

United First Financial

STATEMENT OF POLICIES and PROCEDURES

Effective January 2007

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United First Financial

STATEMENT OF POLICIES

and

PROCEDURES

Effective January 2007

SECTION 1 - INTRODUCTION

1.1 - Policies and Compensation Plan Incorporated into Independent Agent Agreement

These Policies and Procedures, in their present form and as amended at the sole discretion of United First Financial, Inc. (hereafter “U First” or the “Company”), are incorporated into, and form an integral part of, the U First Independent Agent Agreement. Throughout these Policies, when the term “Agreement” is used, it collectively refers to the U First Independent Agent Application and Agreement, these Policies and Procedures, the U First Marketing and Compensation Plan, and the U First Business Entity Application (if applicable). These documents are incorporated by reference into the U First Independent Agent Agreement (all in their current form and as amended by U First). It is the responsibility of each Independent Agent 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 Independent Agent, it is the responsibility of the sponsoring Independent Agent to ensure that the applicant is provided with, or has online access to, the most current version of these Policies and Procedures and the U First Marketing and Compensation Plan prior to his or her execution of the Independent Agent Agreement.

1.2 - Purpose of Policies

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

U First Independent Agents are required to comply with all of the Terms and Conditions set forth in the Agreement which U First may amend at its sole discretion from time to time, as well as all federal, state, and local laws governing their U First 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 U First.

1.3 - Changes to the Agreement

Because federal, state, and local laws, as well as the business environment, periodically change, U First reserves the right to amend the Agreement and its prices in its sole and absolute discretion. By signing the Independent Agent Agreement, an Independent Agent agrees to abide by all amendments or modifications that U First elects to make. Amendments shall be effective upon notice to all distributors that the Agreement has been modified. Notification of amendments shall be published in official U First materials. The Company shall provide or make available to all distributors a complete copy of the amended provisions through reasonable commercial methods, including but not limited to: (1) posting on the Company's official web site; (2) electronic mail (e-mail); (3) inclusion in Company periodicals; (4) inclusion in product orders or bonus checks; or (5) special mailings. The continuation of an Independent Agent's U First business or an Independent Agent's acceptance of bonuses or commissions constitutes acceptance of any and all amendments.

1.4 - Delays

U First 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.

1.5 - 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 and shall be construed as if such invalid, or unenforceable provision never comprised a part of the Agreement.

1.6 - 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 U First to exercise any right or power under the Agreement or to insist upon strict compliance by an Independent Agent 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 U First's right to demand exact compliance with the Agreement. Waiver by U First can be effectuated only in writing by an authorized officer of the Company. U First's waiver of any particular breach by an Independent Agent shall not affect or impair U First's rights with respect to any subsequent breach, nor shall it affect in any way the rights or obligations of any other Independent Agent. Nor shall any delay or omission by U First to exercise any right arising from a breach affect or impair U First's rights as to that or any subsequent breach.

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

SECTION 2 - BECOMING A DISTRIBUTOR

2.1 - Requirements to Become an Independent Agent

To become a U First Independent Agent, each applicant must:

- 2.1.1** - Be of the age of majority in his or her state of residence;
- 2.1.2** - Reside in the United States or U.S. Territories or country that U First has officially announced is open for business;
- 2.1.3** - Have a valid Social Security or Federal Tax ID number;
- 2.1.4** - Purchase an U First Starter Kit (optional in North Dakota);

2.2 - Product and Starter Kit Purchase

No person is required to purchase U First products or services to become an Independent Agent. To familiarize new Independent Agents with U First products, services, sales techniques, sales aids, and other matters, the Company requires that they purchase a Starter Kit (optional in North Dakota). U First will repurchase resalable kits from any Independent Agent who terminates his or her Independent Agent Agreement pursuant to the terms of Section 7.2.

ASSOCIATES ARE NOT REQUIRED TO PURCHASE THE MONEY MERGE ACCOUNT (“MMA”) SYSTEM TO PARTICIPATE IN THE U FIRST FINANCIAL SALES PROGRAM, AND MAY NOT PURCHASE IT UNLESS THEY HAVE A LEGITIMATE USE FOR IT AS A MORTGAGE DEBTOR. ORDERS FOR THE MMA SYSTEM FOR USE AS A SALES TOOL WILL NOT BE PROCESSED.

2.3 - Independent Agent Benefits

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

- 2.3.1** - Sell U First products and services;
- 2.3.2** - Participate in the U First Marketing and Compensation Plan (receive bonuses and commissions, if eligible);
- 2.3.3** - Sponsor other individuals as Independent Agents into the U First business and thereby, build a marketing organization and progress through the U First Marketing and Compensation Plan;
- 2.3.4** - Receive periodic U First literature and other U First communications;
- 2.3.5** - Participate in U First-sponsored support, service, training, motivational and recognition functions, upon payment of appropriate charges, if applicable; and
- 2.3.6** - Participate in promotional and incentive contests and programs sponsored by U First for its Independent Agents.

