



TRADESOURCE | 2920 E. Northern Ave., 104, Phoenix, AZ 85028
(602) 996-1557 • FAX (602) 971-7447

REFERRAL#
ACCOUNT#
DATE
AGENT

MEMBERSHIP APPLICATION AND AGREEMENT

TRADESOURCE, INC. AND MEMBER AGREE TO ABIDE BY THIS AGREEMENT AND THE TRADING RULES AND REGULATIONS, AS THEY ARE NOW IN EFFECT AND AS THEY MAY BE MODIFIED FROM TIME-TO-TIME BY TRADESOURCE, INC.
All information requested on this form is necessary in order for TRADESOURCE, INC. to properly process Applicant for Membership.

BUSINESS INFORMATION

COMPANY NAME _____

CONTACT NAME _____ TITLE _____

ADDRESS _____

CITY _____ STATE _____ ZIP+FOUR _____

MAILING ADDRESS (If Different) _____

PHONE _____ FAX _____ CELL _____

TAXPAYER ID NUMBER _____ STATE SALES TAX NUMBER _____

CORPORATION PARTNERSHIP PROPRIETORSHIP

CLASSIFICATION _____

CLASSIFICATION _____

DESCRIPTION _____

PERSONAL INFORMATION

NAME _____

ADDRESS _____

CITY _____ STATE _____ ZIP+FOUR _____

MAILING ADDRESS (If Different) _____

PHONE _____ FAX _____ CELL _____

SOCIAL SECURITY NUMBER (Required for Credit Reporting) _____

SPOUSE'S FULL NAME (If Married) _____

REFERRED BY TSI MEMBER _____ SIGNATURE _____

EMAIL _____

SPOUSE'S EMAIL _____

WEBSITE _____

AUTHORIZATION CREDIT CARD

I hereby authorize TRADESOURCE, INC. to bill either my Visa or MasterCard Account for cash due on my TRADESOURCE, INC. Account.

VISA MASTERCARD EXP. DATE

CARDHOLDER'S NAME _____ 3-DIGIT SEC CODE _____

SIGNATURE _____ DATE _____

AUTHORIZATION DIRECT PAYMENT BILLING

I hereby authorize TRADESOURCE, INC. to deduct payments from my checking or savings account listed below.

CHECKING ACCOUNT SAVINGS ACCOUNT

Account Number: _____

Routing Number: _____

Account Holder Name: _____

Signature _____ Date _____

NOTE: Attach a voided check or savings deposit slip.

AUTHORIZED USER

Applicant applies for an account with TRADESOURCE, INC., and agrees to abide by all current trading Policies and Procedures, which may be modified. Applicant hereinafter referred to as Client, agrees to pay the initial membership fee of Five Hundred and Ninety-Five Dollars (\$595.00) and a Fourteen Percent (14%) transaction fee on all TRADESOURCE, INC. purchases, reduced to Twelve Percent (12%) if paid by Credit Card or Direct Payment Billing. A Ten Dollar (\$10.00) trade fee and a Ten Dollar (\$10.00) cash fee will be billed monthly. A One Hundred Dollar (\$100.00) trade fee will be billed annually to each account, upon the anniversary date.

Client must give Thirty (30) day's written notice of intent to cancel membership. All fees, including the initial set-up fee are in

INDIVIDUAL _____ DATE _____

AUTHORIZED USER

SPOUSE _____ DATE _____

AUTHORIZED USER

payment for services rendered in processing clients into exchange system, maintaining records and facilitating the client's use of the exchange. A credit report is a condition of this agreement by TRADESOURCE, INC.

I/we have read the TRADESOURCE, INC. Policies and Procedures and accept and acknowledge that they are binding upon me/us in full and shall be binding on the heirs, successors, administrators or assigns. I/we hereby execute the Client Agreement on behalf of ourselves individually as well as on behalf of the corporation, if applicable. If the business entity identified as the Client herein is a corporation, we hereby personally guarantee the full performance of all the obligations of said corporation pursuant to said agreement.

CORP. OFFICER _____ DATE _____

The purpose of the following trade policies and procedures is to facilitate trading among clients by promoting a system of good business practice and understanding of the guidelines set forth for TRADESOURCE, INC., an Arizona Corporation, hereinafter referred to as TSI.

