



# STATEMENT OF POLICIES and PROCEDURES

Effective October 1<sup>st</sup> 2009

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## **SECTION 1 - CORPORATE VISION & MISSION STATEMENTS**

### **Our Vision**

To be the world's leading educator and supplier of green lifestyle alternatives.

### **Our Mission:**

Our mission is to make your transition into a greener lifestyle as seamless as possible. We continually evaluate products to ensure that we offer the highest quality, most cost effective alternatives.

Through our team of EcoAdvisors, we educate consumers so that they can make informed purchasing decisions. We offer a smarter way to adopt a healthy and ecologically-friendly way of life.

## **SECTION 2 - INTRODUCTION**

### **2.1 - Policies and Compensation Plan Incorporated into EcoAdvisor Agreement**

These Policies and Procedures, in their present form and as amended at the sole discretion of OnlyGreen™ (hereafter "OnlyGreen" or the "Company"), are incorporated into, and form an integral part of, the OnlyGreen EcoAdvisor Agreement. Throughout these Policies, when the term "Agreement" is used, it collectively refers to the OnlyGreen EcoAdvisor Application and Agreement, these Policies and Procedures, the OnlyGreen Marketing and Compensation Plan, and the OnlyGreen Business Entity Application (if applicable). These documents are incorporated by reference into the OnlyGreen EcoAdvisor Agreement (all in their current form and as amended by OnlyGreen). It is the responsibility of each EcoAdvisor to read, understand, adhere to, and ensure that he or she is aware of and operating under the most current version of these Policies and Procedures. When sponsoring or enrolling a new EcoAdvisor, it is the responsibility of the sponsoring EcoAdvisor to ensure that the applicant is provided with, or has online access to, the most current version of these Policies and Procedures and the OnlyGreen Marketing and Compensation Plan prior to his or her execution of the EcoAdvisor Agreement.

### **2.2 - Purpose of Policies**

OnlyGreen is a direct sales company that markets its products through Independent EcoAdvisors. It is important to understand that your success and the success of your fellow EcoAdvisors depends on the integrity of the men and women who market our products and services. To clearly define the relationship that exists between EcoAdvisors and OnlyGreen, and to explicitly set a standard for acceptable business conduct, OnlyGreen has established the Agreement.

OnlyGreen EcoAdvisors are required to comply with all of the Terms and Conditions set forth in the Agreement, as well as all federal, state, and local laws governing their OnlyGreen business and their conduct. Because you may be unfamiliar with many of these standards of practice, it is very important that you read and abide by the Agreement. Please review the information in this manual carefully. It explains and governs the relationship between you, as an independent contractor and the Company. If you have any questions regarding any policy or

rule, do not hesitate to seek an answer from OnlyGreen.

### **2.3 - Changes to the Agreement**

Because federal, state, and local laws, as well as the business environment, periodically change, OnlyGreen reserves the right to amend the Agreement and its prices in its sole and absolute discretion. By signing the EcoAdvisor Agreement, an EcoAdvisor agrees to abide by all amendments or modifications that OnlyGreen elects to make. Amendments shall be effective 30 days after publication of notice that the Agreement has been modified. Notification of amendments shall be published by one or more of the following methods: (1) posting on the Company's official web site; (2) electronic mail (e-mail); (3) fax-on-demand; (4) voice mail system broadcast; (5) inclusion in Company periodicals; (6) inclusion in product orders or bonus checks; or (7) special mailings. The continuation of an EcoAdvisor's OnlyGreen business or an EcoAdvisor's acceptance of bonuses or commissions constitutes acceptance of any and all amendments.

### **2.4 - Delays**

OnlyGreen shall not be responsible for delays or failures in performance of its obligations when performance is made commercially impracticable due to circumstances beyond its reasonable control. This includes, without limitation, strikes, labor difficulties, riot, war, fire, death, curtailment of a party's source of supply, or government decrees or orders.

### **2.5 - Policies and Provisions Severable**

If any provision of the Agreement, in its current form or as may be amended, is found to be invalid, or unenforceable for any reason, only the invalid portion(s) of the provision shall be severed and the remaining terms and provisions shall remain in full force and effect. The severed provision, or portion thereof, shall be reformed to reflect the purpose of the provision as closely as possible.

### **2.6 - Waiver**

The Company never gives up its right to insist on compliance with the Agreement and with the applicable laws governing the conduct of a business. No failure of OnlyGreen to exercise any right or power under the Agreement or to insist upon strict compliance by an EcoAdvisor with any obligation or provision of the Agreement, and no custom or practice of the parties at variance with the terms of the Agreement, shall constitute a waiver of OnlyGreen's right to demand exact compliance with the Agreement. Waiver by OnlyGreen can be effectuated only in writing by an authorized officer of the Company. OnlyGreen's waiver of any particular breach by an EcoAdvisor shall not affect or impair OnlyGreen's rights with respect to any subsequent breach, nor shall it affect in any way the rights or obligations of any other EcoAdvisor. Nor shall any delay or omission by OnlyGreen to exercise any right arising from a breach affect or impair OnlyGreen's rights as to that or any subsequent breach.

The existence of any claim or cause of action of an EcoAdvisor against OnlyGreen shall not constitute a defense to OnlyGreen's enforcement of any term or provision of the Agreement.

## **SECTION 3 - BECOMING AN ECOADVISOR**

### **3.1 - Requirements to Become an EcoAdvisor**

To become an OnlyGreen EcoAdvisor, each applicant must:

- Be of the age of majority in his or her state or province of residence;
- Reside in Canada, the United States, a U.S. Territory or country that OnlyGreen has officially announced is open for business;
- Have a valid Social Security, Social Insurance, or Federal Tax ID number;
- Purchase an OnlyGreen Starter Kit (optional in North Dakota);
- Submit a properly completed EcoAdvisor Application and Agreement to OnlyGreen either in hard copy or online format.

### **3.2 - No Product Purchase Required**

No person is required to purchase OnlyGreen products or services. In order to familiarize new EcoAdvisors with OnlyGreen products, services, sales techniques, sales aids, and other matters, the Company requires that they purchase a Starter Kit. OnlyGreen will repurchase resalable kits from any EcoAdvisor who terminates his or her EcoAdvisor Agreement pursuant to the terms of Section 8.3.

### **3.3 - EcoAdvisor Benefits**

Once an EcoAdvisor Application and Agreement has been accepted by OnlyGreen, the benefits of the Marketing and Compensation Plan and the EcoAdvisor Agreement are available to the new EcoAdvisor. These benefits include the right to:

- Sell OnlyGreen products and services;
- Participate in the OnlyGreen Marketing and Compensation Plan (receive bonuses and commissions, if eligible);
- Sponsor other individuals as Preferred Customers or EcoAdvisors into the OnlyGreen business and thereby, build a marketing organization and progress through the OnlyGreen Marketing and Compensation Plan;
- Receive periodic OnlyGreen literature and other OnlyGreen communications;
- Participate in OnlyGreen-sponsored support, service, training, motivational and recognition functions, upon payment of appropriate charges, if applicable; and
- Participate in promotional and incentive contests and programs sponsored by OnlyGreen for its EcoAdvisors.

### **3.4 - Term and Renewal of Your OnlyGreen Business**

The term of the EcoAdvisor Agreement is one year from the date of its acceptance by OnlyGreen (subject to termination or reclassification for inactivity after six months pursuant to Section 11 below). The start date for an OnlyGreen Business, as it relates to various recruiting initiatives and timed promotions, shall be determined as the next calendar month beginning, unless the EcoAdvisor registered prior to the 5<sup>th</sup> of the month, in which case, that current month will constitute their first 30 days of business. Unless otherwise terminated as provided herein, the EcoAdvisor Agreement shall automatically renew for successive one year terms unless either party notifies the other at least 30 days prior to the anniversary date that it does not wish to renew the Agreement. OnlyGreen reserves the right to require the payment of an annual renewal fee at its discretion. In such event, the Company shall notify all EcoAdvisors of such requirement as provided in Section 2.3 above. If an EcoAdvisor is inactive, meaning they have not placed an order directly with OnlyGreen, for a period of one full year, OnlyGreen reserves

the right to cancel their OnlyGreen Business. If at a later date the individual wants to reactivate their OnlyGreen business, they will be required to re-purchase a Starter Kit.

## **SECTION 4 - OPERATING AN ONLYGREEN BUSINESS**

### **4.1 - Adherence to the OnlyGreen Marketing and Compensation Plan**

EcoAdvisors must adhere to the terms of the OnlyGreen Marketing and Compensation Plan as set forth in official OnlyGreen literature. EcoAdvisors shall not offer the OnlyGreen opportunity through, or in combination with, any other system, program, or method of marketing other than that specifically set forth in official OnlyGreen literature. EcoAdvisors shall not require or encourage other current or prospective Preferred Customers or EcoAdvisors to participate in OnlyGreen in any manner that varies from the program as set forth in official OnlyGreen literature. EcoAdvisors shall not require or encourage other current or prospective Preferred Customers or EcoAdvisors to execute any agreement or contract other than official OnlyGreen agreements and contracts in order to become an OnlyGreen EcoAdvisor. Similarly, EcoAdvisors shall not require or encourage other current or prospective Preferred Customers or EcoAdvisors to make any purchase from, or payment to, any individual or other entity to participate in the OnlyGreen Marketing and Compensation Plan other than those purchases or payments identified as recommended or required in official OnlyGreen literature.

### **4.2 - Advertising**

#### **4.2.1 - General**

All EcoAdvisors shall safeguard and promote the good reputation of OnlyGreen and its products. The marketing and promotion of OnlyGreen, the OnlyGreen opportunity, the Marketing and Compensation Plan, and OnlyGreen products shall be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices.

To promote both the products and services, and the tremendous opportunity OnlyGreen offers, EcoAdvisors should use the sales tools and support materials produced by OnlyGreen. The rationale behind this requirement is simple. OnlyGreen has carefully designed its products, product labels, Marketing and Compensation Plan, and promotional materials to ensure that each aspect of OnlyGreen is fair, truthful, substantiated, and complies with the vast and complex legal requirements of federal and state laws. If OnlyGreen EcoAdvisors were allowed to develop their own sales tools and promotional materials notwithstanding their integrity and good intentions, the likelihood that they would unintentionally violate any number of statutes or regulations affecting an OnlyGreen business is almost certain. These violations, although they may be relatively few in number, would jeopardize the OnlyGreen opportunity for all EcoAdvisors.

Accordingly, EcoAdvisors must submit all written sales tools, promotional materials, advertisements, and other literature to the Company for approval. Unless the EcoAdvisor receives specific written approval to use such tools, the request shall be deemed denied.