2.4 - Term

The term of the Independent Agent Agreement is one year, and will automatically renew

on a monthly basis thereafter so long as all applicable fees have been paid and you remain in compliance with the Agreement, subject to the Company's right to cancel as provided in the Independent Agent Application and Agreement.

SECTION 3 - OPERATING AN U FIRST BUSINESS

3.1 - Adherence to the U First Marketing and Compensation Plan

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

3.2 - Advertising

3.2.1 - General

All Independent Agents shall safeguard and promote the good reputation of U First and its products. The marketing and promotion of U First, the U First opportunity, the Marketing and Compensation Plan, and U First 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 U First offers, Independent Agents may only use the sales aids and support materials produced by U First. If an Independent Agent creates an advertising piece that he believes would be effective, he may submit it to the Company. The Company may elect to publish the material and make it available to all Independent Agents. Independent Agents waive any claim to royalties or payments of any nature for material they submit to the Company.

3.2.2 - Domain Names and Email Addresses

Independent Agents may not use or attempt to register any of U First's trade names, trademarks, service names, service marks, product names, the Company's name, or any derivative thereof, for any Internet domain name or email address.

3.2.3 - Trademarks and Copyrights

U First will not allow the use of its trade names, trademarks, designs, or symbols by any person, including U First Independent Agents, without its prior, written permission. Independent Agents may not produce for sale or distribution any recorded Company events and speeches without written permission from U First nor may Independent

Agents reproduce for sale or for personal use any recording of Company-produced audio or video tape presentations.

3.2.4 - Media and Media Inquiries

Independent Agents must not attempt to respond to media inquiries regarding U First, its products or services, or their independent U First business. All inquiries by any type of media must be immediately referred to U First's Advertising Department. This policy is designed to assure that accurate and consistent information is provided to the public as well as a proper public image.

3.2.5 - Unsolicited Email

U First does not permit Independent Agents 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 Independent Agent that promotes U First, the U First opportunity, or U First products and services must comply with the following:

- i. There must be a functioning return email address to the sender.
- ii. 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).
- iii. The email must include the Independent Agent's physical mailing address.
- iv. The email must clearly and conspicuously disclose that the message is an advertisement or solicitation.
- v. The use of deceptive subject lines and/or false header information is prohibited.
- vi. All opt-out requests, whether received by email or regular mail, must be honored. If an Independent Agent receives an opt-out request from a recipient of an email, the Independent Agent must forward the opt-out request to the Company.
- vii. U First may periodically send commercial emails on behalf of Independent Agents. By entering into the Independent Agent Agreement, Independent Agent agrees that the Company may send such emails and that the Independent Agent's physical and email addresses will be included in such emails as outlined above. Independent Agents shall honor opt-out requests generated as a result of such emails sent by the Company.

3.2.6 - Unsolicited Faxes

Except as provided in this section, Independent Agents may not use nor transmit unsolicited faxes nor use an automatic telephone dialing system relative to the operation of their U First 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 or electronic mail, respectively, of any material or information advertising or promoting U First, 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 Independent Agent 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 Independent Agent and a person, on the basis of: (a) an inquiry, application, purchase or transaction by the person regarding products offered by such Independent Agent; or (b) a personal or familial relationship, which relationship has not been previously terminated by either party.

3.3 - 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 Agent Application and Agreement by such individuals or entities; (b) the fraudulent enrollment of an individual or entity as an Independent Agent or Customer; (c) the enrollment or attempted enrollment of non-existent individuals or entities as Independent Agents or Customers ("phantoms"); (d) Purchasing U First products or services on behalf of another Independent Agent or Customer, or under another Independent Agent's or Customer's I.D. number, to qualify for commissions or bonuses; or (e) any other mechanism or artifice to qualify for rank advancement, incentives, prizes, commissions or bonuses that is not driven by bona fide product or service purchases by end user consumers.

3.4 - Business Entities

A corporation, Limited Liability Company, partnership or trust (collectively referred to in this section as a "Business Entity") may apply to be an U First Independent Agent by submitting its Certificate of Incorporation, Partnership Agreement or trust documents (these documents are collectively referred to as the "Entity Documents") to U First, along with a properly completed Business Entity Registration form. The Business Entity Registration form must be signed by all of the shareholders, members, partners or trustees. Members of the entity are jointly and severally liable for any indebtedness or other obligation to U First.

