



Policies & Procedures

Dream Tree Family Members and Water Tree Stores

7/29/2016

POLICIES AND PROCEDURES

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POLICIES AND PROCEDURES for Dream Tree Family Members and Water Tree Stores

The Policies and Procedures are effective and binding upon Members of Dream Tree Family, Inc. (hereinafter referred to as Dream Tree) as of September 1, 2009. Dream Tree may change any of its Policies and Procedures at any time at its discretion and such changes shall be effective immediately and binding after publication of reprints of the Policies and Procedures or upon publication of the Policies and Procedures on the Dream Tree website. The term "Associate" found in any existing Dream Tree documentation is meant is hereby referring to the term "Member."

The Policies and Procedures govern the way a Member does business with Dream Tree, other Members, and retail customers. The Dream Tree Policies and Procedures, Member Application/Agreement (the "Member Agreement"), Compensation Plan (the "Compensation Plan"), the Terms and Conditions, the WTS Sponsorship Requirements, and The WATER TREE STORE Agreement constitute a complete contract (the "**Contract**") between Members and Dream Tree Family. Any interpretation, clarification, exclusion, or exception to this Contract, in order to be effective, must be in writing and signed by an authorized officer of Dream Tree.

Dream Tree reserves the right, in our sole discretion, to change the terms of "the Contract" at any time. Updated versions of "the Contract" will be posted on Dream Tree's website and are effective immediately. The date of the newest version is posted below. Please check back frequently, especially before you use our website, to see if the terms of "the Contract" have changed. Your continued use of the Dream Tree website after any changes to "the Contract" terms constitutes your consent to such changes. All changes shall be binding at the time of the change.

While Dream Tree uses reasonable efforts to include accurate and current information on our website and signage, we do not warrant or represent that our website or signage will be error free. Data entry errors or other technical problems may sometimes result in inaccurate information being shown. Dream Tree reserves the right to correct any inaccuracies or typographical errors on our website or signage including but not limited to pricing, availability of products, services, etc. Dream Tree shall not be liable for such errors. Dream Tree may also make improvements and/or change our website's features, functionality, or content and signage at any time. If you see any information or description you believe to be incorrect, please contact us as described on the website "Contact Us" section, and we'll verify it for you.

Dream Tree reserves the right to add other lines of business such as water filling stations or franchises both nationally and internationally. These Policies and Procedures shall be binding for these and all other future lines business unless otherwise documented. Dream Tree reserves the right to amend or change the Contract at anytime without notice. All changes shall be binding at the time of the change.

THE DREAM TREE FAMILY CODE OF ETHICS

As a Member of Dream Tree, I promise and agree that: I will be friendly, considerate, truthful, and fair in all of my dealings while acting as a Dream Tree Member, and I will perform my Dream Tree activities in a manner that will enhance my reputation and the positive reputation of Dream Tree. I will carry out my leadership responsibilities as an Enroller by training, assisting, and otherwise supporting the Members in my sales organization. I will respect the Sponsor relationship of every Member in the Dream Tree family, and I will not attempt to interfere with or change these relationships or make disparaging or misleading claims about other Dream Tree Members. I will not misrepresent the Dream Tree products or the Compensation Plan, nor will I engage in any other deceptive or illegal practice. I will follow the Policies and Procedures. I will make no claim for any Dream Tree product that is not contained in current official Dream Tree publications, nor will I misrepresent the income potential of the Compensation Plan.

SECTION 1 – DEFINITIONS

A. Compensation Plan. The "Compensation Plan" is the Dream Tree Compensation Plan and the method by which a Member is compensated for product purchases and product sales. The Compensation Plan consists of commission on product sales and performance bonuses as well as other short term incentive programs instituted from time to time.

B. Member. A "Member," is an independent contractor who has completed and signed a Member Agreement either on line electronically or has submitted a signed hard copy to the Dream Tree Office, and whom a Member Agreement has been accepted by Dream Tree. A Member is granted the right to sell Dream Tree products under the Terms and Conditions of the Contract. Retail Customers are not Members. Any person who has obtained through marriage or any other means any beneficial interest in or presumption of a beneficial interest in a Dream Tree position is bound by the duties and obligations of a Member hereunder.

C. Member Agreement. The Dream Tree Family Member Application/Agreement is a legally binding contract between the Member and Dream Tree. The Member Agreement is to be completed and signed by the person or entity applying to become a Member or so indicated by checking the box on the online application and is subject to acceptance or rejection by Dream Tree. Also, when checking the, I agree box on the Dream Tree website for the online application you are under the same legal binding contract agreement. The Policies and Procedures contain important information that a Prospective Member should read and understand. The Terms and Conditions found on the website are incorporated herein by this reference.

D. Sales Organization. The "Sales Organization" consists of other Members who are directly or indirectly enrolled by a Member.

E. Personal Group. A Member's "Personal Group" includes all members of a Member's Sales Organization.

F. Team Volume (TV). A Member's "Team Volume," "TV" or "Group Volume" is the Member's Personal Sales Volume plus the Personal Sales Volume of any other Member within the Member's Sales Organization.

G. Personal Sales Volume (PV). A Member's "Personal Sales Volume" or "PV" is the cumulative PV earned from the Member's individual Dream Tree product purchases and the product purchases of all personal retail sales.

H. Product Point Value. The "Product Point Value," "PV" is also attributed to each Dream Tree product that a Member earns when the Member purchases Dream Tree products. The PV amount for each Dream Tree product is specified in the most current Dream Tree Member Wholesale Price List. The PV for any Dream Tree product may be changed at any time at the discretion of Dream Tree.

I. Retail Customer. A "Retail Customer" is the end consumer who purchases Dream Tree products for personal consumption. Members may not be Retail Customers nor order products as if they were Retail Customers. Retail Customers may purchase Dream Tree products, but they may not participate in the Compensation Plan.

J. Enroller. An "Enroller" is either a Member who directly refers a person to become a Dream Tree Member and is identified as the Enroller on the Member Agreement. Your active Enroller may change with compression of active Members.

K. Compression. Compression presses up the next active Member in your sales organization. All active Members will compress or rollup to the next active level available allowing you to earn all commissions on each of your qualified levels.

L. Upline. An "Upline" includes those Members who are either identified as the Member's Sponsor/Enroller or those entitled to compensation based upon the Members Upline sales team as set forth in the Compensation Plan.

