

## Trade Rules And Regulations

*The sole principals in any trade are the buying and The Trade Rules & Regulations form a part of and are hereby incorporated into the member agreement.* The following Trading Rules and Regulations form part of and are included in the Application and Agreement which has been made with SATURN BARTER.

**1. Nature of the Parties** SATURN BARTER is a trading company that also acts as a clearinghouse and third-party record keeper of barter transactions among its Members, who are business owners and professionals who contract with SATURN BARTER to organize and facilitate barter of their goods and services with each other. Member is a legitimate business that desires to exchange goods and/or services with other Members and wished to subscribe to SATURN BARTER's record keeping and barter services.

**2. Nature of Trade Dollars** A "trade" is a barter purchase or sale of goods and/ or services whereby payment is made in trade dollars posted to Member's account pursuant to these Rules and Regulations. A trade dollar is an accounting unit use to record the value of trades. Ownership of trade dollars denoted the right to receive goods or services available within the SATURN BARTER system. Trade Dollars may be used only in the manner and for the purpose set forth in these Rules. They will not be considered legal tender, securities, or commodities. They may not be redeemed for cash, except as approved in these Rules. SATURN BARTER disclaims responsibility for the negotiability of trade dollars or for the availability of any particular goods or services from any source.

**3. Liability for Trade Dollars** Member acknowledges that trade dollars in the barter system (positive balances) are the liabilities of persons/companies who have spent more than their earnings (negative balances); that there is a creditor/ debtor relationship between

such persons, and that trade transactions incur the normal business risks associated with any credit transaction. As a general rule, trade dollars are the liabilities of Members who owe the barter system, and not of SATURN BARTER, which is solely liable for its own indebtedness. SATURN BARTER is authorized to establish a bad debt reserve fund by charging all accounts on a regular basis an amount in trade dollars to be paid into such a fund. Any positive balances abandoned or surrendered by former members in accordance with the Rules may also be paid into the reserve fund.

**4. Trade Dollar Loans** Members grant to SATURN BARTER the right and power to make trade dollar loans to any Member on terms and conditions consistent with Member's creditworthiness and ability to repay. The exercise of this power shall be at the sole discretion of SATURN BARTER management with regard to principal, interest, terms and conditions, lending policy, and other particulars. SATURN BARTER reserves the right to require exchange members to complete a formal loan agreement, request financial statements, credit history and collateral prior to loan approval. SATURN BARTER is under no obligation to extend credit at any time. SATURN BARTER will use its best efforts to ensure timely repayments of principal and interest, appropriate collateralization, and perfection of security interest in all loans.

**5. Line of Credit** SATURN BARTER may establish a line of credit for each Member, which may be adjusted from time to time. The outstanding balance of the line of credit, as it is utilized, will be treated as a loan under these Rules. A Member who makes purchases in excess of his established line of credit must sell his products or services at 100% trade until such excess deficit is cured.

**6. Brokerage Function** SATURN BARTER services in a brokerage capacity in organizing and facilitating trades

among Members. Responsibility for the conduct of a trade is exclusively that of the two Members participating in the trade. SATURN BARTER will use its best efforts to broker the trade dollars or Members into goods or services, to accurately record trades, and to administer these Rules in accordance selling members involved, that trades are entered into voluntarily, and that SATURN BARTER is not the agent of any Member, nor is it the guarantor of any trade or trade dollar.

**7. Availability Of Products or Services** SATURN BARTER shall use its best efforts to solicit new businesses having products or services to satisfy the needs of all Members. SATURN BARTER is committed to provide only those products or services that may actually be available in the exchange system at any given time. Exchange member hereby acknowledges and understands that a barter exchange is a limited marketplace and SATURN BARTER cannot fulfill all purchase requests all the time. SATURN BARTER is not responsible if a Member cannot find specific products or services to buy from Members.

**8. Definition of Member in Good Standing** A Member who conducts trades in accordance with these Rules, is current in any monies owing to SATURN BARTER, and has a valid, unexpired Member account, is considered a "Member in good standing". Only Members in good standing are entitled to services of SATURN BARTER.