3.5 - Change of Sponsor

3.5.1 - Upline Signature Requirement

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

Requests for change of sponsorship must be submitted in writing to the Independent Agent Services Department, and must include the reason for the transfer. Transfers will only be granted if the Independent Agent seeking to transfer submits a properly completed and fully executed Sponsorship Transfer Form which includes the written approval of all upline Independent Agents up to and including the first Branch Manager. Photocopied or facsimile signatures are not acceptable.

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 Independent Agent, U First 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, **DISTRIBUTORS WAIVE ANY AND ALL CLAIMS AGAINST U First THAT RELATE TO OR ARISE FROM U First's DECISION REGARDING THE DISPOSITION OF ANY DOWNLINE ORGANIZATION THAT DEVELOPS BELOW AN ORGANIZATION THAT HAS IMPROPERLY CHANGED LINES OF SPONSORSHIP.**

3.5.2 - Cancellation and Re-application

An Independent Agent may legitimately change organizations by voluntarily canceling his or her U First business and remaining inactive (*i.e.*, no purchases of U First products for resale, no sales of U First products, no sponsoring, no attendance at any U First functions, participation in any other form of Independent Agent activity, or operation of any other U First business) for six (6) full calendar months. Following the six month period of inactivity, the former Independent Agent may reapply under a new sponsor.

3.6 - Unauthorized Claims and Actions

3.6.1 - Indemnification

An Independent Agent is fully responsible for all of his or her verbal and written statements made regarding U First products, services, and the Marketing and Compensation Plan which are not expressly contained in official U First materials. Independent Agents agree to indemnify U First and U First'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 U First as a result of the Independent Agent's unauthorized representations or actions. This provision shall survive the termination of the Independent Agent Agreement.

3.6.2 - Income Claims

In their enthusiasm to enroll prospective Independent Agents, some Independent Agents are occasionally tempted to make income claims or earnings representations to demonstrate the inherent power of network marketing. This is counterproductive because new Independent Agents may become disappointed very quickly if their results are not as extensive or as rapid as the results others have achieved. At U First, we firmly believe that the U First 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 network marketing. While Independent Agents 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 U First as well as the Independent Agent making the claim unless appropriate disclosures required by law are also made contemporaneously with the income claim or earnings representation. Because U First Independent Agents do not have the data necessary to comply with the legal requirements for making income claims, an

Independent Agent, when presenting or discussing the U First opportunity or Marketing and Compensation Plan to a prospective Independent Agent, may not make income projections, income claims, or disclose his or her U First income (including the showing of checks, copies of checks, bank statements, or tax records).

3.7 - Commercial Outlets

U First strongly encourages the retailing and selling of products and services through person to person contact. In an effort to reinforce this method of marketing and to help provide a standard of fairness for its Independent Agent base, Independent Agents may not display or sell U First products or literature in any retail or service establishment.

3.8 - Trade Shows, Expositions and Other Sales Forums

Independent Agents may display and/or sell U First products at trade shows and professional expositions. Before submitting a deposit to the event promoter, Independent Agents must contact the Independent Agent Services department in writing for conditional approval. Approval will not be given for swap meets, garage sales, flea markets or farmer's markets as these events are not conducive to the professional image U First wishes to portray.

3.9 - Conflicts of Interest

3.9.1 - Replication of U First Software

The U First software is a proprietary trade secret belonging exclusively to U First. Independent Agents shall not engage in any activity or effort to replicate, copy, or reverse engineer the U First Software. Use of the U First software is subject to the software license agreement, and any Independent Agent who violates the software license agreement will have his or her U First business terminated.

3.9.2 - Non-Solicitation

U First Independent Agents are free to participate in other multilevel or network marketing business ventures or marketing opportunities (collectively "network marketing"). However, during the term of this Agreement, with the exception of their personally sponsored Independent Agents who are also on their front line, Independent Agents may not recruit other U First Independent Agents for any other network marketing business. Following the cancellation of this Agreement, and for a period of two years thereafter, with the exception of a Marketing Director's personally sponsored Marketing Directors who are also on his or her first downline level ("frontline"), a former Independent Agent may not recruit any U First Independent Agent for another network marketing business. Independent Agents and the Company recognize that because network marketing 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, Independent Agents and U First agree that this non-solicitation provision shall apply to all markets in which U First conducts business.

Independent Agents may not display U First promotional material with any other promotional material, products or services in a fashion that might in any way confuse or

mislead a prospective customer or Independent Agent into believing there is a relationship between the U First and non-U First products or services. Independent Agents may not offer the U First opportunity, products or services to prospective or existing Customers or Independent Agents in conjunction with any non-U First program, opportunity, product or service. Independent Agents may not offer any non-U First opportunity, products or services at any U First-related meeting, seminar or convention, or immediately following such event.