M. Downline. A "Downline" includes those Members who are personally enrolled by you and each of your Members personally enrolled Members to infinity.

N. Active MEMBER. A Member who satisfies the minimum monthly amount of 20 PV requirements, as set forth in the Dream Tree Compensation Plan, to ensure that he or she is eligible to receive bonuses and commissions.

O. Active Non-Commissionable MEMBER.

Is a member who does not have or has not provided a Social Security number, a Federal Tax ID number or an EIN number (whether residing in or out of the U.S.A. in a country and territory officially approved by Dream Tree), who satisfies the minimum monthly of 20 PV requirement, as set forth in the Dream Tree Compensation Plan, to ensure that he or she is eligible to receive credit equal to monetary compensation earned that can only be exchanged for Dream Tree products. This member is not entitled to receive monetary compensation.

P. Rank/Title. This term refers to the relationship of a Member relative the leadership level he or she has performed according the Compensation Plan. The commissions you earn from your downline are relative to the Rank/Title they are on in your organization.

Q. Elite Status. This term refers to the status of Elite Founder, Founder Royal Elite or Upgraded Elite obtained by Member.

R. Bonus Program. This term refers to matching and monthly bonuses received by qualified Members with any Elite Status and/or a rank of Silver, Gold, Ruby or Diamond Crystal that are also in good standing as set forth in the Compensation Plan.

S. Competitive Business. Any person or entity that is in *direct* or *indirect* competition against Dream Tree Family. A company that is in the same industry or similar industry which offers the same or similar product or service is considered a competitive business against Dream Tree Family.

SECTION 2 - THE MEMBER APPLICATION PROCESS

A. Application. A person may become a Dream Tree Member by completing, signing, and returning an Application/Agreement to Dream Tree. No initial product purchases are required to become a Dream Tree Member. Anyone wishing to be compensated in the Dream Tree Program must qualify for compensation by ordering an Enrollment package. Dream Tree reserves the right to reject any Member Agreement. Dream Tree will not knowingly accept or allow inaccurate or false information on a Member Agreement. Incomplete, inaccurate, or unlawful Member Agreements are voided by Dream Tree. A Member is responsible for informing Dream Tree of any changes affecting the

accuracy of the Member Agreement. The Member Agreement becomes binding after the receipt or website enrollment and acceptance by Dream Tree.

B. Territory. Acceptance by Dream Tree of the Member Agreement authorizes the Member to conduct business only in countries officially opened and/or licensed by Dream Tree.

C. Member ID Number. Every Member wanting to fully participate in the compensation plan and receive monetary commissions and bonuses must have a unique identification number ("ID Number"). All individuals or entities (corporations, partnerships, or trusts) must provide Dream Tree with a Social Security Number or a Federal Tax Identification Number for the individual or entity or, when applicable, a Trust. Members who do not have or do not want to provide Dream Tree with a Social Security Number, a Federal Tax Identification Number or an Employee Identification Number will not be entitled to receive any monetary compensation. They will receive credit equal to monetary compensation earned that can only be exchanged for Dream Tree products.

D. Beneficial Interests. While partnerships, corporations, and trusts may become Members, an individual may not have a legal beneficial interest or be listed in more than one position without the written consent of Dream Tree. Dream Tree shall grant consent in the event of inheritance by an existing good standing Member of a position belonging directly or indirectly to a family member of that Member upon the death of the family member owner of such position. If the inheriting Member elects to hold and maintain an interest in both the Member's current position and the Member's inherited position, each such position must be separately qualified in accordance with the Compensation Plan. A Member's spouse is deemed to have a beneficial interest in a position. Members who initiate positions and Downlines in violation of this policy will lose such positions and Downlines and in the case of fraud may lose the Member's original position as well.

E. Corporations. Corporate Member applications must be signed by a duly authorized Officer and contain the name and Tax Identification Number for the Corporation along with the names of the principal Corporate Officers, Directors, and Shareholders. Further, the Corporation shall warrant that the Corporation is in good standing and that neither the corporation nor any of its Shareholders acts on behalf of or holds a beneficial interest in any other Member position. Dream Tree may require a copy of the Articles of Incorporation, a certificate of good standing, or such other information about the Corporation that is necessary to protect the interests of Dream Tree.

F. Partnerships. Partnership Member Applications must be signed by a duly authorized Partner and contain the name and Tax Identification Number or Social Security Number for the Partnership along with the names of the Partners. Further, the Partnership shall warrant that neither the Partnership nor any of its Partners acts on behalf of or holds a beneficial interest in any other Member position. Dream Tree may require a copy of the Partnership Agreement or such other information about the Partnership that is necessary to protect the interests of Dream Tree.

G. Trusts. A duly authorized Trustee must sign Member applications and contain the name and Tax Identification Number for the Trust along with the names of the current Beneficiaries of the Trust and the Trustees. Further, the Trust shall warrant that the Trust is valid and that neither the Trust nor any of the current Beneficiaries of the Trust acts on behalf of or holds a beneficial interest in any other Dream Tree Distributorship. Dream Tree may require a copy of the Trust Document or such other information about the Trust that is necessary to protect the interests of Dream Tree.

H. Sole Proprietors and Other Entities. Sole Proprietors, Limited Liability Entities and Registered DBAs (i.e., Doing Business As) with a Tax Identification Number may be required to submit a signed statement of ownership or other necessary documentation.

I. Position Status Changes. A Member who wishes to change the Member's status from that of an individual Member to a participant in a corporation, partnership, or trust under the same Sponsor may do so, subject to the written approval from Dream Tree, which will not be unreasonably withheld. Signing a new application will be required along with submitting all the appropriate documentation corresponding to the entity you are establishing.

J. Distributorship Spousal Additions. If a Member's spouse wishes to become a Member, the spouse may either be added to the Member's original position or apply for a separate position, provided that the new position shall be placed under the same Sponsor/Enroller as the original spouse position. For tax purposes only one Social Security Number or Fed Tax ID Number will be recognized.

K. Member Marriage. If two Members choose to marry, they may maintain their separate Member positions. However, after marriage, the rights of married Members to make account or enrollment changes will be limited.