1. **NATURE OF TRADE DOLLARS** – A “trade” is a barter purchase or sale of goods and/or services whereby payment is made in trade dollars posted to a Client’s account pursuant to these Policies and Procedures. A “trade dollar” is an accounting unit used to record the value of trades. Ownership of trade dollars denotes the right to receive goods or services available within TSI. Trade Dollars may be used only in the manner and for the purpose set forth in these Rules. They will be not considered legal tender, securities or commodities. They may not be redeemed for cash, except as provide in these Rules.
2. **PRICING** – Client agrees to sell products and/or services to other Clients or TSI for trade dollar at regular prevailing prices and on the same priority given cash customers. TSI reserves the right to inquire into complaints of overpricing by a Client. Violations may result in termination of the Client’s account and/or immediate adjustment to the transactions involved.
3. **SURCHARGES** – As an exception to the above rule, surcharges are permitted in certain categories such as liquor, gasoline, appliances, electronics and others where the gross margin of profit is relatively low. TSI will arrange the surcharge with each individual seller of such items. Clients will be informed of any applicable surcharges.
4. **ADVERTISING** – Unless otherwise stipulated between the parties to this Agreement, Client authorizes TSI to notify and advertise to other Clients the availability of Client’s products or services.
5. **DEFINITION OF CLIENT IN GOOD STANDING** – A Client who conducts trades in accordance with these Policies, is current in any monies owing to TSI, and has a valid, unexpired Client account, is to be considered a “Client in good standing”. Only Clients in good standing are entitled to the services of TSI.
6. **IDENTIFICATION CARDS** – TSI identification cards issued to Clients shall remain the property of TSI and must be returned upon demand.
7. **ASSIGNMENT OF ACCOUNT** – A Client’s account is not assignable or transferable without TSI’s express prior written consent.
8. **TIPS AND GRATUITIES** – All tips and gratuities shall be paid in cash at point of purchase by the buying Client.
9. **TRADE PROCEDURE** – Buyer must have a valid, current identification card in order to make a purchase. Client is solely responsible for all charges made on card(s) issued to Client’s account. TSI is not responsible for use of cards by unauthorized persons.
10. **TRADE AUTHORIZATION** – All purchases must be approved by TSI prior to sale and have an authorization number issued and recorded on the invoice. TSI is not responsible to honor authorizations granted due to any misrepresentations made by buyer or seller. TSI reserves the right to refuse to issue an authorization number approving a transaction under any of the following conditions: [a.] If the buyer does not have sufficient trade dollars or line of credit to make such purchase; [b.] If either party is not a client in good standing, [c.] If seller fails to call TSI for an authorization number for any sale.
11. **SPECIAL TRADE PROCEDURES** – The following procedures apply to transactions involving special orders, construction jobs, or long term leases and other work-in-progress transactions: [1.] Buyer should obtain a written estimate BEFORE authorizing work to begin, [2.] BEFORE STARTING, if appropriate, Seller should obtain a deposit or down-payment in trade dollars in the same manner as a cash transaction. This is done with a TSI invoice and authorization number. Seller should include in their contract that if the Buyer does not have sufficient trade dollars in their account when an authorization is requested, the difference must be paid in CASH TO THE SELLER. TSI will only issue an authorization for the amount in the account. [3.] Seller should request balance to be authorized in TSI Escrow account.
12. **RECORD KEEPING AND ERRORS** – Seller must submit to TSI a copy of the invoice. TSI will issue monthly statements to Clients reflecting account activity and monies due and owing to TSI. Statements are deemed accurate as printed unless Client notifies TSI in writing of any discrepancy within fourteen (14) days of statement date. Invoices received without the buyer’s signature may be returned to the seller, and TSI may refuse to honor such transactions.
13. **DIRECT TRADES** – Direct trades between Client to avoid service fees are prohibited, and if consummated, are subject to a 14% percent cash transaction fee payable on demand, such trades may also result in suspension or termination.
14. **DISPUTES** – Trade transaction disputes are only between the buyer and the seller and shall be settled by the parties themselves. Clients should exercise the same discretion in entering into trade transactions as in ordinary cash business transactions.
15. **BORROWING** – Client recognizes and grants to TSI, and to those having ownership interest in TSI, the right and power to borrow from the exchange and spend within the exchange system, an amount which shall not exceed one (1) year’s gross receipts or \$1,000 per member (whichever is greater) by TSI. Such borrowing will be sufficiently collateralized by specifically pledged assets of the system pursuant to the guidelines established and imposed by the International Reciprocal Trade Association (IRTA Regulation #1).