3.9.3 - Genealogy Reports

Genealogy Reports are available through the Independent Agent's back office on the Company's website. **All Genealogy Reports and the information contained therein are confidential and constitute proprietary information and business trade secrets belonging to U First.** Genealogy Reports are provided to Independent Agents in strictest confidence and are made available to Independent Agents for the sole purpose of assisting Independent Agents in working with their respective Downline Organizations in the development of their U First business. Independent Agents should use their Genealogy Reports to assist, motivate, and train their downline Independent Agents. The Independent Agent and U First agree that, but for this agreement of confidentiality and nondisclosure, U First would not provide Genealogy Reports to the Independent Agent. An Independent Agent shall not, on his or her own behalf, or on behalf of any other person, partnership, association, corporation or other entity:

- i. Directly or indirectly disclose any information contained in any Genealogy Reports to any third party;
- ii. Directly or indirectly disclose the password or other access code to his or her back office and/or Genealogy Reports;
- iii. Use the information to compete with U First or for any purpose other than promoting his or her U First business;
- iv. Recruit or solicit any Independent Agent or Customer of U First listed on any report, or in any manner attempt to influence or induce any Independent Agent or Customer of U First, to alter their business relationship with U First; or
- v. Use or disclose to any person, partnership, association, corporation, or other entity any information contained in any Genealogy Reports.

Upon demand by the Company, any current or former Independent Agent will return the original and all copies of Genealogy Reports to the Company.

3.10 - Targeting Other Direct Sellers

U First does not condone Independent Agents specifically or consciously targeting the sales force of another direct sales company to sell U First products or to become Independent Agents for U First, nor does U First condone Independent Agents 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 Independent Agents 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 Independent Agent alleging that he or she engaged in inappropriate recruiting activity of its sales force or customers, U First will not pay any of Independent Agent's defense costs or legal fees,

nor will U First indemnify the Independent Agent for any judgment, award, or settlement.

3.11 - 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 Customer or Independent Agent Agreement on file with U First, 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, or fictitious ID numbers to circumvent this policy is prohibited. Independent Agents shall not demean, discredit or defame other U First Independent Agents in an attempt to entice another Independent Agent to become part of the first Independent Agent's marketing organization. This policy shall not prohibit the transfer of an U First business in accordance with Section 3.5.

If Cross Sponsoring is discovered, it must be brought to the Company's attention immediately. U First may take disciplinary action against the Independent Agent that changed organizations and/or those Independent Agents who encouraged or participated in the Cross Sponsoring. U First may also move all or part of the offending Independent Agent's downline to his or her original downline organization if the Company deems it equitable and feasible to do so. However, U First is under no obligation to move the Cross Sponsored Independent Agent's downline organization, and the ultimate disposition of the organization remains within the sole discretion of U First. **Independent Agents waive all claims and causes of action against U First arising from or relating to the disposition of the Cross Sponsored Independent Agent's downline organization.**

3.12 - Errors or Questions

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

3.13 - Governmental Approval or Endorsement

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

3.14 - Identification

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

3.15 - Income Taxes

Each Independent Agent is responsible for paying local, state, and federal taxes on any income generated as an Independent Agent. If an U First business is tax exempt, the Federal tax identification number must be provided to U First. Every year, U First will provide an IRS Form 1099 MISC (Non-employee Compensation) earnings statement to each U.S. resident who Had earnings of over \$600 in the previous calendar year.

3.16 - Independent Contractor Status

Independent Agents are independent contractors, and are not purchasers of a franchise or a business opportunity. The agreement between U First and its Independent Agents does not create an employer/employee relationship, agency, partnership, or joint venture between the Company and the Independent Agent. Independent Agents shall not be treated as an employee for his or her services or for Federal or State tax purposes. All Independent Agents are responsible for paying local, state, and federal taxes due from all compensation earned as an Independent Agent of the Company. The Independent Agent has no authority (expressed or implied), to bind the Company to any obligation. Each Independent Agent shall establish his or her own goals, hours, and methods of sale, so long as he or she complies with the terms of the Independent Agent Agreement, these Policies and Procedures, and applicable laws.

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

Independent Agent's Name
U First Independent Agent, UFF# _____

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

3.17 - Conduct of Business in Approved Countries Only

Because of critical legal and tax considerations, the U First business may only be offered to persons or entities located within the United States and U.S. Territories and those other countries that the Company has announced are officially opened for business.

3.18 - Adherence to Laws and Ordinances

3.18.1 - Local Ordinances

Many cities and counties have laws regulating certain home-based businesses. In most cases these ordinances are not applicable to Independent Agents because of the nature of their business. However, Independent Agents must obey those laws that do apply to them. If a city or county official tells an Independent Agent that an ordinance applies to him or her, the Independent Agent shall be polite and cooperative, and

immediately send a copy of the ordinance to the Compliance Department of U First. In most cases there are exceptions to the ordinance that may apply to U First Independent Agents.