OnlyGreen will not permit EcoAdvisors to sell sales aids to other OnlyGreen EcoAdvisors. Therefore, EcoAdvisors who receive authorization from OnlyGreen to produce their own sales

aids may not sell such material to any other OnlyGreen EcoAdvisor. EcoAdvisors may make approved material available to other EcoAdvisors free of charge if they wish, but may not charge other OnlyGreen EcoAdvisors for the material.

OnlyGreen further reserves the right to rescind approval for any sales tools, promotional materials, advertisements, or other literature, and EcoAdvisors waive all claims for damages or remuneration arising from or relating to such rescission.

#### **4.2.2 - EcoAdvisor Web Sites**

If an EcoAdvisor desires to utilize an Internet web page to promote his or her business, he or she may do so through the Company's official web site, using official OnlyGreen templates. Alternatively, EcoAdvisors may develop their own web pages, however, any EcoAdvisor who does so: (a) must use the text of the Company's official web site; and (b) may not supplement the content of his or her web site with text from any source other than the Company. EcoAdvisors who develop or publish their own web sites must register their site(s) with the Company and receive written approval from the Company prior to the site(s) public availability.

#### **4.2.3 - Blogs, Chat Rooms, Online Social Networks, Online Auctions, and other Online Forums**

EcoAdvisors are permitted to use online marketing and promotion tools such as online blogs, chat rooms, online social networks, or any other online forum to market, sell, advertise, promote, or discuss OnlyGreen's products or services or the OnlyGreen opportunity. However, EcoAdvisors are asked to use discretion and uphold the company's image when posting online content. OnlyGreen reserves all right to view and restrict any information posted on any online media site.

#### **4.2.4 - Domain Names**

EcoAdvisors will only be permitted to use or attempt to register any of OnlyGreen's trade names, trademarks, service names, service marks, product names, the Company's name, or any derivative thereof, for any Internet domain name, only with the expressed written consent of OnlyGreen. All requests for such use must be made, in writing, and sent to the OnlyGreen Marketing Department for approval.

#### **4.2.5 - Trademarks and Copyrights**

OnlyGreen will not allow the use of its trade names, trademarks, designs, or symbols by any person, including OnlyGreen EcoAdvisors, without its prior, written permission. EcoAdvisors may not produce for sale or distribution any recorded Company events and speeches without written permission from OnlyGreen nor may EcoAdvisors reproduce for sale or for personal use any recording of Company-produced audio or video tape presentations.

#### **4.2.6 - Media and Media Inquiries**

EcoAdvisors must not attempt to respond to media inquiries regarding OnlyGreen, its products or services, on behalf of OnlyGreen Corporate. All inquiries directed at Corporate by any type of media must be immediately referred to OnlyGreen's Marketing Department. This policy is designed to ensure that accurate information is provided to the public and a consistent public image is maintained. EcoAdvisors are permitted to speak to the media with regards to

their own Independent OnlyGreen business, the products carried within their business and any particular events, promotions or partnerships that they develop.

#### **4.2.7 - Unsolicited Email**

OnlyGreen does not permit EcoAdvisors to send unsolicited commercial emails unless such emails strictly comply with applicable laws and regulations including, without limitation, the federal CAN SPAM Act. Any email sent by an EcoAdvisor that promotes OnlyGreen, the OnlyGreen opportunity, or OnlyGreen products and services must comply with the following:

- There must be a functioning return email address to the sender.
- There must be a notice in the email that advises the recipient that he or she may reply to the email, via the functioning return email address, to request that future email solicitations or correspondence not be sent to him or her (a functioning “opt-out” notice).
- The email must include the EcoAdvisor’s physical mailing address.
- The email must clearly and conspicuously disclose that the message is an advertisement or solicitation.
- The use of deceptive subject lines and/or false header information is prohibited.
- All opt-out requests, whether received by email or regular mail, must be honored. If an EcoAdvisor receives an opt-out request from a recipient of an email, the EcoAdvisor must forward the opt-out request to the Company.

OnlyGreen may periodically send commercial emails on behalf of EcoAdvisors. By entering into the EcoAdvisor Agreement, EcoAdvisor agrees that the Company may send such emails and that the EcoAdvisor’s physical and email addresses will be included in such emails as outlined above. EcoAdvisors shall honor opt-out requests generated as a result of such emails sent by the Company.

#### **4.2.8 - Unsolicited Faxes**

Except as provided in this section, EcoAdvisors may not use or transmit unsolicited faxes or use an automatic telephone dialing system relative to the operation of their OnlyGreen businesses. The term “automatic telephone dialing system” means equipment which has the capacity to: (a) store or produce telephone numbers to be called, using a random or sequential number generator; and (b) to dial such numbers. The terms “unsolicited faxes” means the transmission via telephone facsimile of any material or information advertising or promoting OnlyGreen, its products, its compensation plan or any other aspect of the company which is transmitted to any person, except that these terms do not include a fax or e-mail: (a) to any person with that person’s prior express invitation or permission; or (b) to any person with whom the EcoAdvisor has an established business or personal relationship. The term “established business or personal relationship” means a prior or existing relationship formed by a voluntary two way communication between an EcoAdvisor and a person, on the basis of: (a) an inquiry, application, purchase or transaction by the person regarding products offered by such EcoAdvisor; or (b) a personal or familial relationship, which relationship has not been previously terminated by either party.

#### **4.3 - Bonus Buying Prohibited**

Bonus buying is strictly and absolutely prohibited. “Bonus buying” includes: (a) the

enrollment of individuals or entities without the knowledge of and/or execution of an Independent EcoAdvisor Application and Agreement by such individuals or entities; (b) the fraudulent enrollment of an individual or entity as an EcoAdvisor or Preferred Customer; (c) the enrollment or attempted enrollment of non-existent individuals or entities as EcoAdvisors or Preferred Customers (“phantoms”); (d) Purchasing OnlyGreen products or services on behalf of another EcoAdvisor or Preferred Customer, or under another EcoAdvisor’s or Preferred Customer’s I.D. number, to qualify for commissions or bonuses; (e) purchasing excessive amounts of goods or services that cannot reasonably be used or resold in a month; and/or (f) any other mechanism or artifice to qualify for Bonus Level advancement, incentives, prizes, commissions or bonuses that is not driven by bona fide product or service purchases by end user consumers.

#### **4.4 - Business Entities**

A corporation, partnership, limited liability company (LLC) or trust (collectively referred to in this section as a “Business Entity”) may apply to be an OnlyGreen EcoAdvisor by submitting its Certificate of Incorporation, Partnership Agreement or trust documents (these documents are collectively referred to as the “Entity Documents”) to OnlyGreen, along with a properly completed Business Entity Registration form. An OnlyGreen business may change its status under the same sponsor from an individual to a partnership, corporation or trust, or from one type of entity to another. There is a \$25.00 fee for each change requested, which must be included with the written request and the completed EcoAdvisor Application and Agreement. The Business Entity Registration form must be signed by all of the shareholders, partners or trustees. Members of the entity are jointly and severally liable for any indebtedness or other obligation to OnlyGreen.

To prevent the circumvention of Section 4.27 (regarding transfers and assignments of OnlyGreen business), if an additional partner, shareholder, member, or other business entity affiliate is added to a business entity, the original applicant must remain as a party to the original EcoAdvisor Application and Agreement. If the original EcoAdvisor wants to terminate his or her relationship with the Company, he or she must transfer or assign his or her business in accordance with Section 4.27. If this process is not followed, the business shall be canceled upon the withdrawal of the original EcoAdvisor. All bonus and commission checks will be sent to the address of record of the original EcoAdvisor. Please note that the modifications permitted within the scope of this paragraph *do not* include a change of sponsorship. Changes of sponsorship are addressed in Section 4.5, below. There is a \$25.00 fee for each change requested, which must be included with the written request and the completed EcoAdvisor Application and Agreement. OnlyGreen may, at its discretion, require notarized documents before implementing any changes to an OnlyGreen business. Please allow thirty (30) days after the receipt of the request by OnlyGreen for processing.

##### **4.4.1 - Changes to a Business Entity**

Each EcoAdvisor must immediately notify OnlyGreen of all changes to type of business entity they utilize in operating their businesses and the addition or removal of business associates. Changes shall be processed only once per year. All changes must be submitted by November 30 to become effective on January 1 of the following year.

## **4.5 - Change of Sponsor**

To protect the integrity of all marketing organizations and safeguard the hard work of all EcoAdvisors, OnlyGreen strongly discourages changes in sponsorship. Maintaining the integrity of sponsorship is critical for the success of every EcoAdvisor and marketing organization. Accordingly, the transfer of an OnlyGreen business from one sponsor to another is rarely permitted.

Requests for change of sponsorship must be submitted in writing to the EcoAdvisor Services Department, and must include the reason for the transfer. Transfers will only be considered in the following three circumstances:

### **4.5.1 - Misplacement**

In cases in which the new EcoAdvisor is sponsored by someone other than the individual he or she was led to believe would be his or her Sponsor, an EcoAdvisor may request that he or she be transferred to another organization with his or her entire marketing organization intact. Requests for transfer under this policy will be evaluated on a case-by-case basis and must be made within 60 days from the date of enrollment. The EcoAdvisor requesting the change has the burden of proving that he or she was placed beneath the wrong sponsor. It is up to OnlyGreen's discretion whether the requested change will be implemented.

### **4.5.2 - Upline Approval**

The EcoAdvisor seeking to transfer submits a properly completed and fully executed Sponsorship Transfer Form which includes the written approval of his or her immediate five (5) upline EcoAdvisors. Photocopied or facsimile signatures are not acceptable. All EcoAdvisor signatures must be notarized. The EcoAdvisor who requests the transfer must submit a fee of \$50.00 for administrative charges and data processing. If the transferring EcoAdvisor also wants to move any of the EcoAdvisors in his or her marketing organization, each downline EcoAdvisor must also obtain a properly completed Sponsorship Transfer Form and return it to OnlyGreen with the \$50.00 change fee (i.e., the transferring EcoAdvisor and each EcoAdvisor in his or her marketing organization multiplied by \$50.00 is the cost to move an OnlyGreen business.) Downline EcoAdvisors will not be moved with the transferring EcoAdvisor unless all of the requirements of this paragraph are met. Transferring EcoAdvisors must allow thirty (30) days after the receipt of the Sponsorship Transfer Forms by OnlyGreen for processing and **verifying** change requests. OnlyGreen will consider waiving the six month waiting period under exceptional circumstances. Such requests for waiver must be submitted to OnlyGreen in writing.