**9. Payment of Fees** All fees and charges, including initial set-up fees, commissions, and other charges to Members by SATURN BARTER are in payment for services rendered in processing Member into the exchange system, operating the clearinghouse and brokerage functions, administering these Rules, establishing and maintaining records, and facilitating Members use of the exchange system. Member agrees to pay SATURN BARTER the full amount of such fees within days of date of the monthly statement;

otherwise SATURN BARTER shall charge interest on the outstanding balance at the rate of percent per annum. In the event that the Member is in arrears for any cash fees beyond thirty (30) days, Member agrees to waive all rights to his usage of any positive trade credit balance in his account, and grants SATURN BARTER the right to hold any such balance so long as any cash fees remain outstanding for more than thirty (30) days.

#### **10. Identification Cards; Lost or Stolen**

Buyer must have a valid, signed, unexpired SATURN BARTER identification card(s) in order to make a purchase. Member is solely responsible for all charges made on card(s) issued to Member's account. SATURN BARTER is not responsible for use of cards by unauthorized persons. In the case of lost or stolen card, Member will be liable for unauthorized use that occurs after SATURN BARTER is notified in person, in writing, email or by telephone of the loss, theft, or possible unauthorized use. Identification cards issued to Members shall remain the property of SATURN BARTER and must be returned upon demand.

**11. Trade Authorization:** All purchases must be approved by SATURN BARTER prior to sale and have an authorization number issued and recorded by the SATURN BARTER. If authorization is not obtained at the time of sale, SATURN BARTER has no obligation to post the transaction. SATURN BARTER reserves the right to refuse to issue an authorization number approving a transaction under any of the following conditions: a. If the buyer does not have sufficient trade dollars or line of credit to make such purchase; b. If either party is not a Member in good standing; c. If seller fails to call the Exchange, or use the SATURN BARTER's automated trade authorization system, for an authorization number for any sale at the time of sale.

#### **12. Record keeping and Errors**

SATURN BARTER has the right to reverse a transaction due to non-compliance

with these Rules, in which event it shall be the responsibility of the seller to collect from the buyer. All transactions are subject to audit and verification by SATURN BARTER and, in case of inaccuracies, SATURN BARTER may debit or credit Member's account, without notice, as a result of such error. SATURN BARTER will issue monthly statements to Members reflecting account activity and monies due and owing to SATURN BARTER. Monthly statements are deemed accurate as printed unless Member notifies SATURN BARTER in writing of any discrepancy within thirty days of statement date.

#### **13. Authorization of Credit**

**Investigation** Member authorizes SATURN BARTER to make whatever credit investigation deemed appropriate and to exchange any information received in the course of such investigation. SATURN BARTER may request reports from credit reporting agencies. If Member asks whether a credit report was requested, he will be informed, and if SATURN BARTER has received a credit report, Member will be given the name and address of the agency that supplied the report.

#### **14. Internet, Telephone Sales;**

**Discretionary Sales** Seller will obtain from SATURN BARTER an authorization number for all internet or telephone sales.

#### **15. Laws and Regulations**

Member shall abide by applicable Federal, State or local laws or regulations appropriate to any trade, and SATURN BARTER shall not be responsible for any failure on the part of the Member to comply. Member agrees not to hold SATURN BARTER liable for any action SATURN BARTER takes to comply with applicable laws or regulations.

**16. Taxes** Seller shall charge the appropriate sales and excise taxes and collect and record these on the transaction form at the time of sale. Under no circumstances will SATURN BARTER be responsible to pay any sales, excise, use or other such tax on behalf

of any Member. Members are advised that transactions involving trade dollars are generally treated as taxable events for Federal, State and local tax purposes. The declaration and reporting of all applicable local, State and Federal taxes resulting from trade transactions rests solely with the Member. Further, that SATURN BARTER is required by law to obtain correct taxpayer identification number of Member (who is required by law to provide such number) and to report all trade sales of Members to IRS on Form 1099-B.

#### **17. Assignment of Account A**

Member's account is not assignable or transferable without SATURN BARTER's express prior written consent.

**18. Overpricing** Exchange members are obligated to sell their goods and services on trade at their normal, customary rates that they typically sell their goods and services for in a cash environment. SATURN BARTER reserves the right to inquire into complaints of overpricing by a Member. Violations may result in termination of Member's account and/or immediate adjustment of the transactions involved.