3.18.2 - Compliance With Federal, State, Local Laws

Independent Agents shall comply with all federal, state, and local laws and regulations in the conduct of their businesses.

3.18.3 - Compliance with Federal, State, Local Licensing Requirements

U First Independent Agents may not make any financing, insurance, financial planning, investment or other financial representations to prospective clients that relate to information requiring a professional license unless the Agent holds a license in the specific field and in the specific jurisdiction in which he/she is conducting business. Prohibited representations include, but are not limited to:

- Residential or commercial mortgage financing strategies, including but not limited to selecting loan programs, purchase, down payment, loan, finance or refinance strategies, interest rate selection, terms, fees, or commissions.
- Consumer lending laws, rules, practices, or strategies including but not limited to those relating to secure or non-secure loans, lines of credit, credit repair, or any other credit or debt obligations.
- Financial planning information, including but not limited to retirement planning, transfer of funds, investments, investment opportunities, prospective interest rates, rates of return, consolidations, forecasting, retirement planning, or investment strategies.
- Insurance information including but not limited to sales of insurance products, insurance requirements, insurance strategies, and insurance loans.

3.19 - Minors

A person who is recognized as a minor in his/her state of residence may not be an U First Independent Agent. Independent Agents shall not enroll or recruit minors into the U First program.

3.20 - One U First Business Per Independent Agent and Per Household

An Independent Agent may operate or have an ownership interest, legal or equitable, as a sole proprietorship, partner, shareholder, trustee, or beneficiary, in only one U First business. No individual may have, operate or receive compensation from more than one U First business. Individuals of the same family unit may not enter into or have an interest in more than one U First 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 U First Marketing and Compensation Plan, husbands and wives or common-law couples (collectively “spouses”) who wish to become U First Independent Agents must be jointly sponsored as one U First business. Spouses, regardless of whether one or both are signatories to the Independent Agent Application and Agreement, may not own or operate any other U First 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 U First business in any form.

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

3.21 - Actions of Household Members or Affiliated Individuals

If any member of an Independent Agent's immediate household engages in any activity which, if performed by the Independent Agent, would violate any provision of the Agreement, such activity will be deemed a violation by the Independent Agent and U First may take disciplinary action pursuant to the Statement of Policies against the Independent Agent. 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 U First may take disciplinary action against the entity.

3.22 - Sale, Transfer or Assignment of U First Business

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

- 3.22.1** - Protection of the existing line of sponsorship must always be maintained so that the U First business continues to be operated in that line of sponsorship.
- 3.22.2** - Before the sale, transfer or assignment can be finalized and approved by U First, any debt obligations the selling Branch Manager has with U First must be satisfied.
- 3.22.3** - The selling Branch Manager 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 a U First business.
- 3.22.4** - The purchaser of the business must attain the Branch Manager rank independently from the sales generated by the selling Agent within 12 months from the date of the business purchase. If the purchaser of the business fails to attain the Branch Manager rank within 12 months, the business will be cancelled.

Prior to selling an U First business, the selling Branch Manager must notify U First's Agent Support Department of his or her intent to sell the U First business. No changes in line of sponsorship can result from the sale or transfer of an U First business.

3.23 - Separation of an U First Business

U First Independent Agents sometimes operate their U First businesses as husband-wife partnerships, regular partnerships, corporations, limited liability companies, or trusts. At such time as a marriage may end in divorce or a corporation, LLC, 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 Independent Agents and the Company, U First will involuntarily terminate the Independent Agent Agreement.

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

- 3.23.1** - One of the parties may, with consent of the other(s), operate the U First business pursuant to an assignment in writing whereby the relinquishing spouse, shareholders, partners or trustees authorize U First to deal directly and solely with the other spouse or non-relinquishing shareholder, partner or trustee.
- 3.23.2** - The parties may continue to operate the U First business jointly on a “business-as-usual” basis, whereupon all compensation paid by U First 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 U First split commission and bonus checks between divorcing spouses or members of dissolving entities. U First will recognize only one Downline Organization and will issue only one commission check per U First 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, the Independent Agent Agreement shall be involuntarily canceled.

If a former spouse has completely relinquished all rights in their original U First business, he or she is thereafter free to enroll under any sponsor of their choosing, without complying with the waiting period requirements set forth in Section 3.5.2. In such case, however, the former spouse or partner shall have no rights to any Independent Agents 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 Independent Agent. In the case of the dissolution of a business entity, the individual(s) who did not receive the business must comply with the six calendar month waiting requirement in Section 3.5.2 before enrolling again as an Independent Agent.