16. **FEES** – TSI’s fees are as follows: [a.] First year non-refundable membership fee of \$595 to be submitted by the applicant with this document; [b.] An annual renewal fee of \$100 Trade is due on the anniversary date of this Agreement, and will be automatically billed; [c.] A transaction fee of 14% of the value of all trade purchases; and [d.] A \$10.00 trade fee and a \$10.00 cash fee will be billed monthly.
17. **BROKERAGE FUNCTION** – TSI serves in brokerage capacity in organizing and facilitating trades among Clients. Client acknowledges that the sole principles in any trade are the buying and selling Clients involved, that trades are entered into voluntarily, and that TSI is not the guarantor of any trade or trade dollar.
18. **DISCLAIMER OF LIABILITY** – TSI makes no representation or warranty either expressed or implied, and disclaims all liability as to the fitness, quality, delivery date, merchantability, prices or any term of the trade transaction. Client does hereby indemnify and hold TSI harmless with respect to any claim, debt, or liability whatsoever, arising out of any transaction wherein Client is a buyer or seller. Client acknowledges that any trade transaction in which it participates shall be on a voluntary basis.
19. **PRODUCTS SOLD BY TSI** – On all products owned or sold by TSI, the sole and exclusive warranty made by TSI is that it has title to such products, free and clear from any lien or encumbrance. Other than set forth above, products are sold “As is, where is.” With respect to any products or services purchased by Buyer from TSI, Buyer recognizes that such items are produced and provided by others and not by TSI or its affiliates. TSI makes no warranty either expressed or implied, by operation of law or otherwise as to the merchantability or fitness for a particular purpose of such products or services, and Buyer shall look solely to the manufacturer, distributor or retailer of such merchandise for any warranty.
20. **PAYMENT OF FEES** – All fees and charges to Clients by TSI are in payment for services rendered in processing Client into the exchange system, operating the clearing house and brokerage functions, administering these Policies, maintaining records and facilitating Client’s use of the exchange system. Client agrees to pay TSI the full amount of such fees within fourteen (14) days of the date of the monthly statement; otherwise TSI shall charge Client interest on the outstanding balance at the rate of 1.25% per month. In the event that Client is in arrears for any cash fees beyond thirty (30) days, Client agrees to waive all rights to his usage of any positive trade credit balance in Client’s account, and grants TSI the right to hold any such balance so long as any cash fees remain outstanding for more than thirty (30) days.
21. **LINE OF CREDIT** – TSI may establish a line of credit for each client, which may be adjusted from time-to-time. The outstanding balance as a line of credit will be treated as a loan under these Rules. A Client who makes use of an agreed line of credit must sell his products or services at 100% trade until such loan has been repaid. At TSI’s option, he may be billed in cash for the excess to secure payment. TSI is under no obligation to extend credit at any time. TSI is authorized to establish a bad debt reserve fund by charging all accounts on a regular basis an amount in trade dollars to be paid into such fund. Any positive balances abandoned or surrendered by former Clients in accordance with the Rules will also be paid into the reserve fund. To secure payment and performance of all credit lines, trade dollars loans, and clients with deficient accounts, the client grants TSI a security interest in all property of the Client to the extent of the Client’s obligations under this Agreement, now owned or hereafter acquired, tangible or intangible, real and personal, including but not limited to chattel papers, contract rights and accounts receivable, and in all proceeds and all additions and accessions of said property. Client will do all things, including the signing of a financial statement, that TSI deems necessary to protect and perfect its security interest.
22. **TAXES** – Seller shall charge the appropriate sales taxes in cash, and collect and record these on the invoice at the time of sale. Clients are advised that transactions involving trade dollars are generally treated as taxable events for Federal, State and Local tax purposes. The declaration and reporting of all applicable Local, State and Federal taxes resulting from trade transaction rests solely with the Client. Further, that TSI is required by Federal law to obtain the correct taxpayer identification number of Client (who is required by law to provide such number) and to report all trade sales of Clients to the IRS on Form 1099-B. Failure to provide the correct taxpayer identification number may result in the imposition of backup withholding of 20% of the gross proceeds of each sales transaction, under Federal law. Client agrees to not hold TSI liable for any actions TSI takes to comply with Federal tax law.
23. **STANDBY** – TSI may place an account on standby and/or cancel this Agreement if: [a.] TSI has received more than two complaints on a given Client for either poor performance or attempting to charge in excess of Client’s normal price; [b.] Client has committed fraud, either on other clients or with TSI, [c.] Client is charging cash, and/or not following his/her contractual agreement with TSI.
