

INDEPENDENT CONTRACTOR - CONTRACT AGREEMENT

This agreement is between AARC at 156 Wheeler Rd, in the city of Central Islip, in the state of New York, 11722, and the home based travel agent known hereinafter in this document as the Independent Contractor.

1. Term of Agreement

AARC hereby retains the Independent Contractor to act as an independent outside salesperson and the Independent Contractor agrees to act in such a capacity on behalf of AARC for a period of one year from the date of this agreement. By submitting this application you are agreeing to pay a fee annually for services provided by AARC. This agreement will renew automatically for my convenience unless I or AARC elect to discontinue this service agreement in accordance with the Terms and Conditions. Notice must be made in writing and emailed or faxed to AARC 30 days prior to the next billing date.

2. Duties of the Independent Contractor.

The Independent Contractor is hereby retained by AARC as a self-employed business person to sell travel and travel services to the public on behalf of AARC.

3. Annual Fee:

The Independent Contractor shall pay annual fee for services provided. Payment plans are available. AARC will debit the Independent Contractor's credit card for the annual membership fee each year on anniversary date, unless the Independent Contractor is paying monthly.

4. Compensation of Independent Contractor

The Independent Contractor shall be entitled to choose a commission level from 70% to 90% of the commissions generated by Independent Contractor and received by AARC. For complete details of the commission plan, see Attachment "A."

5. In General

For purposes of earning the IATAN card, AARC shall report for the Independent Contractor 100% of the Gross Commissions received by AARC for the sales of travel or services by the Independent Contractor.

6. Commission deductions

The Independent Contractor shall not enter into any rebating agreement, or other agreement, on behalf of AARC without the written consent of AARC. Any rebates, gifts, administration fees, ticketing fees, delivery fees, accounting research fees, debit memos, charge backs, etc. will be deducted from the agent's commissions.

7. Agency to Receive All Commissions

The Independent Contractor agrees that all check and cash monies are to be transacted through AARC and never directly to the supplier when using AARC's IATAN, CLIA or other AARC Booking Identification Number. All credit card transactions are to be transacted and processed by the Independent Contractor directly with the supplier/vendor. If the Independent Contractor authorizes or requests any supplier/vendor to send commission directly to the Independent Contractor when using AARC's IATAN, CLIA, or Booking Identification Number, by passing AARC, this Independent Contractor Agreement will terminate immediately and Independent Contractor will forfeit any and all unpaid commissions.

8. While the Independent Contractor is free to do business with any entity or individual, AARC shall receive all of the commission paid by any supplier for any sale in which the Independent contractor uses AARC's, IATAN, CLIA, or Booking Identification Number to process the sale. The commissions will then be paid to the Independent Contractor by the travel business.

9. Method of Payment

Independent Contractor shall be paid monthly by AARC. The Independent Contractor shall, within 25 days of the end of each month, provide with a statement of all commissions earned in the previous month. AARC shall verify and deduct monthly fees or expenses directly attributable to those sales as outlined above, and make payment to the Independent Contractor for its share of those commissions earned.

10. Examination of Books

The Independent Contractor shall have the right, either personally or by accountant retained and paid by the Independent Contractor, at times mutually convenient to AARC and the Independent Contractor, but in any event at least once during each half of the calendar year, to examine books and accounts of AARC insofar as they relate to transactions affecting the amount of the Independent Contractor's compensation.

11. Independent Contractor will provide their own business Supplies and be responsible for their own expenses—Independent Contractor shall provide his/her own business cards and other promotional materials and shall otherwise be responsible for all expenses incurred in performing his/her duties under this Agreement.

12. Place of Work

The Independent Contractor may choose where the work is to be performed, is not required to work on the premises of AARC and is not required to answer the phones, or perform any other duties at AARC office.

13. Hours

Independent Contractor may work whatever hours he/she desires. No fixed hours may be required by AARC. The Independent Contractor shall not be required to attend office meetings or office training sessions.

14. Risk of Loss/Profit Potential

Independent Contractor assumes the risk of incurring a loss if his/her share of sales commissions does not cover the Independent Contractor's expenses. Similarly, Independent Contractor enjoys the right to earn a profit yielded by commissions shared pursuant to this Agreement.