3.24 - Succession

Upon the death or incapacitation of an Independent Agent, 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 Independent Agent should consult an attorney to assist him or her in the preparation of a will or other testamentary instrument. Whenever a U First business is transferred by a will or other testamentary process, the beneficiary acquires the right to collect all bonuses and commissions of the deceased Independent Agent’s marketing organization provided the following

qualifications are met. The successor(s) must:

- Execute an Independent Agent Agreement;
- Comply with terms and provisions of the Agreement; and
- The downline organization of the deceased Agent will be moved underneath the successor, but the successor must personally attain the Branch Manager level within 12 months from the date of the inheritance. Once the successor has achieved the Branch Manager rank (independently from all sales generated by the deceased Agent), he or she will be eligible to receive commissions from the sales generated by the downline organization he or she inherited. If the successor does not independently meet the Branch Manager rank within 12 months from the date of the inheritance, the business will be cancelled.
- Bonus and commission checks of a U First business transferred pursuant to this section will be paid in a single check jointly to the devisees. The devisees must provide U First 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. U First will issue all bonus and commission checks and one 1099 to the business entity.

3.24.1 - Transfer Upon Death of an Independent Agent

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

3.24.2 - Transfer Upon Incapacitation of an Independent Agent

To effectuate a transfer of an U First business because of incapacity, the successor must provide the following to U First: (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 U First business; and (3) a completed Independent Agent Agreement executed by the trustee.

3.25 - 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 U First does not consider Independent Agents 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, Independent Agents must not engage in telemarketing in the operation of their U First businesses. The term “telemarketing” means the placing of one or more

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

3.25.1 - If the Independent Agent has an established business relationship with the prospect. An "established business relationship" is a relationship between an Independent Agent and a prospect based on the prospect's purchase, rental, or lease of goods or services from the Independent Agent, or a financial transaction between the prospect and the Independent Agent, within the eighteen (18) months immediately preceding the date of a telephone call to induce the prospect's purchase of a product or service.

3.25.2 - The prospect's personal inquiry or application regarding a product or service offered by the Independent Agent, within the three (3) months immediately preceding the date of such a call.

3.25.3 - If the Independent Agent receives written and signed permission from the prospect authorizing the Independent Agent to call. The authorization must specify the telephone number(s) which the Independent Agent is authorized to call.

3.25.4 - You may call family members, personal friends, and acquaintances. An "acquaintance" is someone with whom you have at least a recent first-hand relationship within the preceding three months. Bear in mind, however, that if you make a habit of "card collecting" with everyone you meet and subsequently calling them, the FTC may consider this a form of telemarketing that is not subject to this exemption. Thus, if you engage in calling "acquaintances," you must make such calls on an occasional basis only and not make this a routine practice.

3.25.5 - In addition, Independent Agents shall not use automatic telephone dialing systems relative to the operation of their U First 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 4 - RESPONSIBILITIES OF DISTRIBUTORS

4.1 - Continuing Development Obligations

4.1.1 - Ongoing Training

Any Independent Agent who sponsors another Independent Agent into U First must perform a bona fide assistance and training function to ensure that his or her downline is properly operating his or her U First business. Independent Agents must have ongoing contact and communication with the Independent Agents 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 Independent Agents to U First meetings, training sessions, and other functions. Upline Independent Agents are also responsible to encourage and train new Independent Agents in U First product knowledge, effective sales techniques, the U First Marketing and Compensation Plan, and compliance with Company Policies and Procedures. Communication with and the training of downline distributors must not, however, violate Section 3.2 (regarding the development of distributor-produced sales aids and promotional materials).

4.1.2 - Increased Training Responsibilities

It is the responsibility of Branch Managers to be the first source of information for their downline Independent Agents. Should a Branch Manager be unable to accurately answer an Independent Agents question, the Branch Manager shall act as the liaison with the company and then respond back to their downline Independent Agents.

4.1.3 - Ongoing Sales Responsibilities

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

4.2 - Non-Disparagement

U First wants to provide its Independent Agents 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 Customer Service Department. Remember, to best serve you, we must hear from you! While U First welcomes constructive input, negative comments and remarks made in the field by Independent Agents about the Company, its products, or compensation plan serve no purpose other than to sour the enthusiasm of other U First Independent Agents. For this reason, and to set the proper example for their downline, Independent Agents must not disparage, demean, or make negative remarks about U First, other U First Independent Agents, U First's products, the Marketing and Compensation plan, or U First's directors, officers, or employees.

4.3 - Reporting Policy Violations

Independent Agents observing a Policy violation by another Independent Agent should submit a written report of the violation directly to the attention of the U First 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 5 - SALES REQUIREMENTS

5.1 - Product Sales

The U First Marketing and Compensation Plan is based on the sale of U First products and services to end consumers. Independent Agents 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.