L. Member Divorce or Partnership Dissolution. If married Members or partners, who share in a position, obtain a divorce or wish to dissolve the Member partnership, Dream Tree will continue to treat the position pursuant to the original Member Agreement until such time as Dream Tree receives written notice from both parties directing otherwise. The written notice must be signed by all parties and notarized. Such notice will be subject to Dream Tree approval. Divorced Members or dissolved partnerships should submit to Dream Tree a certified copy of any legal judgment or decree, specifying how future bonus checks should be paid.

M. Member Death. In the event of a Member's death, the position may be assigned to the Member's heirs, devisees, or assigns. In order to assign a position after the death of a Member, the heirs, devisees, or assigns must submit to Dream Tree a certified death certificate along with a certified copy of the will or court order as well as an amended Member Agreement in the name of the Member receiving the position. At this time Dream Tree Family must approve to whom the position is being reassigned. In the case of Intestacy, Dream Tree will deem the position nontransferable if the heirs, devisees, personal representative, or executor of the decedent does not contact Dream Tree within six (6) months of the Member's death.

N. Position Transfers. A Member may not convey, sell, assign, or otherwise transfer a position without the written consent of Dream Tree. When a transfer or sale of a position is allowed, Dream Tree may require any or all of the following information, together with any other documents or information Dream Tree may request:

1. A newly signed Member Agreement from the buying or receiving party with a written statement explaining the reason(s) for the sale or transfer;
2. A copy of the Sales Agreement. The seller prior to the consummation of sale must execute the Sales Agreement and a notarized copy must be submitted to Dream Tree;
3. A termination notification from the buying party, if such party has an existing Dream Tree position;
4. Any active Member desiring to acquire an interest in another Member's business must first terminate or deactivate the existing position if they are not in the same line of sponsorship and wait six (6) months before becoming eligible to purchase another position;
5. After six (6) months, the buying party may reapply for a Dream Tree position by submitting an original Member Agreement;

6. A signed statement from the selling Member promising the following: "I will not raid or recruit from any Dream Tree Downline. I will not 'cross-sponsor' or recruit any of the Downline of the position into any other direct selling organization;" And

7. As part of the Sales Agreement, the seller of a position must agree to not engage in any activity that would cause the position being sold to be diluted or weakened through activities such as Downline raiding.

O. Account Changes to Position. Account changes, such as changes or corrections to the Member Application or name of record, may be accomplished by submitting a new Member Agreement form (with the word "Amendment" written at the top) to the Dream Tree Compliance Officer. All amended forms must be completed and signed by all parties of the position. Name changes require appropriate legal proof of the change.

P. Legal Age. Member applicants must be of legal age in the jurisdiction of the applicant's residence.

SECTION 3 - MEMBER RESPONSIBILITIES

A. General. A Member agrees to comply with the Dream Tree Code of Ethics, the Policies and Procedures, the Member Agreement, the Compensation Plan, all contractual obligations and applicable state and federal laws. Dream Tree will not tolerate unethical Member activity and may intercede when unethical behavior is discovered or reported. Dream Tree reserves the right to use its judgment and discretion in determining whether certain Member activities are unethical. Any breach or violation of these Policies and Procedures may be deemed unethical. Any action that may cause Dream Tree or its Members the loss of good reputation, or that is detrimental to the Dream Tree business, will be considered an unethical business practice and may be grounds for disciplinary action.

B. Independent Contractor Status. A Member is an Independent Contractor and is not an agent, employee, partner, or party in a joint venture with Dream Tree, and a Member may not represent that such arrangement exists. A Member is responsible for the Member's own business decisions and expenditures and for satisfying all federal, state, and local laws and regulations applicable to the residence of the Member. Because Dream Tree's Members are independent contractors, Members are not eligible to claim unemployment compensation as a result of having been a Dream Tree Member.

C. Bonus Program Participation. In order to participate in the Dream Tree bonus program the Member must choose to be an exclusive independent distributor of Dream Tree products. A Member cannot be associated with any other Multi-Level Marketing or Network Marketing Organization and simultaneously hold elite status and/or the rank of Silver, Gold, Platinum, Ruby or Diamond Crystal with Dream Tree. Any Member found in breach of this policy will immediately have their elite status removed and their rank lowered to a 2-Star Crystal; automatically disqualifying the Member from participating in any Dream Tree bonus program.

D. Unfair Competition and "Cross-Sponsoring."

A Member may not enroll or solicit any Dream Tree Member (including any personally sponsored Member) into any other network marketing company. Such prohibited solicitation is unfair competition with Dream Tree and will be considered by Dream Tree as "Cross-Sponsoring." A Member may not solicit the participation of any Dream Tree Member, to purchase any non-Dream Tree product that is directly or indirectly competitive with any Dream Tree water product. This will be considered by Dream Tree as "Unfair Competition". Participation in another noncompetitive Home Based Business is not prohibited by Dream Tree. However, Unfair Competition and Cross-Sponsoring activities will be grounds for immediate termination.

E. Position Renewal. A Member in good standing must renew their Member Agreement and status by paying an annual renewal fee and remaining in good standing. The renewal and fee payment is due on the anniversary date the Member's application was entered into the Dream Tree Computer Database. The current renewal fee is \$29. The renewal fee may be waived if a Member has met the one (1) volume requirement set forth by the company each year. If a Member fails to pay the renewal fee and has exceeded 18 months without the purchase of the one (1) PV, their position may be terminated without notice. This termination will be considered a voluntary termination. Responsibility for renewal rests on each Member. Member agrees that the renewal fee may be debited from the Member's Compensation checks. Dream Tree will also have a renewal option in the shopping cart. Dream Tree will attempt to remind all Members of their upcoming renewal date. It is the responsibility of the Member to have a current address and email on file with the Dream Tree Office. Any Member who does not renew the Member Agreement by paying their annual renewal fees voluntarily resigns as a Member. After such resignation, a position may **not** be reinstated or regain its rank or Sales Organization existing at the time of termination. If a person chooses to participate in the Dream Tree program again, they may reapply as a Member in six (6) months pursuant to Section 8(A) of these Policies and Procedures.

F. Reporting Unethical Behavior. A Member who has a specific complaint about another Member or is aware of any violation of these Policies and Procedures by another Member should direct such complaint in writing to the Dream Tree Compliance Officer.

G. Talent Release. A Member hereby consents to Dream Tree's use of the Member's image (including the Member's name, photograph, testimonials, likeness, title, positions, voice, voices, biography and any film footage, video tapes, audio tapes, recordings, and interviews of the Member) when created in connection with any Dream Tree events, promotions, and conventions to advertise, promote, and publicize Dream Tree products or opportunities as Dream Tree sees fit in its discretion.