15. No Entitlement to Vacation or Health Benefits as Independent Contractor

As a self-employed individual, the Independent Contractor shall not receive or earn any vacation or sick pay from AARC.

16. Ability to Hire Assistants

Independent Contractor retains the right to employ assistants that he/she may require at the Independent Contractor's expense. It is the responsibility of the Independent Contractor to pay his/her employees.

17. Independent Contractor Shall Be Responsible for Filing of Federal, State, and Local Estimated Payments on Commissions Received from AARC and for Other Assessments. Independent Contractor agrees to be fully responsible for complying with all federal, state, and local laws in connection with performance of this Agreement, including, but not limited to, payment of any estimated or other federal, state, or local income taxes, payment of applicable charges for social security, FICA, worker's compensation and obtaining any required state or local licenses or registration as a self-employed seller of travel as a Independent Contractor. Independent Contractor is also responsible for taxes and Social Security for any employee(s).

18. Independent Contractor agrees to indemnify and hold AARC harmless for any assessments against AARC because of any failure by Independent Contractor to properly pay federal, state, or local income taxes (including estimated tax payments) and file returns in connection therewith, or to pay social security, FICA, or worker's compensation.

19. Contractor Responsibility Related to Website Access.

AARC is not responsible or liable for any direct or indirect loss of business or inconveniences resulting from malfunctions, failures, downtime or maintenance of any hardware, software, web page hosting, telephone lines, cable lines, intranet or internet. All computer hardware and software is provided by third party vendors or suppliers and is not the responsibility of AARC. Neither party shall be responsible for downtimes, delays, software failures or nonperformance caused by acts of God or governmental authority, strike or labor disputes, breach of contract by suppliers, or any other cause beyond the reasonable control of that party.

20. Ownership of Customers.

The parties acknowledge that all customers introduced to AARC by the Independent Contractor are and shall remain the property of the Independent Contractor. Those clients that were introduced to the independent

Contractor by AARC are and shall remain the property of AARC. If the Independent Contractor shall cease to be associated with AARC for any reason, all customers of the Independent Contractor, other than those introduced by AARC, shall be free to continue doing business with the Independent Contractor independently, or through any other Travel Agency.

21. Events Causing Termination—This Agreement is terminable prior to its expiration for the following reasons:

- a) The occurrence of circumstances that make it impossible or impractical for the business of AARC to continue;
- b) The death of the Independent Contractor;
- c) The willful or negligent breach of duty by the Independent Contractor in the course of his/her performance under this Agreement;
- d) The desire of AARC to discontinue doing business with the Independent Contractor.
- f) The Independent Contractor gives AARC 30 days' notice they wish to terminate the contract.

22. Non-Continuance of Agreement—AARC reserves the right to change, revoke or cancel this agreement at any time with the Independent Contractor for:

- a) Misrepresentation, Dishonesty, Fraud, Unprofessional Activities
- b) Violation of ethics which could be damaging to the profitability, image and integrity of AARC
- c) The occurrence of circumstances that make it impossible or impracticable for the business of AARC to continue.
- d) The willful or negligent breach of duty by the Independent Contractor in the course of his/her performance under the Agreement.
- e) The continued incapacity due to illness on the part of the Independent Contractor to perform his/her duties.
- f) Failure to comply with Florida Sellers of Travel Law as currently written and/or amended.
- g) Failure to comply with any State or Government which has a Sellers of Travel Law as written and/or amended.
- h) If the Independent Contractor or their clients send any monies directly to the supplier/vendor, this Independent Contractor Agreement will terminate immediately.
- i) If the Independent Contractor authorizes or requests any supplier/vendor to send commission directly to the Independent Contractor by passing AARC, this Independent Contractor Agreement will terminate immediately.
- j) If the Independent Contractor fails to pay his/her bond obligation.

Should the Independent Contractor be terminated for any of the reasons listed above or any other unlawful act, the Independent Contractor will forfeit all unpaid commissions.

23. Seller-Of-Travel Law

If the Independent Contractor operates, sells or markets in a State that has a Sellers of Travel Law, the Independent Contractor agrees to abide by those applicable laws as currently written and /or amended. It is the responsibility of the Independent Contractor to check with the applicable government authority regarding these consumer protection laws.

