructor in Denver** (offered by Apollo periodically). Cost is \$800 + cancellation or no-show penalties, airfare, housing and meals. ***Recommended for those who learn best in a classroom environment.***
- **MTravelSchool.com** online, self-paced, instructor proctored program. 4-6 courses @ 15-30 hours each. Cost is \$316-\$439. ***Recommended for people who have never used a GDS.***
- **Galileo360** online, self-study program – 16 courses @ 1-3 hours each. A study plan is provided to guide you through the sequence of learning sessions. No Cost. ***Recommended only for computer savvy agents converting from another GDS or Apollo user needing a refresher in formats.***

It is your responsibility to notify Montrose Travel when you have completed your Apollo training and understand the Montrose Travel Standards. At that time, we will administer the Skills Evaluation Test and, with a passing score, we will proceed with your Apollo set-up. Within ten working days of the passing score on your Skills Evaluation Test, we will complete your Apollo/Terminal Server set up. When the set up is complete on our side, we will schedule a telephone call with you to complete the set up on your side. Upon successful connection, we will begin charging \$15/month.