H. Policy Enforcement. Dream Tree endeavors to enforce the Contract on a uniform and nondiscriminatory basis. However, the failure of Dream Tree to enforce any of the provisions of the Contract with one Member does not waive the right of Dream Tree to enforce any such provision(s) with that same Member or any other Member.

I. Member Lists. Dream Tree desires to protect its Members and the company from inappropriate and unfair competition. Lists of Dream Tree Members ("Lists"), whether partial or complete, provided by or originating from Dream Tree are the confidential and proprietary property of Dream Tree. Dream Tree honors the privacy of the Members, as such, information will not be disclosed or sold.

J. Genealogies. Your Dream Tree Downline Family is available for your viewing on line in your back office. Your Downline Family may be provided by various media including, but not limited to mail order, fax, email, and the Internet. Information is provided for the exclusive and limited use of the Member to facilitate training, support, and service of the Member's Downline Family to further the Member's Dream Tree business only. Each Member agrees that the use of Dream Tree Member or Customer Lists or other Lists constitutes an exclusive agreement between the Member and Dream Tree to hold confidential and not disclose any portion of any third party, including but not limited to existing Members, competitors, and the general public. Any use or disclosure outside of those authorized, constitutes misuse, misappropriation, and a violation of the Member Agreement, and may cause irreparable harm to Dream Tree. Upon any violation under this section, the Member will stipulate to injunctive relief, enjoining such use under applicable national or local law, and retrieve and return to Dream Tree all existing Lists previously provided to the Member. Any intended or unintended misuse of a List is cause for termination of a position, whether or not such misuse causes irreparable harm to Dream Tree or one of its Members. The obligations under this section will survive the termination of the

Members Agreement and the Contract. Dream Tree reserves the right to pursue all appropriate remedies under applicable national or local laws to protect its rights to the Lists as proprietary and trade secrets of Dream Tree. Any failure to pursue such remedies will not constitute a waiver of those rights.

K. Corporate Office - Solicitation: It is prohibited for any Dream Tree Family Member to solicit any individual on the Dream Tree Corporate Office premises or the Dream Tree Family Corporate Office Parking lot. Any Dream Tree Family member found to solicit as mentioned hereto will be terminated. ALL walk-ins that were not specifically referred by a CURRENT Member are the Customer of Dream Tree Family, Inc. ONLY.

L. Autoship – The member is solely responsible for adding, updating, changing or canceling their own Autoship. It is against company policy for Dream Tree Family employees to change any members Autoship. The system will attempt to obtain payment on 3 separate occasions prior to shipping the product. If on the 3rd attempt the payment is rejected by the system (credit card declined, etc) the Autoship will be cancelled. If the Autoship is cancelled the member stands the risks of becoming “inactive” and their PV points being flushed if inactive for 90 days. Flushed points will not be reinstated.

SECTION 4 – ENROLL/SPONSOR

A. Enrolling. Enrolling/Sponsoring is an important part of being a Dream Tree Member and carries with it many benefits and responsibilities. A Member may act as the Enroller for a Member applicant so long as the Enroller is in good standing with Dream Tree. If more than one Member claims enrollment of the same person, Dream Tree will honor the first Member Agreement received and accepted by Dream Tree.

B. Enrolling Members without Tax Identification Numbers. You may enroll Members who either do not have or choose not to provide a Social Security number, a Federal Tax ID number or an EIN number. These Members are not entitled to receive monetary compensation. They will receive credit equal to monetary compensation earned that can only be exchanged for Dream Tree products.

C. Enrolling International Members. You may enroll Members in countries and territories authorized by Dream Tree. These Members do not have a Social Security number, a Federal Tax ID number, or an EIN number. These Members are not entitled to receive monetary compensation. They will receive credit equal to monetary compensation earned that can only be exchanged for Dream Tree products.

D. Prospective Member Information. An Enroller/Sponsor must clearly state in all presentations to prospective Members that no product purchase is required to become a Member and that there is no Direct compensation paid to any Member solely for enrolling/sponsoring new Members. Compensation is based solely on the sale of products and services.

E. Duties of an Enroller/Sponsor. A Enroller has various **duties and responsibilities** toward the Member sales organization, which include the following: **Regular montly support, information, and assistance as well as bona fide supervisory, marketing, selling, and training support;** To do their best to ensure that all Downline Members understand and comply with the most current Terms and Conditions of the Member Agreement, the Policies and Procedures, and the Compensation Plan; and attempt to resolve disputes arising between persons related to the Member organization, including Retail Customers and any Downline Members, promptly and amicably, being sure to shed a positive light and refraining from expressing negative views and opinions with other Downline Members or any other persons.

F. Change of Enroller/Sponsorship. Dream Tree strongly discourages changes of Enroller/Sponsorship. A Member may not attempt to persuade other Members to change Enrollers. This is known as "Downline Raiding," and a Member who engages in Downline Raiding may be subject to suspension and/or termination by Dream Tree. Dream Tree may, in limited cases, allow a Member to change Enrollers under the following conditions (requests to change Enroller that do not comply with the following requirements should not be submitted):

❖ **Condition (A)**

1. The present Enroller/Sponsor and the prospective Enroller/Sponsor must be in the same Personal Group;
2. The proposed change of Enroller/Sponsor must not adversely affect any other Member, including that of the prospective Enroller/Sponsor; and
3. The Member desiring the change must submit the following five (5) items to Dream Tree Relations Officer only if the Enroller/Sponsor is ACTIVE and does not have any members in their downline:
 - a. An Enroller/Sponsor Change request to Dream Tree, which explains any desires or reasons for the change;
 - b. A letter from the present Enroller/Sponsor releasing the Member to change Enrollers/Sponsors;
 - c. An acceptance letter from the prospective Enroller/Sponsor;
 - d. A revised Member Agreement with the new Enroller/Sponsor information listed; and
 - e. Fees Charged for Changing Enroller/Sponsor
 1. If an Enroller/Sponsor change is requested within **(2) two days** the move/change will be made for free and the commission will be moved also.
 2. If an Enroller/Sponsor change is requested within **(2) two weeks** and the move/change will include a processing fee of \$30.00 and the commission will be moved also.
 3. If an Enroller/Sponsor change is requested after **(2) two months** the move/change will include a processing fee of \$30.00. The commission and PV will not be moved.