24. Non-Disclosure, Non-Disruption and Confidentiality

The Independent Contractor understands and agrees in return for receiving any information or materials written, verbal, or electronic concerning AARC and/or its affiliates, agrees to keep secrets and not to divulge, disclose or communicate, either directly or indirectly, to any person, firm, partnership, corporation or any other entity whatsoever any information concerning the matters effecting or relating to the business of AARC and/or its affiliates, including but without limitation to, trade secrets, selling, marketing and advertising procedures, past or present employees, past, present pending clients, agents, subcontractors and affiliates, recruitment and training plans, agent commission programs, daily operations, corporate policies and procedures, supplier and vendor commission and override contracts or any other agreements with these suppliers and vendors, and any other information that AARC and its affiliates may deem confidential. The Independent contractor agrees not to act, or fail to act in any manner either directly or indirectly that may cause the disruption of business, direct any business away from, and/or to cause discord to the business of and/or business relationships of AARC and/or its affiliates. Any such breach will result in immediate termination and forfeiture of unpaid commissions.

25. CANCELLATION POLICY

This Agreement is for a period of one year. By submitting this application you are agreeing to pay a fee for services rendered by AARC. This membership term will renew automatically for my convenience. The Independent Contractor may cancel this contract at any time by giving AARC 30 days' notice that they wish to terminate the contract. Notice to cancel must be made in writing and emailed or faxed to AARC 30 days prior to the next billing date.

26. Effect of Termination on Compensation—In the event of the termination of this Agreement prior to the completion of its term specified herein, without cause, the Independent Contractor shall be entitled those commissions earned and received by AARC. Any and all commissions not received by AARC from its suppliers will be forfeited by the Independent Contractor. The Independent Contractor shall be entitled to no further compensation as of the date of termination.

27. Remedies.

Any controversy or claim arising out of or relating to this Agreement shall be settled by the courts of Suffolk County, New York.

28. Attorney's Fees and Costs

If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys fees, costs, and necessary disbursements in addition to any other relief to which he/she may be entitled.

29. Partial Validity

If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any manner.

30. Law Govering Agreement.

This Agreement shall be governed by and construed in accordance with the laws of New York State.

31. Non-Assign ability.

This is a personal service agreement that shall not be assignable by the Independent Contractor without the written consent of AARC.

32. Amendment of Contract

AARC may make amendments and/or changes to this Agreement at any time 30 days in advance of the effective date by electronic notification (e-mail). Amendments and/or changes to the contract shall effective automatically 30 days after electronic notification. Amendments and/or changes to the contract will not apply to any bookings made prior to the effective date of such changes provided that the Independent contractor has entered the booking into the booking notification system or a AARC approved booking system. Independent contractor will have 10 days to provide AARC with written notice of termination of the Independent Contractor

Agreement. Independent Contractor's failure to provide written notice of termination of this new Agreement within 10 days of the effective date of such amendment and/or changes will indicate that the Independent Contractor is agreeing to abide by the terms and conditions of the new Agreement.

33. Complete Agreement, Modification or Waiver.

This agreement represents the complete understanding of the parties with respect to the described Independent Contractor relationship. No waiver, amendment, or change of any provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provisions, whether or not similar, nor shall any waiver constitute a continuing waiver.

Attachment A

AARC Compensation

The Independent Contractor can take advantage of one of the most lucrative and highly rewarding compensation plans in the travel industry. Earning 70% to 90% of all commissions including over rides.

- A. 70% commissions for a fee of \$ 595.00 per. year. Payment plan available at \$59.50 per month
- B. 80% commissions after an agent produces over \$200,000.00 in net sales in one calendar year.
- C. 90% commissions an agent produces over \$400,000.00 in net sales in one calendar year.

I have read and agree to abide by the complete Independent Contractor Agreement.
I will print, sign and return the entire agreement with my signature and a photo copy of a valid Government Photo ID (Driver's License with Photo, Passport or other official Government ID)

AARC Host Agency reserves the right to do complete background checks on all applicants.

You're Signature. _____ Today's Date _____

(Print Full Name) _____

(Physical Address, No PO boxes) _____

City/Town _____ State _____ ZIP _____

Day Phone _____ Cell Phone _____

Email Address _____