5.2 - No Territory Restrictions

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

5.3 - Sales Receipts

All Independent Agents must instruct their customers and new Independent Agents who purchase the system to print off two copies of an official U First order form at the time of the sale. These forms set forth the purchaser's right to cancel the transaction within three business days (5 days for Alaska). In addition, Independent Agents must orally inform the buyer of his or her cancellation rights.

5.4 - Sales Taxes

U First may be required to charge and remit sales taxes on purchases made by Independent Agents and Customers in some states. Accordingly, in those states that tax U First's products, the Company will collect and remit sales taxes on behalf of Independent Agents, based on the suggested retail price of the products, according to applicable tax rates in the state in which the shipment is destined.

SECTION 6 - BONUSSES AND COMMISSIONS

6.1 - Adjustment to Bonuses and Commissions

Independent Agents receive bonuses and commissions based on the actual sales of products and services to end consumers. When a product is returned to U First for a refund or is repurchased by the Company, 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 Independent Agents who received bonuses and commissions on the sales of the refunded products. The Company may, at its discretion, accomplish this by deducting PSV points from Marketing Directors' future purchases and sales.

6.2 - Reports

All information provided by U First in online or telephonic Genealogy 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 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 U First 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, U FIRST AND/OR OTHER PERSONS CREATING OR TRANSMITTING THE

INFORMATION WILL IN NO EVENT BE LIABLE TO ANY DISTRIBUTOR 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 U FIRST 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, U FIRST 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 U First' 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 U First' online and telephone reporting services and your reliance upon the information.

SECTION 7 - RETURNS

7.1 - Product Guarantee

U First provides all MMA clients a limited guarantee. A copy of the guarantee is in the MMA documentation package. It must be signed and returned to the company at the time the MMA application is submitted. MMA applications will not be processed unless the limited guarantee is returned with the application.

7.2 - Product Returns

Customers have 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 MMA New Client Fee Authorization Form (5 days for Alaska, 120 hours). When an Independent Agent makes a sale or takes an order from a retail customer who cancels or requests a refund within the 72 hour period (120 hours for Alaska), the Independent Agent must promptly refund the customer's money as long as the Starter Kit is returned to the distributor in substantially as good condition as when received. Additionally, Independent Agents must orally inform customers of their right to rescind a purchase or an order within 72 hours (120 hours for Alaska), 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 U First order form at the time of the sale. The order form provides the customer with written notice of his or her rights to cancel the sales agreement.

7.3 - Return of Sales Aids by Independent Agents Upon Cancellation

Upon cancellation of an Independent Agent's Agreement, the Independent Agent may

return sales aids held in his or her inventory for a refund. An Independent Agent may only return sales aids that he or she personally purchased and which are in resalable condition. Upon receipt of the products and sales aids, the Independent Agent will be reimbursed 90% of the net cost of the original purchase price(s), less shipping charges. If the purchases were made through a credit card, the refund will be credited back to the same account. If an Independent Agent was paid a commission based on a product(s) purchase, and such product(s) is subsequently returned for a refund, the commission that was paid to the Independent Agent will be deducted from the amount of the refund.

7.4 - Montana Residents

A Montana resident may cancel his or her Independent Agent 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.

SECTION 8 - DISPUTE RESOLUTION AND DISCIPLINARY PROCEEDINGS

8.1 - 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 Independent Agent that, in the sole discretion of the Company may damage its reputation or goodwill, may result, at U First's discretion, in one or more of the following corrective measures:

- Issuance of a written warning or admonition;
- Requiring the Independent Agent 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;
- U First may withhold from an Independent Agent all or part of the Independent Agent's bonuses and commissions during the period that U First is investigating any conduct allegedly in violation of the Agreement. If an Independent Agent's business is canceled for disciplinary reasons, the Independent Agent will not be entitled to recover any commissions withheld during the investigation period;
- Suspension of the individual's Independent Agent Agreement for one or more pay periods;
- Involuntary termination of the offender's Independent Agent Agreement;
- Any other measure expressly allowed within any provision of the Agreement or which U First deems practicable to implement and appropriate to equitably resolve injuries caused partially or exclusively by the Independent Agent's policy violation or contractual breach;
- In situations deemed appropriate by U First, the Company may institute legal proceedings for monetary and/or equitable relief.

8.2 - Grievances and Complaints

When an Independent Agent has a grievance or complaint with another Independent

Agent regarding any practice or conduct in relationship to their respective U First businesses, the complaining Independent Agent should first report the problem to his or her upline Branch Manager who should review the matter and try to resolve it with the other party's upline Branch Manager. All disputes involving policy interpretation must be directed to the Company. If the matter cannot be resolved with the assistance of upline Branch Managers, it must be reported in writing to the Independent Agent Services Department at the Company. The Independent Agent Services Department will review the facts and resolve it.