❖ **Condition (B)**

1. If the present Enroller/Sponsor has not upheld their duty and responsibility to Train their downline Member, nor communicated with their downline Member for more than 3 months, Condition (A) is waived. Member has the right to choose personal Sponsor with Company approval.

G. "The Water Tree": Is a Dream Tree membership position. All payments made toward the Water Tree Store are non-refundable. Contact the Water Tree Department for more information on "The Water Tree". Must be a Dream Tree Family "Active" 2-Star Crystal member, in good standing, for up to 90 days in order to be considered and approved for The Water Tree Store ownership.

SECTION 5 - ORDERING PRODUCTS AND SALES MATERIALS

A. Ordering, Receiving, and Payment Guidelines.

1. A Member may order products by placing an order to Dream Tree and making proper payment. Shipments will be complete and in marketable condition at the time they leave the Dream Tree Fulfillment Center.
2. Upon receipt of an order, Members should immediately inspect shipments to determine whether orders are complete and in good condition. If an order is not delivered in a complete or proper condition, Members should ask the shipper's representative to show them how to file a claim for damaged or missing materials. Dream Tree Customer Service must be notified of any claim within ten (10) business days.
3. Before assuming a shipment is lost or missing, a Member should wait at least fifteen (15) working days from placing a mail order and ten (10) working days from placing a telephone, facsimile, or Internet order. If a shipment is lost or missing, the Member should then notify Dream Tree's Customer Service Department. Lost

shipments, if later found and/or delivered, must be reported to the Dream Tree Customer Service Department within seven (7) days of delivery.

4. A Member who signs a delivery release with a common carrier authorizing the carrier to deliver an order without a signature agrees to release Dream Tree from responsibility for such delivery.
5. **All Dream Tree products should be stored in a cool, dry, and hygienically safe area or as otherwise directed by the label.**
6. A Member who has had at least one check, bank draft, debit card, or credit card returned for any reason may lose ordering privileges until the sufficiency of funds is resolved. In some cases, a Member may lose privileges. This also may be grounds for termination. A Member agrees that Dream Tree will assess a handling fee for each rejected draft.
7. A Member understands that the Member is not entitled to a money refund for product purchased nor entitled to the Retail Customer Product Guarantee, which is found in the Retail Customer Refund Policy. A Member may exchange product for like product or for product of equal value within sixty days (60) of purchase and in compliance with the 70% rule. A terminating Member may return product pursuant to Section 8(G) of these Policies and Procedures.
8. The minimum joining fee to become a Dream Tree Member that includes a replicated website is nonrefundable.

B. Order Guidelines, Retail Sales, Purchasing and the 70% Rule. A "retail sale" is defined as the sale to an ultimate consumer (retail customer) who is purchasing the product for his or her own use.

1. By placing any product order, the Member certifies that the Member has sold or consumed a minimum of 70% of all previous orders (the "70% Rule"). A Member may purchase Dream Tree products for resale to consumers as well as for personal consumption.
2. A Member should carefully document all retail sales. Dream Tree may, at any time, require a Member to produce all completed retail sales receipts for the previous thirty days (30). All sales receipts should include the Member's name, address, and phone number.

C. Mail Orders. A Member may order product by mail. The Product Order Form is required for all product mail orders and must be fully completed and submitted to Dream Tree. Two or more Members may not combine orders on the same order form. Orders must conform to the following requirements:

1. Orders submitted without payment in full may be returned to the Member by mail. Orders submitted with an insufficiency of funds may be fulfilled with products in the dollar amount that does not exceed the funds submitted with the order minus shipping and tax. If payment for an order is insufficient, Dream Tree reserves the right, in its discretion, to withhold products from the order. Any negative consequences arising out of the return or partial fulfillment of an incomplete order fall upon the Member who placed the order.
2. Payment must accompany all orders. Payment for orders should be by personal check, certified check, money order, bank draft, debit card, or credit card. Dream Tree will not accept COD (cash on delivery) orders.
3. Dream Tree is not responsible for orders that are delayed in transit or for orders that do not arrive at the appropriate Dream Tree warehouse complete with a valid form of payment.
4. Orders must be received and time stamped by Dream Tree on or before 5:00 pm Central Time on Friday of your qualifying cycle week to be counted for your qualifying purchases for the week. A cycle week is Monday through Sunday.

D. Telephone, Facsimile, and Internet orders. Credit Card orders may be placed by telephone, facsimile or Internet using the Product Order Form. If an order is made by one of these methods, it is not necessary to mail in the original order form. Double shipments occurring due to a Member placing of an incorrect order is the financial responsibility of

the Member. Orders placed via telephone, facsimile, and Internet are subject to the following provisions:

1. The funds for any purchase must be approved prior to a sale. If Dream Tree is informed that a Member's credit card is declined or not approved, the product order will be deleted unless the Member has provided an alternate payment method. A Member assumes full responsibility for any and all consequences that may result when Dream Tree receives notice that the credit card transaction is declined, including failing to qualify in the Compensation Plan.
2. A Member who initiates credit card "charge backs" is deemed to have "Disputed Balances." The Member receiving credit for the order in question will have commissions suspended and applied toward the Disputed Balance until the
3. Dispute is resolved to the satisfaction of Dream Tree.
4. Telephone and facsimile orders must be received and time stamped by Dream Tree on or before 5:00 pm Central Time on Friday of your qualifying cycle week to be counted for your qualifying purchases for the week.

E. Sales Tax. Dream Tree products may be subject to sales and use tax in most jurisdictions. If Dream Tree collects and remits tax in any jurisdiction, Dream Tree may advise Members that such taxes are required to be collected on the Member's behalf. The collection of tax by Dream Tree does not relieve the Member of the responsibility and duty to comply with any and all tax regulations appropriate to the Member.