In cases wherein the appropriate sponsorship change procedures have not been followed, and a downline organization has been developed in the second business developed by an EcoAdvisor, OnlyGreen reserves the sole and exclusive right to determine the final disposition of the downline organization. Resolving conflicts over the proper placement of a downline that has developed under an organization that has improperly switched sponsors is often extremely difficult. Therefore, **ECOADVISORS WAIVE ANY AND ALL CLAIMS AGAINST ONLYGREEN THAT RELATE TO OR ARISE FROM ONLYGREEN'S DECISION REGARDING THE DISPOSITION OF ANY DOWNLINE ORGANIZATION THAT DEVELOPS BELOW AN ORGANIZATION THAT HAS IMPROPERLY CHANGED LINES OF SPONSORSHIP.**

#### **4.5.3 - Cancellation and Re-application**

An EcoAdvisor may legitimately change organizations by voluntarily canceling his or her OnlyGreen business and remaining inactive (*i.e.*, no purchases of OnlyGreen products for resale, no sales of OnlyGreen products, no sponsoring, no attendance at any OnlyGreen functions, participation in any other form of EcoAdvisor activity, or operation of any other OnlyGreen business) for six (6) full calendar months. Following the six month period of inactivity, the former EcoAdvisor may reapply under a new Sponsor, however, the former EcoAdvisor's downline will remain in their original line of sponsorship.

#### **4.5.4 - Inactivity**

If an EcoAdvisor has been inactive, meaning they have not directly placed an order with OnlyGreen, for longer than a period of six months, their downline will be transferred to the EcoAdvisor directly above them, or to another qualified EcoAdvisor at the discretion of OnlyGreen.

### **4.6 - Unauthorized Claims and Actions**

#### **4.6.1 - Indemnification**

An EcoAdvisor is fully responsible for all of his or her verbal and written statements made regarding OnlyGreen products, services, and the Marketing and Compensation Plan which are not expressly contained in official OnlyGreen materials. EcoAdvisors agree to indemnify OnlyGreen and OnlyGreen's directors, officers, employees, and agents, and hold them harmless from any and all liability including judgments, civil penalties, refunds, attorney fees, court costs, or lost business incurred by OnlyGreen as a result of the EcoAdvisor's unauthorized representations or actions. This provision shall survive the termination of the EcoAdvisor Agreement.

#### **4.6.2 - Product Claims**

No claims (which include personal testimonials) as to therapeutic, curative or beneficial properties of any products offered by OnlyGreen may be made except those contained in official OnlyGreen literature. In particular, no EcoAdvisor may make any claim that OnlyGreen products are useful in the cure, treatment, diagnosis, mitigation or prevention of any diseases. Such statements can be perceived as medical or drug claims. Not only so such claims violate OnlyGreen policies, but they potentially violate federal and state laws and regulations, including the federal Food, Drug, and Cosmetic Act and Federal Trade Commission Act.

#### **4.6.3 - Income Claims**

In their enthusiasm to enroll prospective EcoAdvisors, some EcoAdvisors are occasionally tempted to make income claims or earnings representations to demonstrate the inherent power of direct selling. This is counterproductive because new EcoAdvisors may become disappointed very quickly if their results are not as extensive or as rapid as the results others have achieved. At OnlyGreen, we firmly believe that the OnlyGreen income potential is great enough to be highly attractive, without reporting the earnings of others.

Moreover, the Federal Trade Commission and several states have laws or regulations that regulate or even prohibit certain types of income claims and testimonials made by persons

engaged in direct selling. While EcoAdvisors may believe it beneficial to provide copies of checks, or to disclose the earnings of themselves or others, such approaches have legal consequences that can negatively impact OnlyGreen as well as the EcoAdvisor making the claim unless appropriate disclosures required by law are also made contemporaneously with the income claim or earnings representation. Because OnlyGreen EcoAdvisors do not have the data necessary to comply with the legal requirements for making income claims, an EcoAdvisor, when presenting or discussing the OnlyGreen opportunity or Marketing and Compensation Plan to a prospective EcoAdvisor, may not make income projections, income claims, or disclose his or her OnlyGreen income (including the showing of checks, copies of checks, bank statements, or tax records).

#### **4.6.4 - Income Disclosure Statement (“IDS”)**

The OnlyGreen IDS is designed to convey truthful, timely, and comprehensive information regarding the income that OnlyGreen EcoAdvisors earn. As soon as the company produces and publishes its IDS, a copy of the IDS must be presented to a prospective EcoAdvisor (someone who is not a party to a current OnlyGreen EcoAdvisor Agreement) anytime the Compensation Plan is presented or discussed, or any type of income claim or earnings representation is made.

The terms “income claim” and/or “earnings representation” (collectively “income claim”) include: (1) statements of average EcoAdvisor earnings, (2) statements of non-average earnings, (3) statements of earnings ranges, (4) income testimonials, (5) lifestyle claims, and (6) hypothetical claims. Examples of “statements of non-average earnings” include, “Our number one EcoAdvisor earned \$XXX last year” or “Our average (*Bonus Level*) makes \$XXX per month.” An example of a “statement of earnings ranges” is “The monthly income for (*Bonus Level*) is \$XXX on the low end to \$YYY on the high end.”

A lifestyle income claim typically includes statements (or pictures) involving large homes, luxury cars, exotic vacations, or other items suggesting or implying wealth. They also consist of references to the achievement of one's dreams, having everything one always wanted, and are phrased in terms of “opportunity” or “possibility” or “chance.” Claims such as “My OnlyGreen income exceeded my salary after six months in the business,” or “Our OnlyGreen business has allowed my wife to come home and be a full-time mom” also fall within the purview of “lifestyle” claims.

A hypothetical income claim exists when you attempt to explain the operation of the Compensation Plan through the use of a hypothetical example. Certain assumptions are made regarding the: (1) number of EcoAdvisors sponsored, (2) number of downline EcoAdvisors, (3) average product volume per EcoAdvisor, and (4) total organizational volume. Running these assumptions through the Compensation Plan yields income figures which constitute income claims.

In any non-public meeting (e.g., a home meeting, one-on-one, regardless of venue) with a prospective EcoAdvisor or EcoAdvisors in which the Compensation Plan is discussed or any type of income claim is made, you must provide the prospect(s) with a copy of the IDS. In any meeting that is open to the public in which the Compensation Plan is discussed or any type of income claims is made, you must provide every prospective EcoAdvisor with a copy of the IDS

and you must display at least one (3 x 5 foot poster board) in the front of the room in reasonably close proximity to the presenter(s). In any meeting in which any type of video display is utilized (e.g., monitor, television, projector, etc.) a slide of the IDS must be displayed continuously throughout the duration of any discussion of the Compensation Plan or the making of an income claim.

As soon as they are available, copies of the IDS may be printed or downloaded without charge from the corporate website at [www.OnlyGreen.com/IDS](http://www.OnlyGreen.com/IDS).

EcoAdvisors who develop sales aids and tools in which the Compensation Plan or income claims are present must incorporate the IDS into each such sales aid or tool prior to submission to the Company for review.

#### **4.7 - Commercial Outlets**

EcoAdvisors may not sell OnlyGreen products from a commercial outlet, nor may EcoAdvisors display or sell OnlyGreen products or literature in any retail or service establishment.

#### **4.8 - Trade Shows, Expositions and Other Sales Forums**

EcoAdvisors may display and/or sell OnlyGreen products at trade shows and professional expositions. Before submitting a deposit to the event promoter, EcoAdvisors must contact the Marketing Department in writing for conditional approval, as OnlyGreen's policy is to authorize only one OnlyGreen business per event. Final approval will be granted to the first EcoAdvisor who submits an official advertisement of the event, a copy of the contract signed by both the EcoAdvisor and the event official, and a receipt indicating that a deposit for the booth has been paid. Approval is given only for the event specified. Any requests to participate in future events must again be submitted to the Marketing Department. OnlyGreen further reserves the right to refuse authorization to participate at any function which it does not deem a suitable forum for the promotion of its products, services, or the OnlyGreen opportunity. Approval will not be given for swap meets, garage sales, or flea markets as these events are not conducive to the professional image OnlyGreen wishes to portray.

#### **4.9 - Conflicts of Interest**

##### **4.9.1 - Nonsolicitation**

OnlyGreen EcoAdvisors are free to participate in other direct selling business ventures or marketing opportunities (collectively "direct selling"). However, during the term of this Agreement, EcoAdvisors may not directly or indirectly Recruit other OnlyGreen EcoAdvisors or Preferred Customers for any other direct selling business.

Following the cancellation of an EcoAdvisor's independent EcoAdvisor Agreement, and for a period of six calendar months thereafter, with the exception of an EcoAdvisor who is personally sponsored by the former EcoAdvisor, a former EcoAdvisor may not Recruit any OnlyGreen EcoAdvisor or Preferred Customer for another direct selling business. EcoAdvisors and the Company recognize that because direct selling is conducted through networks of independent contractors dispersed across the entire United States and internationally, and business is commonly conducted via the internet and telephone, an effort to narrowly limit the

geographic scope of this non-solicitation provision would render it wholly ineffective. Therefore, EcoAdvisors and OnlyGreen agree that this non-solicitation provision shall apply to all markets in which OnlyGreen conducts business.

The term “Recruit” means the actual or attempted sponsorship, solicitation, enrollment, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party, another OnlyGreen EcoAdvisor or Preferred Customer to enroll or participate in another direct selling opportunity. Such conduct constitutes recruiting even if the EcoAdvisor’s actions are in response to an inquiry made by another EcoAdvisor or Preferred Customer.

#### **4.9.2 - Sale of Competing Goods or Services**

EcoAdvisors must not sell, or attempt to sell, any competing non-OnlyGreen programs, products or services to OnlyGreen Preferred Customers or EcoAdvisors. Any program, product or services in the same generic categories as OnlyGreen products or services is deemed to be competing, regardless of differences in cost, quality or other distinguishing factors.

#### **4.9.3 - EcoAdvisor Participation in Other Direct Selling Programs**

If an EcoAdvisor is engaged in other non-OnlyGreen direct selling programs, it is the responsibility of the EcoAdvisor to ensure that his or her OnlyGreen business is operated entirely separate and apart from any other program. To this end, the following must be adhered to:

- EcoAdvisors shall not display OnlyGreen promotional material, sales aids, products or services with or in the same location as, any non-OnlyGreen promotional material or sales aids, products or services.
- EcoAdvisors shall not offer the OnlyGreen opportunity, products or services to prospective or existing Preferred Customers or EcoAdvisors in conjunction with any non-OnlyGreen program, opportunity, product or service.
- EcoAdvisors may not offer any non-OnlyGreen opportunity, products, services or opportunity at any OnlyGreen-related meeting, seminar or convention, or within two hours and a five mile radius of the OnlyGreen event. If the OnlyGreen meeting is held telephonically or on the internet, any non-OnlyGreen meeting must be at least two hours before or after the OnlyGreen meeting, and on a different conference telephone number or internet web address from the OnlyGreen meeting.