8.3 - Governing Law, Jurisdiction and Venue

Jurisdiction and venue of any matter not subject to arbitration shall reside exclusively in Salt Lake County, State of Utah. The Federal Arbitration Act shall govern all matters relating to arbitration. The law of the State of Utah shall govern all other matters relating to or arising from the Agreement. Notwithstanding the foregoing, residents of the State of Louisiana shall be entitled to bring an action against U First in their home forum and pursuant to Louisiana law.

SECTION 9 - INACTIVITY AND CANCELLATION

9.1 - Effect of Cancellation

So long as an Independent Agent remains active and complies with the terms of the Independent Agent Agreement and these Policies and Procedures, U First shall pay commissions to such Independent Agent in accordance with the Marketing and Compensation Plan. An Independent Agent's bonuses and commissions constitute the entire consideration for the Independent Agent's efforts in generating sales and all activities related to generating sales (including building a downline organization). Following an Independent Agent's non-renewal of his or her Independent Agent Agreement, cancellation for inactivity, or voluntary or involuntary cancellation of his or her Independent Agent Agreement (all of these methods are collectively referred to as "cancellation"), the former Independent Agent 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 Independent Agent whose business is cancelled will lose all rights as an Independent Agent. This includes the right to sell U First products and services and the right to receive future commissions, bonuses, or other income resulting from the sales and other activities of the Independent Agent's former downline sales organization. In the event of cancellation, Independent Agents 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 Independent Agent's cancellation of his or her Independent Agent Agreement, the former Independent Agent shall not hold himself or herself out as an U First Independent Agent and shall not have the right to sell U First products or services. An Independent Agent whose Independent Agent 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).

9.2 - Cancellation Due to Inactivity

If an Independent Agent has not earned a commission for six consecutive months, his or her Independent Agent Agreement shall be canceled for inactivity. The cancellation will become effective on the day following the last day of the sixth month of inactivity. Written confirmation of the cancellation will not be provided by U First.

9.3 - Involuntary Cancellation

An Independent Agent's violation of any of the terms of the Agreement, including any amendments that may be made by U First in its sole discretion, may result in any of the sanctions listed in Section 8.1, including the involuntary cancellation of his or her Independent Agent Agreement. Cancellation shall be effective on the date on which written notice is mailed, faxed, or delivered to an express courier, to the Independent Agent's last known address (or fax number), or to his/her attorney, or when the Independent Agent receives actual notice of cancellation, whichever occurs first.

U First reserves the right to terminate all Independent Agent 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.

9.4 - Voluntary Cancellation

A participant in this network marketing plan 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 Independent Agent's signature, printed name, address, and Independent Agent I.D. Number.

SECTION 10 - DEFINITIONS

Active Independent Agent — An Independent Agent who earns a commission under the U First Compensation Plan at least once every six months.

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

Cancel — The termination of an Independent Agent's business. Cancellation may be either voluntary, involuntary, or inactivity.

Genealogy Reports — A report generated by U First that provides critical data relating to the identities of Independent Agents, sales information, and enrollment activity of each Independent Agent's Marketing Organization. This report contains confidential and trade secret information which is proprietary to U First.

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

Level — The layers of downline Customers and Independent Agents in a particular Independent Agent’s Marketing Organization. This term refers to the relationship of an Independent Agent relative to a particular upline Independent Agent, determined by the number of Independent Agents between them who are related by sponsorship.

Rank — The “title” that an Independent Agent has achieved pursuant to the U First Marketing and Compensation Plan.

Recruit — For purposes of U First’s Conflict of Interest Policy (Section 3.9), the term “recruit” means actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way, either directly or indirectly, another U First Independent Agent or Customer to enroll or participate in another multilevel marketing, network marketing or direct sales opportunity. This conduct constitutes recruiting even if the Independent Agent’s actions are in response to an inquiry made by another Independent Agent, Direct or Customer.

Resalable — 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 U First within one year from the date of purchase; and 5) the material has not been discontinued. Any material that is clearly identified at the time of sale as non-returnable, discontinued, or as a seasonal item, shall not be resaleable.

Retail Customer — An individual who purchases U First products from an Independent Agent but who is not a participant in the U First compensation plan.

Sponsor — An Independent Agent who enrolls another Independent Agent into the Company and is listed as the Sponsor on the Independent Agent Application and Agreement. The act of enrolling others and training them to become Independent Agents is called “sponsoring.”

Starter Kit — A selection of U First training materials that each new Independent Marketing Independent Agent is required to purchase. The Starter Kit is sold to Independent Agents at the Company’s cost.

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