F. Product WARRANTY

It is Dream Tree's desire is to provide products and services that meet or exceed our Retail Customers and Members expectations. When purchasing Dream Tree products your satisfaction with our products and services is very important to us. Dream Tree carries a One Year Warranty on all Water Systems that require professional installation. The Dream Tree warranty is effective from the date of installation or 7 days after pick-up of the Water System or the delivery date whichever comes first. The One Year Warranty is for parts *only* and does not include filters or labor. The warranty on the water system is applicable when the water system is installed by a professional certified plumber, and scheduled filter maintenance is adhered to. Dream Tree will be held harmless and not responsible for any cost or damages during installation associated with your certified plumber of choice. Dream Tree Employees and/or Members that you personally contract to install your system will not be the responsibility of Dream Tree. Do so with the understanding that Dream Tree does not provide plumbing services. A copy of the One Year Warranty is provided with every System that requires professional installation. Dream Tree's Retail Customer Refund Policy and Member Refund Policy applies to all other Dream Tree purchases. For details of our Refund Policies visit our website at www.dreamtreefamily.com

G. Autoship – The member is solely responsible for adding, updating, changing or canceling his or her own Autoship. It is against company policy for Dream Tree Family employees to change any members Autoship. The system will attempt to obtain payment on 3 separate occasions prior to shipping the product. If on the 3rd attempt the payment is rejected by the system (credit card declined, etc) the Autoship will be cancelled. If the Autoship is cancelled the member stands the risks of becoming "inactive" and their PV points being flushed if inactive for 90 days. Flushed points will not be reinstated.

SECTION 6 – PROMOTION OF DREAM TREE FAMILY PRODUCTS AND OPPORTUNITIES

A. Advertising. Dream Tree encourages Members to promote Dream Tree products and marketing opportunities pursuant to appropriate guidelines. These guidelines are required in order for Dream Tree to ensure compliance of the company and Members with the myriad of laws that govern advertising of the products and opportunity of Dream Tree. Failure to follow these guidelines can result in violations of local and national laws, which may result in damage to the reputation of Dream Tree as well as restrictions upon Dream Tree, Members, and Dream Tree products that can trigger undesirable publicity and possible legal action.

1. A Member agrees to send any self-produced promotional items bearing the name of Dream Tree and/or its products to the Dream Tree Compliance Officer for written approval prior to any use by the Member.

2. Dream Tree encourages and assists its Members to promote the Member's business in any legal and ethical manner. Dream Tree may allow a Member to use Dream Tree names, logos, or trademarks provided the Member has obtained prior written approval from Dream Tree. Any advertising misrepresentation contained in a "blind" ad (one in which neither Dream Tree nor its products is mentioned) may be a violation of these policies.

A. Copyrighted Materials. All Dream Tree literature, audio CD, DVD, and programs are copyrighted by The Dream Tree Corporation and may be duplicated only by obtaining the prior written consent of Dream Tree.

B. Proprietary Names. A Member may not use Dream Tree's trademarks, names, logos or trade names, or any distinctive phrases used by Dream Tree to promote the Member's business prior to receiving written permission from Dream Tree. To protect the proprietary rights of Dream Tree, a Member may not obtain, through filing for a patent, trademark, Internet domain name, or copyright, any right, interest, or title to the names, trademarks, logos, or trade names of Dream Tree and its products. As Dream Tree changes or abandons any of its trade names or marks, a Member agrees to also change or abandon such trade name or mark. A Member may request the right to use the name of Dream Tree or one of the Dream Tree trademarks, trade names or service marks on independently produced and noncompetitive promotional items (the "Promotional Items") that include, but are not limited to, the following: clothing, jewelry, printed material, posters, CD, DVD, and the like. Dream Tree may, in its discretion, allow a Member to offer for sale approved Promotional Items and charge the Member a royalty fee for the right to sell such Promotional Items. More information regarding the use and sale of Promotional Items may be obtained by contacting the Dream Tree Compliance Officer.

C. Product Claims. A Member may not make medicinal and/or therapeutic claims for any Dream Tree products or specifically prescribe Dream Tree products as suitable for the treatment of any ailment. Dream Tree does not endorse the use of diagnostic or medical devices in connection with the sale of Dream Tree products because such devices tend to have as their principal purpose the diagnosis of health conditions and the prescribing of remedies. Members who use medical devices, whether approved or unapproved by a regulatory agency, in connection with the sale of Dream Tree products will be subject to disciplinary action. No representation or sales offers may be made relating to Dream Tree products that are not accurate or truthful as to grade, quality, performance, and availability. Appropriate product information is contained in authorized Dream Tree literature and is subject to periodic review and revision by Dream Tree. It is the Member's responsibility to obtain and use current literature only. All product representations made by a Member must be the same as those found in current Dream Tree literature.

D. Sale or Promotion of Non-Dream Tree Family Products, Opportunities, or Materials.

A Member shall not sell, promote, or advertise non-Dream Tree products or materials that are competitive with Dream Tree products at Dream Tree functions or to Dream Tree Members. A Member may sell, promote or advertise non-Dream Tree products (which are not competitive with Dream Tree products) or materials including, but not limited to, CD, DVD, incentive trips, travel, insurance etc., to Members or at Dream Tree functions only after receiving written consent from Dream Tree, which may be granted or withheld in the sole discretion of Dream Tree. Unless otherwise stated therein, any consent granted by Dream Tree may be revoked at any time in the sole discretion of Dream Tree. Dream Tree may charge a reasonable fee for permitting a Member to sell non-Dream Tree products or materials to Dream Tree Members or at Dream Tree functions. A Dream Tree function is a convention, meeting, seminar, or similar event prepared by Member or the company for Dream Tree Members, prospective Members, or employees of Dream Tree.

E. Income and Opportunity Claims. No unreasonable, misleading, or intentional misrepresentation of earnings or potential income may be made by a Member. Income guarantees of any kind are prohibited, as is the exhibition of actual or copies of bonus checks or earnings statements. Specific dollar claims or "average" earnings claims must be avoided.

F. Future Growth Claims. A Member shall not imply or assert that additional products or services will be added to the products and services currently offered by Dream Tree or that enhancements to the Compensation Plan are forthcoming or that specific territories or areas are about to be opened or added to territories or areas of Dream Tree operation unless or until the change or event has been officially announced by Dream Tree in writing.

G. Governmental Claims. A Member may not represent that the Compensation Plan or any Dream Tree product has been approved or endorsed by any governmental agency.

H. International Sales. A Member may not sell any Dream Tree products in countries where the sale of such Dream Tree products have not been authorized by Dream Tree.

I. Electronic Media Advertising. A Member may not utilize electronic media advertising or the advertising of Dream Tree or its products on television, radio, or on an Internet commercial site without written permission from Dream Tree. Requests are to be submitted in writing to the Dream Tree Compliance Officer.