#### **19. Direct Trades Between**

**Exchange Members** Direct trades between Members to avoid service fees are prohibited, and if consummated, are subject to a ten percent cash transaction fee payable upon demand; such trades may also result in suspension or termination.

#### **20. Refusal to Honor Valid Purchase Requests**

It is acknowledged, understood and agreed by Member that should Member fail to honor and accept purchases from another cardholding member utilizing a valid ID card pursuant to these Rules, except where Member is on standby or reserve status in accordance with of these Rules, Members shall be deemed to be in material breach of this Agreement. Member acknowledges that if such event occurs, damages will accrue to SATURN BARTER in the business relationship between SATURN BARTER

and the client whose ID card was not honored, and Member shall be liable for such damages.

**21. Freezing of Account** If Member violates any terms of this Agreement now or hereafter in effect, SATURN BARTER may immediately terminate its account in accordance with these Rules or may freeze all activity in account without notice until such time as SATURN BARTER, in its sole discretion, reinstates the Member or decides to terminate Member's account. Member acknowledges that the decision of SATURN BARTER to freeze and/or terminate Member's account shall be final and conclusive.

**22. Suspension of Trading Privileges**

SATURN BARTER reserves the right, at its sole discretion, to suspend the trading privileges of any Member who is in violation of any Local, State or Federal law, or any Member with outstanding cash fees due SATURN BARTER which are more than days past due. The trade privileges of Member shall be reinstated immediately upon payment of such past due fees. SATURN BARTER shall have the right, at its sole discretion, of settling past due fees that are over days. Furthermore, if such cash fees remain outstanding beyond days, SATURN BARTER shall have the right to terminate the delinquent Member's account, as provided in these Rules.

**23. Termination** Either party may terminate this Agreement upon ten (10) days written notice to the other party. Immediately upon termination, all cash and trade dollar service fees and commissions outstanding become due and payable, and: a. If Member has a negative trade balance (i.e., purchases exceed sales), Member shall pay the account with trade dollars or acceptable products or services within thirty days of the termination date and, after the thirty days of the termination date and, after the thirty day period, immediately pay SATURN BARTER any remaining negative balance in cash. b. If Member has a positive trade balance (sales exceed purchases), Member may stay

active for months and spend the balance until purchases equal sales by paying SATURN BARTER in advance the cash commissions and service fees on the positive balance. SATURN BARTER HAS NO OBLIGATION UNDER ANY CIRCUMSTANCES, INCLUDING TERMINATION OF MEMBER'S TRADING PRIVILEGES, TO CONVERT A POSITIVE TRADE ACCOUNT TO ACTUAL CASH DOLLARS. SATURN BARTER identification cards must be cut in half and the pieces returned to SATURN BARTER immediately upon termination. In the event of termination, there shall be no refund of annual membership fees, or commissions. All obligations under this Agreement in connection with any trade draft presented or signed by Member shall survive any such termination.

**24. Amendment of Agreement**

SATURN BARTER may, at its sole discretion, modify, amend, or change the terms of this Agreement from time to time by giving Member thirty (30) days prior written notice. Any purchase or sale of products or services by Member after the thirty (30) days notice shall constitute acceptance of new provisions.

**25. Fee Changes** SATURN BARTER reserves the right to modify or change the annual membership fees, commissions, and any service fees from time to time. Member will receive thirty (30) days written notice of any such changes.

**26. Disclaimer of Liability** SATURN BARTER makes no representation or warranty either express or implied, and disclaims all liability as to the fitness, quality, delivery date, merchantability, prices or any term of any trade transaction. Member does hereby indemnify and hold SATURN BARTER harmless with respect to any claim, debt, or liability whatsoever, arising out of any transaction wherein Member is a buyer or seller. Member acknowledges that any trade transaction in which it participates shall be on a voluntary basis, and that SATURN BARTER is

neither its agent nor the agent of any other Member of the exchange.

**27. Disputes** Any trade transaction disputes shall be only between the buyer and seller, and shall be settled by those act as an arbitrator to attempt to settle disputes when the SATURN BARTER deems it is in the best interest of the exchange at large to act is such a capacity.