#### **4.9.4 - Downline Activity (Genealogy) Reports**

Downline Activity Reports are available for EcoAdvisor access and viewing at OnlyGreen’s official web site. EcoAdvisor access to their Downline Activity Reports is password protected. **All Downline Activity Reports and the information contained therein are confidential and constitute proprietary information and business trade secrets belonging to OnlyGreen.** Downline Activity Reports are provided to EcoAdvisors in strictest confidence and are made available to EcoAdvisors for the sole purpose of assisting EcoAdvisors in working with their respective Downline Organizations in the development of their OnlyGreen business. EcoAdvisors should use their Downline Activity Reports to assist, motivate, and train their downline EcoAdvisors. The EcoAdvisor and OnlyGreen agree that, but for this agreement of

confidentiality and nondisclosure, OnlyGreen would not provide Downline Activity Reports to the EcoAdvisor. An EcoAdvisor shall not, on his or her own behalf, or on behalf of any other person, partnership, association, corporation or other entity:

- Directly or indirectly disclose any information contained in any Downline Activity Report to any third party;
- Directly or indirectly disclose the password or other access code to his or her Downline Activity Report;
- Use the information to compete with OnlyGreen or for any purpose other than promoting his or her OnlyGreen business;
- Recruit or solicit any EcoAdvisor or Preferred Customer of OnlyGreen listed on any report, or in any manner attempt to influence or induce any EcoAdvisor or Preferred Customer of OnlyGreen, to alter their business relationship with OnlyGreen; or
- Use or disclose to any person, partnership, association, corporation, or other entity any information contained in any Downline Activity Report.

Upon demand by the Company, any current or former EcoAdvisor will return the original and all copies of Downline Activity Reports to the Company.

#### **4.10 - Targeting Other Direct Sellers**

OnlyGreen does not condone EcoAdvisors specifically or consciously targeting the sales force of another direct sales company to sell OnlyGreen products or to become EcoAdvisors for OnlyGreen, nor does OnlyGreen condone EcoAdvisors solicitation or enticement of members of the sales force of another direct sales company to violate the terms of their contract with such other company. Should EcoAdvisors engage in such activity, they bear the risk of being sued by the other direct sales company. If any lawsuit, arbitration or mediation is brought against an EcoAdvisor alleging that he or she engaged in inappropriate recruiting activity of its sales force or customers, OnlyGreen will not pay any of EcoAdvisor's defense costs or legal fees, nor will OnlyGreen indemnify the EcoAdvisor for any judgment, award, or settlement.

#### **4.11 - Cross-Sponsoring**

Actual or attempted cross sponsoring is strictly prohibited. "Cross sponsoring" is defined as the enrollment of an individual who or entity that already has a current Preferred Customer or EcoAdvisor Agreement on file with OnlyGreen, or who has had such an agreement within the preceding six calendar months, within a different line of sponsorship. The use of a spouse's or relative's name, trade names, DBAs, assumed names, corporations, partnerships, trusts, federal ID numbers, fictitious ID numbers, any straw-man or other artifice to circumvent this policy is prohibited. EcoAdvisors shall not demean, discredit or defame other OnlyGreen EcoAdvisors in an attempt to entice another EcoAdvisor to become part of the first EcoAdvisor's marketing organization. This policy shall not prohibit the transfer of an OnlyGreen business in accordance with Section 4.27.

If Cross Sponsoring is discovered, it must be brought to the Company's attention immediately. OnlyGreen may take disciplinary action against the EcoAdvisor that changed organizations and/or those EcoAdvisors who encouraged or participated in the Cross Sponsoring. OnlyGreen may also move all or part of the offending EcoAdvisor's downline to his or her

original downline organization if the Company deems it equitable and feasible to do so. However, OnlyGreen is under no obligation to move the Cross Sponsored EcoAdvisor's downline organization, and the ultimate disposition of the organization remains within the sole discretion of OnlyGreen. **EcoAdvisors waive all claims and causes of action against OnlyGreen arising from or relating to the disposition of the Cross Sponsored EcoAdvisor's downline organization.**

#### **4.12 - Errors or Questions**

If an EcoAdvisor has questions about or believes any errors have been made regarding commissions, bonuses, Downline Activity Reports, or charges, the EcoAdvisor must notify OnlyGreen in writing within 60 days of the date of the purported error or incident in question. OnlyGreen will not be responsible for any errors, omissions or problems not reported to the Company within 60 days.

#### **4.13 - Governmental Approval or Endorsement**

Neither federal, state, nor provincial regulatory agencies or officials approve or endorse any direct selling companies or programs. Therefore, EcoAdvisors shall not represent or imply that OnlyGreen or its Marketing and Compensation Plan have been "approved," "endorsed" or otherwise sanctioned by any government agency.

#### **4.14 - Holding Applications or Orders**

EcoAdvisors must not manipulate enrollments of new applicants and purchases of products. All EcoAdvisor Applications and Agreements, and product orders must be sent to OnlyGreen within 72 hours from the time they are signed by an EcoAdvisor or placed by a customer, respectively.

#### **4.15 - Identification**

All EcoAdvisors are required to provide their Social Security Number, or a Federal Employer Identification Number to OnlyGreen on the EcoAdvisor Application and Agreement. Upon enrollment, the Company will provide a unique EcoAdvisor Identification Number to the EcoAdvisor by which he or she will be identified. This number will be used to place orders, and track commissions and bonuses.

#### **4.16 - Income Taxes**

Each EcoAdvisor is responsible for paying local, state/provincial, and federal taxes on any income generated as an Independent EcoAdvisor. If an OnlyGreen business is tax exempt, the Federal tax identification number must be provided to OnlyGreen. Every year, OnlyGreen will provide an IRS Form 1099 MISC (Non-employee Compensation) earnings statement to each U.S. resident who: 1) Had earnings of over \$600 in the previous calendar year; or 2) Made purchases during the previous calendar year in excess of \$5,000.

#### **4.17 - Independent Contractor Status**

EcoAdvisors are independent contractors, and are not purchasers of a franchise or a business opportunity. The agreement between OnlyGreen and its EcoAdvisors does not create an employer/employee relationship, agency, partnership, or joint venture between the Company and

the EcoAdvisor. EcoAdvisors shall not be treated as an employee for his or her services or for Federal or State tax purposes. All EcoAdvisors are responsible for paying local, state, and federal taxes due from all compensation earned as an EcoAdvisor of the Company. The EcoAdvisor has no authority (expressed or implied), to bind the Company to any obligation. Each EcoAdvisor shall establish his or her own goals, hours, and methods of sale, so long as he or she complies with the terms of the EcoAdvisor Agreement, these Policies and Procedures, and applicable laws.

The name of OnlyGreen and other names as may be adopted by OnlyGreen are proprietary trade names, trademarks and service marks of OnlyGreen. As such, these marks are of great value to OnlyGreen and are supplied to EcoAdvisors for their use only in an expressly authorized manner. Use of OnlyGreen name on any item not produced by the Company is prohibited except as follows:

EcoAdvisor's Name  
Independent OnlyGreen EcoAdvisor

All EcoAdvisors may list themselves as an “Independent OnlyGreen EcoAdvisor” in the white or yellow pages of the telephone directory under their own name. No EcoAdvisor may place telephone directory display ads using OnlyGreen's name or logo. EcoAdvisors may not answer the telephone by saying “OnlyGreen”, “OnlyGreen Incorporated”, or in any other manner that would lead the caller to believe that he or she has reached corporate offices of OnlyGreen.

#### **4.18 - Insurance**

You may wish to arrange insurance coverage for your business. Your homeowner's insurance policy does not cover business-related injuries, or the theft of or damage to inventory or business equipment. Contact your insurance agent to make certain that your business property is protected. This can often be accomplished with a simple “Business Pursuit” endorsement attached to your present home owner's policy.

#### **4.19 - International Marketing**

Because of critical legal and tax considerations, OnlyGreen must limit the resale of OnlyGreen, products and services, and the presentation of the OnlyGreen business to prospective customers and EcoAdvisors located within Canada, the United States and U.S. Territories and those other countries that the Company has announced are officially opened for business. Moreover, allowing a few EcoAdvisors to conduct business in markets not yet opened by OnlyGreen would violate the concept of affording every EcoAdvisor the equal opportunity to expand internationally.

Accordingly, EcoAdvisors are authorized to sell OnlyGreen products and services, and enroll Preferred Customers or EcoAdvisors only in the countries in which OnlyGreen is authorized to conduct business, as announced in official Company literature. OnlyGreen products or sales aids cannot be shipped into or sold in any foreign country. EcoAdvisors may sell, give, transfer, or distribute OnlyGreen products or sales aids only in their home country. In addition, no EcoAdvisor may, in any unauthorized country: (a) conduct sales, enrollment or training meetings; (b) enroll or attempt to enroll potential customers or EcoAdvisors; or (c) conduct any

other activity for the purpose of selling OnlyGreen products, establishing a marketing organization, or promoting the OnlyGreen opportunity.

#### **4.20 - Inventory Loading**

EcoAdvisors must never purchase more products than they can reasonably use or sell to retail customers in a month, and must not influence or attempt to influence any other EcoAdvisor to buy more products than they can reasonably use or sell to retail customers in a month.

#### **4.21 - Adherence to Laws and Ordinances**

EcoAdvisors shall comply with all federal, state, and local laws and regulations in the conduct of their businesses. Many cities and counties have laws regulating certain home-based businesses. In most cases these ordinances are not applicable to EcoAdvisors because of the nature of their business. However, EcoAdvisors must obey those laws that do apply to them. If a city or county official tells an EcoAdvisor that an ordinance applies to him or her, the EcoAdvisor shall be polite and cooperative, and immediately send a copy of the ordinance to the Compliance Department of OnlyGreen. In most cases there are exceptions to the ordinance that may apply to OnlyGreen EcoAdvisors.

#### **4.22 - Minors**

A person who is recognized as a minor in his/her state of residence may not be an OnlyGreen EcoAdvisor. EcoAdvisors shall not enroll or recruit minors into the OnlyGreen program.

#### **4.23 - One OnlyGreen Business Per EcoAdvisor and Per Household**

An EcoAdvisor may operate or have an ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, or beneficiary, in only one OnlyGreen business. No individual may have, operate or receive compensation from more than one OnlyGreen business. Individuals of the same family unit may not enter into or have an interest in more than one OnlyGreen Business. A “family unit” is defined as spouses and dependent children living at or doing business at the same address.