J. Internet Use. A Member may use the Internet to promote the Dream Tree opportunity by creating a web page, home page, or website subject to the following requirements:

1. A Member may only promote the Dream Tree business opportunity on the Internet and may not make product claims about any Dream Tree product. A Member may link their web page to the Dream Tree Corporate page so that Internet users obtain current and accurate Dream Tree product information.
2. A Member must notify Dream Tree and obtain written approval prior to any use on the Internet. A Member agrees that a website may not use any Dream Tree name(s), trademark(s), logo(s), or product name(s) in the URL address or
3. Domain name.
4. The website should be identified as the website of a Member of Dream Tree and may not give any user the impression or any reason to believe that they have reached the corporate office website of Dream Tree, Inc.
5. The use of the words "Dream Tree Family, INC." or " Dream Tree Family " as a title or heading on a web page must be preceded or followed by the words "Member." 5. A Member may use any "Member approved" Dream Tree logo by placing the words Member directly below the logo in accordance with the specifications provided by the Dream Tree Marketing Department.
6. A Member may not advertise on the Internet by purchasing space on any other web page such as a search engine, "banner," or commercial website without the express written permission of Dream Tree.
7. A Member may not use mass Emailing's to promote the Dream Tree opportunity or products. Members are encouraged to follow all Internet etiquette and to be good "Net" citizens.
8. A website may not make prescriptive or therapeutic claims. All product information may be relayed to Internet users by "linking" or "framing" to the Dream Tree Corporate web page.

K. Company Recordings. A Member may not reproduce for sale, distribution, or personal use any recording of Dream Tree produced audio CD or DVD presentations.

L. Member Recordings. A Member may make or prepare CD or DVD presentations that contain the Dream Tree name(s), logo(s), or trademark(s) after obtaining written consent from Dream Tree. Prior to the sale or distribution of any audio, visual or other recording device or materials that use Dream Tree name(s), logo(s), product names, or other intellectual property, A Member will submit such recording item for review by Dream Tree Compliance Officer.

M. Media Inquiries. In order to ensure accuracy and consistency of information, a Member who receives any inquiry from the press or other media regarding any aspect of Dream Tree, its products, or its Members should refer such inquiry to the Dream Tree Relations Officer, as soon as possible after receiving the inquiry.

N. Dream Tree Family Member Organizations, Meetings, General Fees, and Training Fees.

A Member may not charge a for profit fee for any general material, newsletters, services, training seminars, or materials about Dream Tree, its business opportunity, its products or marketing materials, services, or training on Dream Tree products or marketing materials. A Member may not charge another Dream Tree Member a membership fee for participation in any other program or organization without the prior written consent of Dream Tree. A Member may not offer to pay or pay other Dream Tree Members compensation, i.e., commissions or rebates, for purchases of non-Dream Tree products, opportunities, or other materials without the prior written consent of Dream Tree. A Member may not preclude or stop any other Member from having access to a Dream Tree sponsored event, store, staff member or other Members.

O. Telephone Book Advertising. Telephone book advertising is only allowed by obtaining prior written approval from Dream Tree. The approved advertisement may be placed in two (2) locations in the yellow pages in the categories of: 1) Health, Herbs, Fitness, or Nutrition and; 2) Water. All listings for telephone publications should read as follows: "Dream Tree Family Member," followed by the Member's name, address, and telephone number.

P. Toll-free

Telephone Numbers. A Member listing a toll free telephone number may not use the Dream Tree name(s), logo(s), or product name(s) for such listing.

Q. 900 or Surcharge Telephone Numbers. A Member agrees to not use 900 numbers, surcharge numbers, or other similar toll numbers for the purpose of marketing either the Dream Tree opportunity or its products.

R. Telephone Answering. A Member may not answer the telephone in any manner that would give callers a reason to believe that they have reached the corporate or any other offices of Dream Tree. Specifically, a Member shall not answer the telephone by saying "Dream Tree Family, Inc." or "Dream Tree Family." Answering machines and voice mail must also comply with this policy.

S. Repackaging. A Member agrees to not alter, repackage, distribute samples, re-label, or otherwise change any Dream Tree product or sell any such product under any name or label other than that authorized by Dream Tree.

1. **Revised Company Literature.** The Members and Dream Tree shall work together to notify their organizations of new Dream Tree information. New Dream Tree policies, forms, and literature replace old policies, forms, and literature. A Member should destroy outdated or invalid literature and forms. Dream Tree is not obligated to reimburse any Member for outdated materials in the Member's possession.

SECTION 7 - MEMBER COMPENSATION AND FEES

A. Member Compensation and Fees. A Member is compensated pursuant to the Compensation Plan and other programs related to the Compensation Plan. The Compensation Plan is more fully set forth and may be found on the website. The following policies outline the guidelines for payment of earnings under the Compensation Plan and the fees charged to Members.

B. Earnings Guarantees. A Member is neither guaranteed a specific income nor assured any level of profit or success. A Member's profit and success can come only through the successful sale, use, and consumption of Dream Tree products and the retail sales, use, and consumption of Dream Tree products by other Members within the Member's sales organization. A Member is not guaranteed a specific income on a monthly basis and may not assign commissions that may or may not accrue from Dream Tree to cover bankruptcies, alimony, child support, or any other judgments or legal requests.

C. Replacement Checks. Upon request, Dream Tree will issue a replacement check for a lost or stolen check; however, a service fee of \$35 may be assessed on any request made within three weeks of the issue date of the check. After three weeks' time, a replacement check may be reissued at no cost to the Member.

D. Returned or "Stale" Dream Tree Family Checks. Dream Tree makes every effort to ensure that Dream Tree Members receive their bonus checks. However, when a Dream Tree Bonus Check is returned to Dream Tree because a Member has moved without a forwarding address or the check is returned or not presented for payment for some other reason beyond Dream Tree's control, the check amount shall be credited to the Distributorship account ninety (90) days after its date of issue and may be subject to a credit maintenance fee of \$25. Check credits that are not claimed within one year of issuance will be rescinded.

SECTION 8 - MEMBER TERMINATION

A. Voluntary Resignation. A Member may, at any time, voluntarily resign as a Dream Tree Member. A Member who voluntarily resigns for any other reason other than "Non support from Enroller Sponsor" their resignation will be accepted by Dream Tree and they may reapply for a new position in six (6) months. If a Member resigns due to lack of support from their Upline or Enroller/Sponsor, they may resign and re-enroll immediately. A Member who resigns loses all rights to any Downline genealogy, Member privileges, and Member rank.