**28. Enforcement** Each and every term and provision contained in this Agreement and Trading Rules and Regulations is severable from every other term and provision therein. If any such term or provision should be judged invalid, illegal or unenforceable it shall not affect the validity, legality or enforceability of the remainder of any other term or provision. The remainder shall remain valid, legal, enforceable and in full force and effect. In the event that legal action must be taken by SATURN BARTER against a Member to enforce any provision of these Trading Rules and Regulations, SATURN BARTER shall be entitled to recover its reasonable attorney's fees, costs and interest computed at the rate of 18% per year from the date of default until payment. Member also agrees to court venue chosen by SATURN BARTER's attorney.

**29. Advertising** Unless otherwise stipulated between parties to this Agreement, Member authorizes SATURN BARTER to notify and advertise to other Members the availability of Member's products or services.

**30. Tips and Gratuities** All tips or gratuities shall be paid in cash at the time and place of purchase by the buying Member.

**31. Products Sold Through SATURN BARTER - Warranty** On all products owned and sold by SATURN BARTER, the sole and exclusive warranty made by the seller is that it has title to such products, free and clear from any lien or encumbrance. Other than set forth above, all products are sold, "As Is, where is", and shipping charges shall be

paid by the buyer. With respect to any product or services purchased by Buyer from SATURN BARTER, Buyer recognizes that such items are produced and provided by others and not SATURN BARTER or its affiliates. SATURN BARTER makes no warranty either express or implied, by operation of law or otherwise as to the merchantability or fitness for a particular purpose of such products or services, and Buyer shall look solely to the manufacturer of such merchandise or provider of such services for any warranty.

**32. Security Interest** Member grants SATURN BARTER a security interest in all trade dollars credited and to be credited to Member's account for the amount to all unpaid cash fees.

**33. Surcharges** As an exception to the rule that trades are to be made at prevailing prices (defined as normal or customary cash price), surcharges may be permitted in certain categories such as food, gasoline, appliances, electronics, and products where the gross margin of profit is relatively low, and the supply of such products on trade is low. SATURN BARTER will arrange the surcharge with the Member concerned. Members will be informed of any applicable surcharges.

**34. Commitment and Representations** SATURN BARTER is only responsible for commitments and representations made in writing by a duly authorized officer of SATURN BARTER, Brokers, agents, or employers of SATURN BARTER to any obligation or representation whatsoever without such written authorization, signed by an officer of SATURN BARTER.

**35. No Waiver of Right** SATURN BARTER's failure or delay in exercising any right shall not operate as a waiver thereof, and any single or partial exercise of a right shall not preclude any other or further exercise of any right. SATURN BARTER remedies are cumulative and are not exclusive of any remedies provided by law.

**36. Preferential Treatment** Member acknowledges that regulation of purchases, control of credit extension, and allocation of goods or services in short supply are inherent in SATURN BARTER's managerial responsibilities, shall be exercised at SATURN BARTER's sole discretion, and do not constitute preferential treatment under these Rules.

**37. Dissolution** In the event that the SATURN BARTER barter system terminates or otherwise ceases to do business, all Members in a negative trade position shall pay amounts they owe in cash (one trade dollar being equal to one dollar in cash in U. S. currency) into a fund. The fund, less expenses, plus inventory on hand will be distributed pro rata to all Members who are in a positive trade dollar position. Thus, all Members in a positive position will receive cash for their trade dollars to the extent that funds permit. SATURN BARTER shall not be liable to any Members for cash or trade dollars beyond the distribution of such funds as aforesaid.

**38. Member Acknowledgment and Warranty** Member acknowledges that he has read the currently effective Trading Rules and Regulations, that such Rules and Regulations are made a part of this Agreement with SATURN BARTER, and that the Rules and Regulations may be changed by SATURN BARTER from time to time in accordance with the provisions of these Rules. Member warrants that it provides all information to SATURN BARTER in good faith and that such information is accurate to the best of its knowledge.

**39. Joint and Separate Liability** Upon acceptance of this Agreement and opening of an account is Member by SATURN BARTER, the Member and individual signing for the Member hereby assume joint and separate responsibility for all purchases and fees as outlined in this Agreement, and the individual signing on behalf of a corporation agrees to guarantee and be

personally liable for full performance by said corporation of this Agreement