24. **SUSPENSION OF TRADING PRIVILEGES** – TSI reserves the right, at its sole discretion, to suspend the trading privileges of any client who is in violation of any Local, State or Federal law, or any Client with outstanding cash fees due to TSI which are more than thirty (30) days past due. The trading privileges of the Client shall be reinstated immediately upon payment of such past due fees. TSI shall have the right, at its sole discretion, of settling such past due fees that are over sixty (60) day in arrears by charging three (3) times the cash due in trade credits. A Client so penalized may reverse the transaction by making the cash payment with ten (10) days of such penalty. Furthermore, if such cash fees remain outstanding beyond sixty (60) days, TSI shall have the right to terminate the delinquent Client’s account.
25. **RENEWAL** – Client agrees to provide written notice to TSI at least thirty (30) days prior to anniversary date of the Client’s Agreement if he/she does not intend to renew. Unless such notice is received, this Agreement shall be automatically renewed.
26. **TERMINATION** – Either party may terminate this Agreement upon ten (10) days’ written notice to the other party. Immediately upon termination, with or without cause, all cash and trade dollar service fees outstanding become due and payable, and: [1.] If Client has a negative trade balance (purchase exceed sales), Client must balance the account with trade dollars within thirty (30) days of the termination date and, after the thirty (30) day period, immediately pay TSI any remaining negative balance in cash; or [2.] If Client has a positive trade account balance (sales exceed purchases), Client may stay active and spend the balance until purchases equal sales by paying TSI in advance the cash service fees on the positive balance. TSI identification cards must be returned immediately upon termination. In the event of termination, there shall be no refund of annual retainer or transaction fees.
27. **JOINT AND SEPARATE LIABILITY** – If this application is accepted and an account is opened for the Client in TSI, the Client and the individual signing for the Client hereby assume joint and separate responsibility for all purchases and fees as outlined in this agreement.
28. **WAIVER OF RIGHT** – TSI’s failure or delay in exercising any right shall not operate as a waiver thereof, and any single or partial exercise of a right shall not preclude any other or further exercise of any right. TSI’s remedies are cumulative and are not exclusive of any remedies provided by law.
29. **COMMITMENTS AND REPRESENTATIONS** – TSI is only responsible for any commitments and representations made in writing by a duly authorized officer. Brokers, agents, or employees of TSI have no right to bind TSI to any obligation or representation whatsoever without such written authorization.
30. **AVAILABILITY** – TSI shall continue to solicit new businesses having products and services to satisfy the needs of all Clients. Because of high client demand and short supply, certain items may be available on a limited basis only (i.e., appliances, TVs, furniture, airline tickets, tires, cameras, lumber, etc.). TSI is committed to provide only those products or services actually available in the exchange system.
31. **ENFORCEMENT** – Each and every term and provision contained in these Trading Policies and Procedures is severable from every other term or provision therein. If any such term or provision should be judged invalid, illegal or unenforceable it shall not affect the validity, legality or enforceability of the remainder of any other term or provision of these Trading Policies and Procedures. The remainder shall remain valid, legal, enforceable and in full force and effect. In the event that legal action must be taken by TSI against a Client to enforce any provision of these Trading Policies and Procedures, TSI shall be entitled to recover attorney’s fees, cost, and simple interest at the rate of 18% per year from the date of default until payment is collected.
32. **MODIFICATIONS** – TSI may from time-to-time publish bulletins or directories containing modifications or additions to these Policies and Procedures, which are deemed to be in the best interest of Clientele, by which the Client agrees to abide. Retention and/or use of TSI Barter Card and Barter Exchange constitutes acceptance of this Agreement with all terms and conditions as a Client of TSI.
33. **MINIMUM TRADE** – The Client shall be obligated to sell to TSI or to TSI clients a minimum amount of \$15,000 of Client’s products and/or services per year. Every transaction involving TSI trade dollars shall be commissionable and the first \$5,000 of every transaction must be in TSI trade dollars. The balance is negotiable.
34. **DISSOLUTION** – In the event that Tradesource, Inc. trade network terminates or otherwise ceases to do business, all Clients in a negative trade position will pay amounts they owe in cash (one trade dollar being equal to one dollar in cash U.S. currency) into a fund. The fund, less expenses, plus any Tradesource inventory will be distributed pro rata to all Clients who are in a positive trade position. Thus, all Clients in a positive position will receive cash and/or goods for their trade dollars to the extent that the funds permit. Tradesource, Inc. shall not be liable to any Client’s cash or trade dollars beyond the distribution of such funds as aforesaid.