B. Involuntary Termination. A Member may be terminated by Dream Tree for cause. A Member agrees that Dream Tree has the right to take fast and decisive action in limiting or terminating a position that is found in violation of the Policies and Procedures, the Member Agreement, the Compensation Plan, or any state or federal laws, statutes, and/or regulations that pertain to the business of Dream Tree. Dream Tree also reserves the right to pursue reasonable legal recourse, as well as reimbursement by a Member for any expenses, including attorney's fees and legal fees generated from a violation.

C. Disciplinary Process. Failure to abide by the Policies and Procedures may lead to appropriate disciplinary action. After a disciplinary action is complete, Dream Tree may announce details of such disciplinary action. Policy violations that do not lead to immediate termination may be dealt with in the following manner (the disciplinary process may involve, but are not limited to, any or all of these steps):

1. Informal warning. Member may be notified, verbally or in writing that the Member is in violation of Dream Tree policies.
2. Formal warning. A formal written warning may be sent to the offending Member stating that failure to discontinue the stated violation may result in further disciplinary action.

3. Suspension. Suspension is the temporary withdrawal of a position. A Member and their position may be suspended for serious violations, and a suspension may last for a period of days or months depending on each case. In the event of a Suspension, a Suspension Letter will be sent to the Member and considered a final warning. This notice will list actions that must be taken by the Member in order for the Member and position to be reinstated. These actions may include the following: a) The immediate cessation of all violations; b) The submission of a written statement to Dream Tree responding to the suspension; and c) Such other action as may be necessary to resolve the suspension
4. Failure to respond to a Suspension Letter may cause a Member and position to be terminated. A Member may appeal a Suspension in writing within the specified time period outlined in the Suspension Letter. Suspended Members are not eligible to receive compensation from Dream Tree or participate in any functions or programs of Dream Tree. Dream Tree reserves the right to withhold compensation until the disciplinary process has been completed. Because suspended Members may not place product orders, they may not qualify for compensation during their term of Suspension.

D. Notification of Termination. When a decision is made to terminate a Member for cause, Dream Tree will send notification by mail to the terminated Member at the most recent address on file at the Home Office. Upon receipt of notice from Dream Tree, the Member will immediately cease all Member activities. Notice will be deemed received within five (5) days certified returned receipt or a maximum of ten (10) days after mailing.

E. Appeal of Termination. If a Member wishes to appeal a termination, Dream Tree must receive the written appeal within the time period specified in the termination letter (not less than fifteen [15] days). If the appeal is not received within this time period, the termination will be final. Dream Tree will review the timely appeal and notify the Member of the final decision of Dream Tree.

F. Results of Termination. Whether a Member is terminated through voluntary resignation or through involuntary termination by Dream Tree, the Member's rights and privileges are revoked and the Member is no longer entitled to sell Dream Tree products or to enroll other prospective Dream Tree Members. In addition, a terminated Member shall lose all rights to the existing Downline and shall no longer be entitled to receive sales commissions, overrides, rebates, bonuses, awards, or any compensation whatsoever from Dream Tree, nor shall the Member be entitled to any rights to Member Lists. Involuntarily Terminated positions are the property of Dream Tree and will be treated in a manner that considers and serves the best interests of Dream Tree as well as the interests of the Downline Members of the terminated Member and the Upline of the terminated Member. A terminated Member may not reapply for a Dream Tree Distributorship for twelve (12) months after being terminated for cause. All Member applications are subject to approval by Dream Tree.

G. Product BuyBack.

A Member, who is voluntarily terminating, within thirty (30) days of joining, may return with a resignation letter all "Currently Marketable," unencumbered, reusable, unopened, and otherwise resalable inventory in the Member's possession. Dream Tree will refund 75% of the net cost to the Member, less any consideration received (i.e., rebates, bonus payments, freight, or promotions, etc. paid to the Member) by the Member and the commission paid the Sponsor for purchase of the goods. The Annual Membership Fee to become a Dream Tree Member that includes a replicated website is nonrefundable. Dream Tree will also repurchase any initial mandatory sales materials that are returned, shipping prepaid, in reusable and resalable condition for 100% of the cost to the Member. Dream Tree will not issue any refunds on products previously certified as sold under the 70% Rule. 1. For purposes of this policy, products shall not be considered "Currently Marketable" if returned after the products' commercially reasonable, usable, or shelf life period

has passed; nor shall products be considered "Currently Marketable" if Dream Tree clearly discloses to Members, prior to purchase, that the products are seasonal, discontinued, or special promotional products. 2. If bonuses were paid to a terminating Member's Upline on volume represented by returned products, such volume will be debited from the Upline beneficiaries' accounts. Although certain requirements may vary by law in some jurisdictions, Members seeking a refund must do the following:

- a. Call the Dream Tree Customer Service Department and request a Return Merchandise Authorization (R.M.A.) form and number;
- b. Request in writing a refund from Dream Tree (this document must be accompanied by copies of the original product invoices and the R.M.A. form); and c. Return the package with the R.M.A. number clearly marked on the outside of the package, near the return address. Shipping costs to return the products must be paid by the Member. The Member is responsible for any damage or loss in the shipping process. Goods damaged en route, and therefore, not marketable, will be rejected. After full verification of all submitted paperwork and returned items, Dream Tree will issue the terminating Member a refund check.

H. Arbitration and Jurisdiction. The parties to this Contract agree that any claim, dispute, or other difference between them shall be exclusively resolved by binding arbitration pursuant to the Commercial Arbitration Rules of the American Arbitration Association with arbitration to occur in Harris County, Texas, in the United States of America. Any Arbitration hereunder shall be binding on the parties, any successors, and assigns and the arbitration decision may be enforced in a Texas court of competent jurisdiction in accord with the laws of the State of Texas. Proper jurisdiction and venue shall be in the State and Federal courts in Harris County, Texas.

I. Limitation of Liability. The parties to this Contract agree that regardless of the form of claim, whether in tort, contract, or other, any party and the officers, employees, and agents of such party, shall not be liable for any consequential, incidental, special, or punitive damages, including lost profits or any claims against any other party. Either party may bring no legal action to this Agreement more than one year after the event giving rise to the cause of action has occurred.