In order to maintain the integrity of the OnlyGreen Marketing and Compensation Plan, husbands and wives or common-law couples (collectively “spouses”) who wish to become OnlyGreen EcoAdvisors must be jointly sponsored as one OnlyGreen business. Spouses, regardless of whether one or both are signatories to the EcoAdvisor Application and Agreement, may not own or operate any other OnlyGreen business, either individually or jointly, nor may they participate directly or indirectly (as a shareholder, partner, trustee, trust beneficiary, or any other legal or equitable ownership) in the ownership or management of another OnlyGreen business in any form.

An exception to the one business per EcoAdvisor rule will be considered on a case by case basis if two EcoAdvisors marry or in cases of an EcoAdvisor receiving an interest in another business through inheritance. Requests for exceptions to policy must be submitted in writing to the Administration Department.

#### **4.24 - Actions of Household Members or Affiliated Individuals**

If any member of an EcoAdvisor’s immediate household engages in any activity which, if performed by the EcoAdvisor, would violate any provision of the Agreement, such activity will

be deemed a violation by the EcoAdvisor and OnlyGreen may take disciplinary action pursuant to the Statement of Policies against the EcoAdvisor. Similarly, if any individual associated in any way with a corporation, partnership, trust or other entity (collectively “affiliated individual”) violates the Agreement, such action(s) will be deemed a violation by the entity, and OnlyGreen may take disciplinary action against the entity.

#### **4.25 - Requests for Records**

Any request from an EcoAdvisor for copies of invoices, applications, downline activity reports, or other records will require a fee of \$1.00 per page per copy. This fee covers the expense of mailing and time required to research files and make copies of the records.

#### **4.26 - Roll-up of Marketing Organization**

When a vacancy occurs in a Marketing Organization due to the termination of an OnlyGreen business, each EcoAdvisor in the first level immediately below the terminated EcoAdvisor on the date of the cancellation will be moved to the first level (“front line”) of the terminated EcoAdvisor’s sponsor. For example, if A sponsors B, and B sponsors C1, C2, and C3, if B terminates her business, C1, C2, and C3 will “roll-up” to A and become part of A’s first level.

#### **4.27 - Sale, Transfer or Assignment of OnlyGreen Business**

Although an OnlyGreen business is a privately owned, independently operated business, the sale, transfer or assignment of an OnlyGreen business is subject to certain limitations. If an EcoAdvisor wishes to sell his or her OnlyGreen business, the following criteria must be met:

- Protection of the existing line of sponsorship must always be maintained so that the OnlyGreen business continues to be operated in that line of sponsorship.
- The buyer or transferee must become a qualified OnlyGreen EcoAdvisor. If the buyer is an active OnlyGreen EcoAdvisor, he or she must first terminate his or her OnlyGreen business before acquiring any interest in a different OnlyGreen business.
- Before the sale, transfer or assignment can be finalized and approved by OnlyGreen, any debt obligations the selling EcoAdvisor has with OnlyGreen must be satisfied.
- The selling EcoAdvisor must be in good standing and not in violation of any of the terms of the Agreement in order to be eligible to sell, transfer or assign an OnlyGreen business.

Prior to selling an OnlyGreen business, the selling EcoAdvisor must notify OnlyGreen’s Administration Department of his or her intent to sell the OnlyGreen business. No changes in line of sponsorship can result from the sale or transfer of an OnlyGreen business.

#### **4.28 - Transfer of coupons, Eco Credits or other product or recruiting promotion earnings**

EcoAdvisors are not permitted to transfer coupons from their Starter Kits, Eco Credits earned through the compensation guide, or any other product credits earned from various sales or recruiting promotions, to any other EcoAdvisor. These earned benefits are solely for the use of the EcoAdvisor who they were issued to.

#### **4.29 - Separation of an OnlyGreen Business**

OnlyGreen EcoAdvisors sometimes operate their OnlyGreen businesses as husband-wife partnerships, regular partnerships, corporations, or trusts. At such time as a marriage may end in

divorce or a corporation, partnership or trust (the latter three entities are collectively referred to herein as “entities”) may dissolve, arrangements must be made to assure that any separation or division of the business is accomplished so as not to adversely affect the interests and income of other businesses up or down the line of sponsorship. If the separating parties fail to provide for the best interests of other EcoAdvisors and the Company in a timely fashion, OnlyGreen will involuntarily terminate the EcoAdvisor Agreement and roll-up their entire organization pursuant to Section 4.26.

During the divorce or entity dissolution process, the parties must adopt one of the following methods of operation:

**4.29.1** - One of the parties may, with consent of the other(s), operate the OnlyGreen business pursuant to an assignment in writing whereby the relinquishing spouse, shareholders, partners or trustees authorize OnlyGreen to deal directly and solely with the other spouse or non-relinquishing shareholder, partner or trustee.

**4.29.2** - The parties may continue to operate the OnlyGreen business jointly on a “business-as-usual” basis, whereupon all compensation paid by OnlyGreen will be paid according to the status quo as it existed prior to the divorce filing or dissolution proceedings. This is the default procedure if the parties do not agree on the format set forth above.

Under no circumstances will the Downline Organization of divorcing spouses or a dissolving business entity be divided. Similarly, under no circumstances will OnlyGreen split commission and bonus checks between divorcing spouses or members of dissolving entities. OnlyGreen will recognize only one Downline Organization and will issue only one commission check per OnlyGreen business per commission cycle. Commission checks shall always be issued to the same individual or entity. In the event that parties to a divorce or dissolution proceeding are unable to resolve a dispute over the disposition of commissions and ownership of the business in a timely fashion as determined by the Company, the EcoAdvisor Agreement shall be involuntarily canceled.

If a former spouse has completely relinquished all rights in the original OnlyGreen business pursuant to a divorce, he or she is thereafter free to enroll under any sponsor of his or her choosing without waiting six calendar months. In the case of business entity dissolutions, the former partner, shareholder, member, or other entity affiliate who retains no interest in the business must wait six calendar months from the date of the final dissolution before re-enrolling as an EcoAdvisor. In either case however, the former spouse or business affiliate shall have no rights to any EcoAdvisors in their former organization or to any former retail customer. They must develop the new business in the same manner as would any other new EcoAdvisor.

#### **4.30 - Sponsoring**

All active EcoAdvisors in good standing have the right to sponsor and enroll others into OnlyGreen. Each prospective Preferred Customer or EcoAdvisor has the ultimate right to choose his or her own Sponsor. If two EcoAdvisors claim to be the Sponsor of the same new EcoAdvisor or Preferred Customer, the Company shall regard the first application received by

the Company as controlling.

#### **4.31 - Succession**

Upon the death or incapacitation of an EcoAdvisor, his or her business may be passed to his or her heirs. Appropriate legal documentation must be submitted to the Company to ensure the transfer is proper. Accordingly, an EcoAdvisor should consult an attorney to assist him or her in the preparation of a will or other testamentary instrument. Whenever an OnlyGreen business is transferred by a will or other testamentary process, the beneficiary acquires the right to collect all bonuses and commissions of the deceased EcoAdvisor's marketing organization provided the following qualifications are met. The successor(s) must:

- Execute an EcoAdvisor Agreement;
- Comply with terms and provisions of the Agreement; and
- Meet all of the qualifications for the deceased EcoAdvisor's status.

Bonus and commission checks of an OnlyGreen business transferred pursuant to this section will be paid in a single check jointly to the devisees. The devisees must provide OnlyGreen with an "address of record" to which all bonus and commission checks will be sent. If the business is bequeathed to joint devisees, they must form a business entity and acquire a federal taxpayer Identification number. OnlyGreen will issue all bonus and commission checks and one 1099 to the business entity.

##### **4.31.1 - Transfer Upon Death of an EcoAdvisor**

To effect a testamentary transfer of an OnlyGreen business, the successor must provide the following to OnlyGreen: (1) an original death certificate; (2) a notarized copy of the will or other instrument establishing the successor's right to the OnlyGreen business; and (3) a completed and executed EcoAdvisor Agreement.

##### **4.31.2 - Transfer Upon Incapacitation of an EcoAdvisor**

To effectuate a transfer of an OnlyGreen business because of incapacity, the successor must provide the following to OnlyGreen: (1) a notarized copy of an appointment as trustee; (2) a notarized copy of the trust document or other documentation establishing the trustee's right to administer the OnlyGreen business; and (3) a completed EcoAdvisor Agreement executed by the trustee.

#### **4.32 - Telemarketing Techniques**

The Federal Trade Commission and the Federal Communications Commission each have laws that restrict telemarketing practices. Both federal agencies (as well as a number of states) have "do not call" regulations as part of their telemarketing laws. Although OnlyGreen does not consider EcoAdvisors to be "telemarketers" in the traditional sense of the word, these government regulations broadly define the term "telemarketer" and "telemarketing" so that your inadvertent action of calling someone whose telephone number is listed on the federal "do not call" registry could cause you to violate the law. Moreover, these regulations must not be taken lightly, as they carry significant penalties (up to \$11,000.00 per violation).

Therefore, EcoAdvisors must not engage in telemarketing in the operation of their OnlyGreen businesses. The term "telemarketing" means the placing of one or more telephone

calls to an individual or entity to induce the purchase of an OnlyGreen product or service, or to recruit them for the OnlyGreen opportunity. "Cold calls" made to prospective customers or EcoAdvisors that promote either OnlyGreen's products or services or the OnlyGreen opportunity constitute telemarketing and are prohibited. However, a telephone call(s) placed to a prospective customer or EcoAdvisor (a "prospect") is permissible under the following situations:

- If the EcoAdvisor has an established business relationship with the prospect. An "established business relationship" is a relationship between an EcoAdvisor and a prospect based on the prospect's purchase, rental, or lease of goods or services from the EcoAdvisor, or a financial transaction between the prospect and the EcoAdvisor, within the eighteen (18) months immediately preceding the date of a telephone call to induce the prospect's purchase of a product or service.
- The prospect's personal inquiry or application regarding a product or service offered by the EcoAdvisor, within the three (3) months immediately preceding the date of such a call.
- If the EcoAdvisor receives written and signed permission from the prospect authorizing the EcoAdvisor to call. The authorization must specify the telephone number(s) which the EcoAdvisor is authorized to call.
- EcoAdvisors may call family members, personal friends, and acquaintances. An "acquaintance" is someone with whom an EcoAdvisor has at least a recent first-hand relationship within the preceding three months. Bear in mind, however, that if an EcoAdvisor engages in "card collecting" with everyone he or she meets and subsequently calling them, the FTC may consider this a form of telemarketing that is not subject to this exemption. Thus, if an EcoAdvisor engages in calling "acquaintances," the EcoAdvisor must make such calls on an occasional basis only and not make this a routine practice.
- In addition, EcoAdvisors shall not use automatic telephone dialing systems relative to the operation of their OnlyGreen businesses. The term "automatic telephone dialing system" means equipment which has the capacity to: (a) store or produce telephone numbers to be called, using a random or sequential number generator; and (b) to dial such numbers.

## **SECTION 5 - RESPONSIBILITIES OF ECOADVISORS**

### **5.1 - Change of Address, Telephone, and E-Mail Addresses**

To ensure timely delivery of products, support materials, and commission checks, it is critically important that the OnlyGreen's files are current. Street addresses are required for shipping since UPS cannot deliver to a post office box. EcoAdvisors planning to change their e-mail address or move must send their new address and telephone numbers to OnlyGreen's Corporate Offices to the attention of the EcoAdvisor Services Department. To guarantee proper delivery, two weeks advance notice must be provided to OnlyGreen on all changes.

### **5.2 - Continuing Development Obligations**

#### **5.2.1 - Ongoing Training**

Any EcoAdvisor who sponsors another EcoAdvisor into OnlyGreen must perform a bona fide assistance and training function to ensure that his or her downline is properly operating his or her OnlyGreen business. EcoAdvisors must have ongoing contact and communication with the EcoAdvisors in their Downline Organizations. Examples of such contact and communication may include, but are not limited to: newsletters, written correspondence, personal meetings, telephone contact, voice mail, electronic mail, and the accompaniment of downline EcoAdvisors to OnlyGreen meetings, training sessions, and other functions. Upline EcoAdvisors are also responsible to motivate and train new EcoAdvisors in OnlyGreen product knowledge, effective sales techniques, the OnlyGreen Marketing and Compensation Plan, and compliance with Company Policies and Procedures. Communication with and the training of downline EcoAdvisors must not, however, violate Section 4.2 (regarding the development of EcoAdvisor-produced sales aids and promotional materials).

EcoAdvisors should monitor the EcoAdvisors in their Downline Organizations to guard against downline EcoAdvisors making improper product or business claims, or engaging in any illegal or inappropriate conduct.

#### **5.2.2 - Increased Training Responsibilities**

As EcoAdvisors progress through the various levels of leadership, they will become more experienced in sales techniques, product knowledge, and understanding of the OnlyGreen program. They will be called upon to share this knowledge with lesser experienced EcoAdvisors within their organization.

#### **5.2.3 - Ongoing Sales Responsibilities**

Regardless of their level of achievement, EcoAdvisors have an ongoing obligation to continue to personally promote sales through the generation of new customers and through servicing their existing customers.

### **5.3 - Nondisparagement**

OnlyGreen wants to provide its independent EcoAdvisors with the best products, compensation plan, and service in the industry. Accordingly, we value your constructive criticisms and comments. All such comments should be submitted in writing to the Marketing Department. Remember, to best serve you, we must hear from you! While OnlyGreen welcomes constructive input, negative comments and remarks made in the field by EcoAdvisors about the Company, its products, or compensation plan serve no purpose other than to sour the enthusiasm of other OnlyGreen EcoAdvisors. For this reason, and to set the proper example for their downline, EcoAdvisors must not disparage, demean, or make negative remarks about OnlyGreen, other OnlyGreen EcoAdvisors, OnlyGreen's products, the Marketing and Compensation plan, or OnlyGreen's directors, officers, or employees.

### **5.4 - Providing Documentation to Applicants**

If requested, EcoAdvisors must provide access to the most current version of the Policies and Procedures and the Compensation Plan to individuals whom they are sponsoring to become EcoAdvisors before the applicant signs an EcoAdvisor Agreement. Additional copies of our Policies and Procedures can be downloaded from each EcoAdvisor's personal microsite.

### **5.5 - Reporting Policy Violations**

EcoAdvisors observing a Policy violation by another EcoAdvisor should submit a written report of the violation directly to the attention of the OnlyGreen Compliance Department. Details of the incidents such as dates, number of occurrences, persons involved, and any supporting documentation should be included in the report.

## **SECTION 6 - SALES REQUIREMENTS**

### **6.1 - Product Sales**

The OnlyGreen Marketing and Compensation Plan is based on the sale of OnlyGreen products and services to end consumers. EcoAdvisors must fulfill 'personal' and 'downline organization' retail sales requirements (as well as meet other responsibilities set forth in the Agreement) to be eligible for bonuses, commissions and advancement to higher levels of achievement. The following sales requirements must be satisfied for EcoAdvisors to be eligible for bonuses beyond basic commissions:

- EcoAdvisors must satisfy the Personal Sales Volume and Group Sales Volume requirements to fulfill the requirements associated with their Bonus Level as specified in the OnlyGreen Marketing and Compensation Plan. "Personal Sales Volume" includes purchases made by the EcoAdvisor and purchases made by the EcoAdvisor's personal customers. Group Sales Volume shall include the total Sales Volume of all EcoAdvisors in his or her marketing organization down to, but not including, legs falling below EcoAdvisors of equivalent level to the themselves, and shall include the EcoAdvisor's own sales.

### **6.2 - No Territory Restrictions**

There are no exclusive territories granted to anyone. No franchise fees are required.

### **6.3 - Sales Receipts**

All EcoAdvisors must provide their retail customers with two copies of an official OnlyGreen sales receipt at the time of the sale. These receipts set forth the Customer Satisfaction Guarantee as well as any consumer protection rights afforded by federal or state law. EcoAdvisors must maintain all retail sales receipts for a period of two years and furnish them to OnlyGreen at the Company's request. Records documenting the purchases of EcoAdvisors' Preferred Customers will be maintained by OnlyGreen.

Remember that customers must receive two copies of the sales receipt. In addition, EcoAdvisors must orally inform the buyer of his or her cancellation rights.

## **SECTION 7 - BONUSSES AND COMMISSIONS**

### **7.1 - Bonus and Commission Qualifications**

An EcoAdvisor must be active and in compliance with the Agreement to qualify for bonuses and commissions. So long as an EcoAdvisor complies with the terms of the Agreement, OnlyGreen shall pay commissions to such EcoAdvisor in accordance with the Marketing and Compensation plan. The minimum amount for which OnlyGreen will issue a check is \$10.00.

If an EcoAdvisor's bonuses and commissions do not equal or exceed \$10.00, the Company will accrue the commissions and bonuses until they total \$10.00. A check will be issued once \$10.00 has been accrued.

## **7.2 - Adjustment to Bonuses and Commissions**

EcoAdvisors receive bonuses and commissions based on the actual sales of products and services to end consumers. When a product is returned to OnlyGreen for a refund or is repurchased by the Company, either of the following may occur at the Company's discretion: (1) the bonuses and commissions attributable to the returned or repurchased product(s) will be deducted, in the month in which the refund is given, and continuing every pay period thereafter until the commission is recovered, from the EcoAdvisors who received bonuses and commissions on the sales of the refunded products; or (2) the EcoAdvisors who earned commissions based on the sale of the returned products will have the corresponding points deducted from their Group Volume in the next month and all subsequent months until it is completely recovered.

## **7.3 - Reports**

All information provided by OnlyGreen in online or telephonic downline activity reports, including but not limited to personal and group sales volume (or any part thereof), and downline sponsoring activity is believed to be accurate and reliable. Nevertheless, due to various factors including but not limited to the inherent possibility of human and mechanical error; the accuracy, completeness, and timeliness of orders; denial of credit card and electronic check payments; returned products; credit card and electronic check charge-backs; the information is not guaranteed by OnlyGreen or any persons creating or transmitting the information.

ALL PERSONAL AND GROUP SALES VOLUME INFORMATION IS PROVIDED "AS IS" WITHOUT WARRANTIES, EXPRESS OR IMPLIED, OR REPRESENTATIONS OF ANY KIND WHATSOEVER. IN PARTICULAR BUT WITHOUT LIMITATION THERE SHALL BE NO WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR USE, OR NON-INFRINGEMENT.

TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, ONLYGREEN AND/OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION WILL IN NO EVENT BE LIABLE TO ANY ECOADVISOR OR ANYONE ELSE FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES THAT ARISE OUT OF THE USE OF OR ACCESS TO PERSONAL AND GROUP SALES VOLUME INFORMATION (INCLUDING BUT NOT LIMITED TO LOST PROFITS, BONUSES, OR COMMISSIONS, LOSS OF OPPORTUNITY, AND DAMAGES THAT MAY RESULT FROM INACCURACY, INCOMPLETENESS, INCONVENIENCE, DELAY, OR LOSS OF THE USE OF THE INFORMATION), EVEN IF ONLYGREEN OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION SHALL HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. TO THE FULLEST EXTENT PERMITTED BY LAW, ONLYGREEN OR OTHER PERSONS CREATING OR TRANSMITTING THE INFORMATION SHALL HAVE NO RESPONSIBILITY OR LIABILITY TO YOU OR ANYONE ELSE UNDER ANY TORT, CONTRACT, NEGLIGENCE, STRICT LIABILITY, PRODUCTS LIABILITY OR OTHER

THEORY WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT OR TERMS AND CONDITIONS RELATED THERETO.

Access to and use of OnlyGreen's online and telephone reporting services and your reliance upon such information is at your own risk. All such information is provided to you "as is". If you are dissatisfied with the accuracy or quality of the information, your sole and exclusive remedy is to discontinue use of and access to OnlyGreen's online and telephone reporting services and your reliance upon the information.

## **SECTION 8 - PRODUCT GUARANTEES, RETURNS & INVENTORY REPURCHASE**

### **8.1 - Product Guarantee**

OnlyGreen offers a 100% 30-day money-back satisfaction guarantee (less shipping charges) to all Preferred Customers, retail customers, and EcoAdvisors.

### **8.2 - Returns by Retail Customers**

OnlyGreen offers, through its EcoAdvisors, a 100% 30-day money-back guarantee to all retail customers. Every EcoAdvisor is bound to honor the retail customer guarantee. If, for any reason, a retail customer is dissatisfied with any OnlyGreen product, the retail customer may return the unused portion of the product to the EcoAdvisor from whom it was purchased, within 30 days, for a replacement, exchange or a full refund of the purchase price (less shipping costs).

*The following provision sets forth the minimum refund permitted by law to a retail customer:*

A retail customer who makes a purchase of \$25.00 or more has three business days (72 hours) after the sale or execution of a contract to cancel the order and receive a full refund consistent with the cancellation notice on the order form. When an EcoAdvisor makes a sale or takes an order from a retail customer who cancels or requests a refund within the 72 hour period, the EcoAdvisor must promptly refund the customer's money as long as the products are returned to the EcoAdvisor in substantially as good condition as when received. Additionally, EcoAdvisors must orally inform customers of their right to rescind a purchase or an order within 72 hours, and ensure that the date of the order or purchase is entered on the order form. All retail customers must be provided with two copies of an official OnlyGreen sales receipt at the time of the sale. The back of the receipt provides the customer with written notice of his or her rights to cancel the sales agreement.

### **8.3 - Return of Inventory and Sales Aids by EcoAdvisors Upon Cancellation**

Upon cancellation of an EcoAdvisor's Agreement, the EcoAdvisor may return his or her Starter Kit and any products and sales aids held in his or her inventory for a refund. EcoAdvisors may only return Starter Kits, products and sales aids that he or she personally purchased from OnlyGreen (purchases from other EcoAdvisors or third parties are not subject to refund) and which are in Resalable (see Definition of "Resalable" below) condition and which have been purchased within one year prior to the date of cancellation. Upon receipt of a Resalable Starter Kit and/or Resalable products and sales aids, the EcoAdvisor will be reimbursed 90% of the net cost of the original purchase price(s). Shipping charges incurred by an EcoAdvisor when the Starter Kit, products or sales aids were purchased will not be refunded.

If the purchases were made through a credit card, the refund will be credited back to the same account. If an EcoAdvisor was paid a commission based on a product(s) that he or she purchased, and such product(s) is subsequently returned for a refund, the commission that was paid based on that product purchase will be deducted from the amount of the refund.

### **8.3.1 - Montana Residents**

A Montana resident may cancel his or her EcoAdvisor Agreement within 15 days from the date of enrollment, and may return his or her starter kit for a full refund within such time period.

## **8.4 - Procedures for All Returns**

The following procedures apply to all returns for refund, repurchase, or exchange:

- All merchandise must be returned by the EcoAdvisor or customer who purchased it directly from OnlyGreen.
- All products to be returned must have a Return Merchandise Authorization which is obtained by emailing the returns department, [returns@onlygreen.com](mailto:returns@onlygreen.com). This Return Merchandise Authorization must be written on each carton returned.
- The return is accompanied by:
  - a) a copy of the original dated retail sales receipt; and
  - b) the unused portion of the product in its original container.
- Proper shipping carton(s) and packing materials are to be used in packaging the product(s) being returned for replacement, and the best and most economical means of shipping is suggested. All returns must be shipped to OnlyGreen shipping pre-paid. OnlyGreen does not accept shipping-collect packages. The risk of loss in shipping for returned product shall be on the EcoAdvisor. If returned product is not received by the Company's Distribution Center, it is the responsibility of the EcoAdvisor to trace the shipment.
- If an EcoAdvisor is returning merchandise to OnlyGreen that was returned to him or her by a personal retail customer, the product must be received by OnlyGreen within ten (10) days from the date on which the retail customer returned the merchandise to the EcoAdvisor, and must be accompanied by the sales receipt the EcoAdvisor gave to the customer at the time of the sale.

No refund or replacement of product will be made if the conditions of these rules are not met.

## **SECTION 9 - DISPUTE RESOLUTION AND DISCIPLINARY PROCEEDINGS**

### **9.1 - Disciplinary Sanctions**

Violation of the Agreement, these Policies and Procedures, violation of any common law duty, including but not limited to any applicable duty of loyalty, any illegal, fraudulent, deceptive or unethical business conduct, or any act or omission by an EcoAdvisor that, in the sole discretion of the Company may damage its reputation or goodwill (such damaging act or omission need not be related to the EcoAdvisor's OnlyGreen business), may result, at OnlyGreen's discretion, in one or more of the following corrective measures:

- Issuance of a written warning or admonition.

- Requiring the EcoAdvisor to take immediate corrective measures.
- Imposition of a fine, which may be withheld from bonus and commission checks.
- Loss of rights to one or more bonus and commission checks.
- OnlyGreen may withhold from an EcoAdvisor all or part of the EcoAdvisor's bonuses and commissions during the period that OnlyGreen is investigating any conduct allegedly violative of the Agreement. If an EcoAdvisor's business is canceled for disciplinary reasons, the EcoAdvisor will not be entitled to recover any commissions withheld during the investigation period.
- Suspension of the individual's EcoAdvisor Agreement for one or more pay periods.
- Involuntary termination of the offender's EcoAdvisor Agreement.
- Suspension and/or termination of the offending EcoAdvisor's OnlyGreen website or website access.
- Any other measure expressly allowed within any provision of the Agreement or which OnlyGreen deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the EcoAdvisor's policy violation or contractual breach.
- In situations deemed appropriate by OnlyGreen, the Company may institute legal proceedings for monetary and/or equitable relief.

## **9.2 - Grievances and Complaints**

When an EcoAdvisor has a grievance or complaint with another EcoAdvisor regarding any practice or conduct in relationship to their respective OnlyGreen businesses, the complaining EcoAdvisor should first report the problem to his or her Sponsor who should review the matter and try to resolve it with the other party's upline sponsor. If the matter involves interpretation or violation of Company policy, it must be reported in writing to the EcoAdvisor Services Department at the Company. The EcoAdvisor Services Department will review the facts and attempt to resolve it. If it is not resolved, it will be referred to the Dispute Resolution Board for final review and determination.

## **9.3 - Dispute Resolution Board**

The purpose of the Dispute Resolution Board is to: (1) review appeals of disciplinary sanctions; and (2) review matters between OnlyGreen EcoAdvisors. After the response or settlement instituted by EcoAdvisor Services has been denied or otherwise remains unresolved, the Dispute Resolution Board reviews evidence, deliberates, and responds to current outstanding issues on a collective basis.

An EcoAdvisor may submit a written request for a telephonic or in-person hearing within seven business days from the date of: (1) the written notice by OnlyGreen of disciplinary action; or (2) the written decision of EcoAdvisor Services regarding disputes between EcoAdvisors. All communication with OnlyGreen and the EcoAdvisor seeking resolution of a dispute must be in writing. It is within the DRB's discretion whether a claim is accepted for review. If the DRB agrees to review the matter, it shall schedule a hearing within 30 days of receipt of the EcoAdvisor's written request. All evidence (e.g., documents, exhibits, etc.) that an EcoAdvisor desires to have considered by the DRB must be submitted to OnlyGreen no later than seven business days before the date of the hearing. The EcoAdvisor shall bear all of the expenses related to his or her attendance and the attendance of any witnesses he or she desires to be

present at the hearing. The decision of the Dispute Resolution Board will be final and subject to no further review. During the pendency of the claim before the DRB, the EcoAdvisor waives his or her right to pursue arbitration or any other remedy.

Following issuance of a sanction, the disciplined EcoAdvisor may appeal the sanction to the Dispute Resolution Board (“DRB”). EcoAdvisor's appeal must be in writing and received by the Company within 15 days from the date of OnlyGreen's cancellation notice. If the appeal is not received by OnlyGreen within the 15 day period, the sanction will be final. The EcoAdvisor must submit all supporting documentation with his or her appeal correspondence. If the EcoAdvisor files a timely appeal of cancellation, the DRB will review and reconsider the cancellation, consider any other appropriate action, and notify the EcoAdvisor in writing of its decision.

#### **9.4 - Mediation**

Prior to instituting an arbitration, the parties shall meet in good faith and attempt to resolve any dispute arising from or relating to the Agreement through non-binding mediation. If the EcoAdvisor is a resident of Canada, the mediation shall be pursuant to the National Mediation Rules of the ADR Institute of Canada, Inc. If the EcoAdvisor is a resident of any country other than Canada, the mediation shall be pursuant to the International Mediation Rules of the International Centre for Dispute Resolution. One individual who is mutually acceptable to the parties shall be appointed as mediator. The mediator's fees and costs, as well as the costs of holding and conducting the mediation, shall be divided equally between the parties. Each party shall pay its portion of the anticipated shared fees and costs at least 10 days in advance of the mediation. Each party shall pay its own attorneys fees, costs, and individual expenses associated with conducting and attending the mediation. Mediation shall be held in the City of Midland, Ontario, Canada and shall last no more than two business days. The language of the mediation shall be English.

#### **9.5 - Arbitration**

**If mediation is unsuccessful, any controversy or claim arising out of or relating to the Agreement, or the breach thereof, shall be settled by arbitration. If the EcoAdvisor is a resident of Canada, the arbitration shall be administered by the ADR Institute of Canada, Inc. under its National Arbitration Rules. If the EcoAdvisor is a resident of any country other than Canada, the arbitration shall be administered by the International Centre for Dispute Resolution in accordance with its International Arbitration Rules. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof in accordance with the Convention on the Recognition and Enforcement of Foreign Arbitral Awards.** EcoAdvisors waive all rights to trial by jury or to any court. All arbitration proceedings shall be held in the Midland, Ontario, Canada. The language of the arbitration shall be English. There shall be one arbitrator, an attorney at law, who shall have expertise in business law transactions with a strong preference being an attorney knowledgeable in the direct selling industry, selected from the panel which the ADR Institute of Canada, Inc. or the International Centre for Dispute Resolution provides, as applicable. Each party to the arbitration shall be responsible for its own costs and expenses of arbitration, including legal and filing fees. The decision of the arbitrator shall be final and binding on the parties and may, if necessary, be reduced to a judgment in any court of competent jurisdiction. This agreement to arbitration shall

survive any termination or expiration of the Agreement.

Notwithstanding the foregoing, nothing in these Policies and Procedures shall prevent OnlyGreen from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction, permanent injunction or other relief available to safeguard and protect OnlyGreen's interest prior to, during or following the filing of any arbitration or other proceeding or pending the rendition of a decision or award in connection with any arbitration or other proceeding.

#### **9.6 - Governing Law, Jurisdiction and Venue**

Jurisdiction and venue of any matter not subject to arbitration shall reside exclusively in Midland, Ontario, Canada. The law of the Province of Ontario shall govern all matters relating to or arising from the Agreement. Notwithstanding the foregoing, and the mediation and arbitration provisions in Sections 9.4 and 9.5, residents of the State of Louisiana shall be entitled to bring an action against OnlyGreen in their home forum and pursuant to Louisiana law.

### **SECTION 10 - PAYMENT AND SHIPPING**

#### **10.1 - Returned Checks**

All checks returned by an EcoAdvisor's bank for insufficient funds will be re-submitted for payment. A \$25.00 returned check fee will be charged to the account of the EcoAdvisor. After receiving a returned check from a customer or an EcoAdvisor, *all future orders must be paid by Credit Card, money order or cashier's check. Any outstanding balance owed to OnlyGreen by an EcoAdvisor for NSF checks and returned check fees will be withheld from subsequent bonus and commission checks.*

#### **10.2 - Restrictions on Third Party Use of Credit Cards and Checking Account Access**

EcoAdvisors shall not permit other EcoAdvisors or customers to use his or her credit card, or permit debits to their checking accounts, to enroll or to make purchases from the Company.

#### **10.3 - Sales Taxes**

In designing the OnlyGreen opportunity, one of our guiding philosophies has been to free EcoAdvisors from as many administrative, operational, and logistical tasks as possible. In doing so, EcoAdvisors are free to concentrate on those activities that directly affect their incomes, namely product sales and enrollment activities. To these ends, OnlyGreen relieves EcoAdvisors of the burdens of collecting and remitting sales taxes, filing sales tax reports, and keeping records relative to sales taxes.

By virtue of its business operations, OnlyGreen is required to charge sales taxes on all purchases made by EcoAdvisors and Preferred Customers, and remit the taxes charged to the respective states. Accordingly, OnlyGreen will collect and remit sales taxes on behalf of EcoAdvisors, based on the suggested retail price of the products, according to applicable tax rates in the state or province to which the shipment is destined. If an EcoAdvisor has submitted, and OnlyGreen has accepted, a current Sales Tax Exemption Certificate and Sales Tax Registration License, sales taxes will not be added to the invoice and the responsibility of collecting and remitting sales taxes to the appropriate authorities shall be on the EcoAdvisor.

Exemption from the payment of sales tax is applicable only to orders which are shipped to a state for which the proper tax exemption papers have been filed and accepted. Applicable sales taxes will be charged on orders that are drop-shipped to another state. Any sales tax exemption accepted by OnlyGreen is not retroactive.

## **SECTION 11 - INACTIVITY, RECLASSIFICATION, & CANCELLATION**

### **11.1 - Effect of Cancellation**

So long as an EcoAdvisor remains active and complies with the terms of the EcoAdvisor Agreement and these Policies and Procedures, OnlyGreen shall pay commissions to such EcoAdvisor in accordance with the Marketing and Compensation Plan. An EcoAdvisor's bonuses and commissions constitute the entire consideration for the EcoAdvisor's efforts in generating sales and all activities related to generating sales (including building a downline organization). Following an EcoAdvisor's non-renewal of his or her EcoAdvisor Agreement, cancellation for inactivity, or voluntary or involuntary cancellation of his or her EcoAdvisor Agreement (all of these methods are collectively referred to as "cancellation"), the former EcoAdvisor shall have no right, title, claim or interest to the marketing organization which he or she operated, or any commission or bonus from the sales generated by the organization. **An EcoAdvisor whose business is cancelled will lose all rights as an EcoAdvisor. This includes the right to sell OnlyGreen products and services and the right to receive future commissions, bonuses, or other income resulting from the sales and other activities of the EcoAdvisor's former downline sales organization. In the event of cancellation, EcoAdvisors agree to waive all rights they may have, including but not limited to property rights, to their former downline organization and to any bonuses, commissions or other remuneration derived from the sales and other activities of his or her former downline organization.**

Following an EcoAdvisor's cancellation of his or her EcoAdvisor Agreement, the former EcoAdvisor shall not hold himself or herself out as an OnlyGreen EcoAdvisor and shall not have the right to sell OnlyGreen products or services. An EcoAdvisor whose EcoAdvisor Agreement is canceled shall receive commissions and bonuses only for the last full pay period he or she was active prior to cancellation (less any amounts withheld during an investigation preceding an involuntary cancellation).

### **11.2 - Cancellation Due to Inactivity**

If an EcoAdvisor has not earned a commission for six consecutive months (and thus become "inactive"), his or her EcoAdvisor Agreement shall be canceled for inactivity.

#### **11.2.1 - Reclassification Following Cancellation Due to Inactivity**

If an EcoAdvisor does not earn a commission or bonus for six consecutive months, his or her EcoAdvisor Agreement will be cancelled for inactivity. If he or she is on the Company's Autoship program, the Autoship Agreement shall remain in force and the EcoAdvisor shall be reclassified as a Preferred Customer. If the former EcoAdvisor was not on Autoship, he or she will be entitled to continue purchasing products directly from the company at 20% off of the suggested retail price.

### **11.3 - Involuntary Cancellation**

An EcoAdvisor's violation of any of the terms of the Agreement, including any amendments that may be made by OnlyGreen in its sole discretion, may result in any of the sanctions listed in Section 9.1, including the involuntary cancellation of his or her EcoAdvisor Agreement. Cancellation shall be effective on the date on which written notice is mailed, faxed, or delivered to an express courier, to the EcoAdvisor's last known address (or fax number), or to his/her attorney, or when the EcoAdvisor receives actual notice of cancellation, whichever occurs first.

OnlyGreen reserves the right to terminate all EcoAdvisor Agreements upon thirty (30) days written notice in the event that it elects to: (1) cease business operations; (2) dissolve as a corporate entity; or (3) terminate distribution of its products via direct selling.

### **11.4 - Voluntary Cancellation**

A participant in this direct selling program has a right to cancel at any time, regardless of reason. Cancellation must be submitted in writing to the Company at its principal business address. The written notice must include the EcoAdvisor's signature, printed name, address, and EcoAdvisor I.D. Number. If an EcoAdvisor is also on the Company's Autoship program, the EcoAdvisor's Autoship Agreement shall continue in force, and the EcoAdvisor shall be reclassified as a Preferred Customer, unless the EcoAdvisor also specifically requests that his or her Autoship Agreement also be canceled.

### **11.5 - Non-renewal**

An EcoAdvisor may also voluntarily cancel his or her EcoAdvisor Agreement by electing not to renew the Agreement on its anniversary date. The Company may also elect not to renew an EcoAdvisor's Agreement upon its anniversary date.

## **SECTION 12 - DEFINITIONS**

**Active EcoAdvisor** — An EcoAdvisor who has received a commission during the preceding six months.

**Active Bonus Level** — The term "Active Bonus Level" refers to the current Bonus Level of an EcoAdvisor, as determined by the OnlyGreen Marketing and Compensation Plan, for any month. To be considered "active" relative to a particular Bonus Level, an EcoAdvisor must meet the criteria set forth in the OnlyGreen Marketing and Compensation Plan for his or her respective Bonus Level. (*See the definition of "Bonus Level" below.*)

**Agreement** — The contract between the Company and each EcoAdvisor includes the EcoAdvisor Application and Agreement, the OnlyGreen Policies and Procedures, the OnlyGreen Marketing and Compensation Plan, and the Business Entity Form (where appropriate), all in their current form and as amended by OnlyGreen in its sole discretion. These documents are collectively referred to as the "Agreement."

**Bonus Level** — The "title" that an EcoAdvisor has achieved pursuant to the OnlyGreen

Marketing and Compensation Plan.

Cancel — The termination of an EcoAdvisor's Independent EcoAdvisor Agreement. Cancellation may be either voluntary, involuntary, through non-renewal or inactivity.

Genealogy Report — A real-time online report generated by OnlyGreen that is accessed through the EcoAdvisor's OnlyGreen website. The report provides critical data relating to the identities of EcoAdvisors, sales information, and enrollment activity of each EcoAdvisor's Marketing Organization. This report contains confidential and trade secret information which is proprietary to OnlyGreen.

Downline Leg — Each one of the individuals enrolled immediately underneath you and their respective marketing organizations represents one "leg" in your marketing organization.

Group Sales Volume — The commissionable value of OnlyGreen products or services sold by an EcoAdvisor's Marketing Organization. (EcoAdvisor Kits and sales aids have no Sales Volume.)

Immediate Household — Heads of household and dependent family members residing in the same house.

Level — The layers of downline Preferred Customers and EcoAdvisors in a particular EcoAdvisor's Marketing Organization. This term refers to the relationship of an EcoAdvisor relative to a particular upline EcoAdvisor, determined by the number of EcoAdvisors between them who are related by sponsorship. For example, if A sponsors B, who sponsors C, who sponsors D, who sponsors E, then E is on A's fourth level.

Marketing Organization — The Preferred Customers and EcoAdvisors sponsored below a particular EcoAdvisor.

Official OnlyGreen Material — Literature, audio or video tapes, and other materials developed, printed, published and distributed by OnlyGreen to EcoAdvisors.

Personal Production — Moving OnlyGreen products or services to an end consumer for personal use.

Personal Sales Volume (PSV) — The commissionable value of services and products sold in a calendar month: (1) by the Company to an EcoAdvisor; and (2) by the Company to the EcoAdvisor's personally enrolled Preferred Customers.

Recruit — For purposes of OnlyGreen's Conflict of Interest Policy (Section 4.9), the term "Recruit" means the actual or attempted sponsorship, solicitation, enrollment, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party, another OnlyGreen EcoAdvisor or Preferred Customer to enroll or participate in another direct selling opportunity. Except for residents of the State of California, such conduct constitutes recruiting even if the EcoAdvisor's actions are in response to an inquiry made by another EcoAdvisor or Preferred Customer.

Resalable — Products and Sales aids shall be deemed "resalable" if each of the following elements is satisfied: 1) they are unopened and unused; 2) packaging and labeling has not been altered or damaged; 3) they are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price; 4) it is returned to OnlyGreen within one year from the date of purchase. Any merchandise that is clearly identified at the time of sale as nonreturnable, discontinued, or as a seasonal item, shall not be resalable.

Retail Customer — An individual or entity that purchases OnlyGreen products or services, but who is not an EcoAdvisor, or an immediate household family member of an EcoAdvisor.

Retail Sales — Sales to a Retail Customer. If a sale is made to a customer who subsequently submits an OnlyGreen EcoAdvisor Agreement within 30 days from the date of the sale, or if an immediate household family member of the retail customer submits an OnlyGreen EcoAdvisor Agreement within 30 days of the sale, such sale shall not constitute a Retail Sale. An EcoAdvisor's personal purchases from OnlyGreen do not constitute Retail Sales.

Roll-Up — The method by which a vacancy in a Marketing Organization left by an EcoAdvisor whose EcoAdvisor Agreement has been canceled is filled.

Sponsor — An EcoAdvisor under whom an enroller places a new EcoAdvisor or Preferred Customer, and is listed as the sponsor on the EcoAdvisor or Preferred Customer Application and Agreement.

Starter Kit — A selection of OnlyGreen training materials and business support literature that each new EcoAdvisor is required to purchase. The Starter Kit is sold to EcoAdvisors at the Company's cost.

Upline — This term refers to the EcoAdvisor or EcoAdvisors above a particular EcoAdvisor in a sponsorship line up to the Company. Conversely stated, it is the line of sponsors that links any particular EcoAdvisor to the Company.

