



TTI Performance Systems, Ltd.

D I S T R I B U T O R A G R E E M E N T

Company Name _____

Distributor's Last Name _____ First Name _____ MI _____

Co-Applicant's Last Name _____ First Name _____ MI _____

Shipping Address (UPS Delivery) _____ Suite _____

Mailing Address (if different) _____

City _____ State _____ Zip Code _____

Business Phone Number _____ Fax Number _____

E-mail _____ Website _____

Federal ID # or Social Security # _____ Sales Tax Permit # _____

TTIPS Approval _____ Effective Date _____

TTI Approval _____

Introduced by _____

Card Type: MasterCard Visa Discover American Express

Credit Card # _____ Exp. Date: _____

Complete this form and submit to:

**Fax: 800-788-3472
or 480-443-0163**

Email: distributorsupport@ttitld.com

**Mail: TTI Performance Systems, Ltd.
16020 North 77th Street
Scottsdale, AZ 85260**

This agreement, by and between Target Training International (hereafter "TTI") and TTI Performance Systems, Ltd. (hereafter "TTIPS"), both Iowa corporations, corporate offices at 16020 N. 77th Street, Scottsdale, AZ 85260, (480) 443-1077, and the Independent Distributor (hereafter "Distributor") listed above, sets forth the relationship and duties between the parties. Please read the agreement in its entirety. This Distributor Agreement also includes the Distributor Handbook.

Entering my name below is verification that I have read and understand this agreement. I agree to be bound by the terms as contained in this agreement and the Distributor Handbook.

Distributor Signature: _____ Title: _____ Date: _____

Co-applicant Signature: _____ Title: _____ Date: _____

Recitals

1. The purpose of this agreement is to establish the Distributor as an authorized distributor for the sale of TTIPS products and to set forth the respective duties, obligations and responsibilities of TTIPS and of Distributor in the sale of the products by TTIPS to the Distributor and the resale and servicing of these products by the Distributor.
2. Distributor has elected to enter into this agreement with TTIPS with confidence in TTIPS's integrity and expressed intention to deal fairly with its Distributors, and with knowledge of the customer acceptance of products of TTIPS.
3. TTIPS has elected to enter into this agreement with the Distributor with recognition that TTIPS's success depends on financially sound, responsible, efficient, vigorous and successful independent Distributors whose business conduct is free of false, deceptive or misleading advertising, merchandising, pricing and service practices, and with confidence in distributor's integrity and ability, and in the Distributor's expressed intention to deal fairly with seller and its customers, and to perform and carry out Distributor's duties, obligations and responsibilities as set forth in this agreement.
4. It is the expectation of each of the parties that by entering into this agreement, and by the full and faithful observance and performance of its duties, obligations and responsibilities, a mutually satisfactory relationship between them will be established and maintained.

In consideration of the matters described above, and of the mutual benefits and obligations set forth in this agreement, the parties agree as follows:

The Distributor agrees:

1. To purchase the distributor kit, which includes access to the Internet Delivery Service (IDS)[®], and to maintain access to the Internet.
2. To actively promote the retail sale of TTIPS products to the end user.
3. To present TTIPS products with the highest standard of ethics. Such presentation shall be truthful, without exaggeration, and shall never exceed that stated in official TTIPS literature. The Distributor shall hold TTIPS harmless against any and all damages including attorneys' fees, which may result from any misrepresentation by the Distributor. The Distributor will not engage in any activities, which would bring disrepute on the good name or image of TTIPS, its products or other Distributors and will conduct its business so as to maintain and increase the goodwill and reputation of TTIPS.
4. To abide by all federal, state and local laws and regulations relating to the sale or presentation of TTIPS products.
5. To adhere to TTIPS Distributor's Handbook and any updates thereto as published in official TTIPS documents or on www.ttied.com. Distributor acknowledges that TTIPS may, in its sole discretion, modify this agreement and the handbook. Such notice is satisfied by inclusion of the modification in any TTIPS literature mailed or emailed to the last known address of Distributor. The parties agree that any such modification is done with adequate legal consideration.
6. That he/she/they is/are of the legal age to contract or are able to contract.
7. To pay the annual, non-refundable, IDS fee.
8. To maintain a VALID credit card on file with TTIPS.
9. To notify TTIPS with address, phone number, email, credit card and website changes within 10 days.
10. That Distributor is limited to the United States (50 states plus Washington, D.C.) and Canada (10 provinces) but not restricted to any geographical territory within the United States and Canada

for the selling of TTIPS products. The Distributor is specifically restricted from opening an office in any country outside the U.S. and/or Canada and can only sell to companies who are headquartered in the U.S. and/or Canada.

Limitations

11. This distributor agreement prohibits the Distributor from putting any material copyrighted by TTI on the Internet in any form. **NO MATERIAL COPYRIGHTED BY TTI CAN BE REPRINTED OR POSTED ON THE INTERNET WITHOUT WRITTEN PERMISSION FROM TTI.**

Other Limitations

12. A. Distributor is not to disclose any retail price of the service or any other TTIPS product or service on any Internet site. Distributor will not maintain an Internet site to only sell TTI products and/or advertise volume discounts. Distributor will not outbid TTIPS for top position on Internet search words. Distributor will not use TTI's copyrighted names or trademarks to sell competitors' products or vice versa on the Internet. Doing so will invalidate this agreement.
- B. Distributor will not set up an e-commerce site to sell TTIPS reports, questionnaires or other TTIPS materials on the Internet neither individually nor with a third party. Doing so will invalidate this Agreement.
- C. TTIPS products are not to be commoditized. Commoditizing includes, but is not limited to, the advertising of special discounts, volume pricing or competitive pricing on the Internet. TTIPS products are NOT to be sold through an on-line relationship.
- D. Distributor is not allowed to reproduce, re-typeset, print or publish on paper or electronically any copyrighted response forms. Doing so will invalidate this agreement. Faxing or emailing response forms purchased from TTIPS is permitted.
- E. Distributor is not allowed to write software that scores any TTIPS copyrighted response forms. Doing so will invalidate this agreement.
- F. Distributor or Distributor's clients will not engage in any mass email advertising campaign providing an IDS "response link ID". Doing so will invalidate this agreement.
- G. If Distributor sells an unlimited use site license to one of their clients, the Distributor **WILL NOT PROCESS ANY REPORTS FOR ANY REASON FROM THE SITE LICENSE ACCOUNT.**
- H. Distributor agrees to use TTIPS Complimentary Reports to exclusively sell only TTIPS products or services incorporating TTIPS products. Any and all promotional literature, other than that which is provided by TTIPS, that uses a trademark, trade name, copyright or the likeness of Bill J. Bonnstetter or any other TTIPS personnel must be approved in writing by TTIPS prior to its use.
- I. TTIPS products are NOT to be resold by distributor at wholesale prices to others who qualify as potential Distributors. Doing so will invalidate this agreement.
- J. Distributor will not sell TTIPS products to former Distributors whose Distributor Agreement was terminated by TTIPS. Doing so will invalidate this agreement.
13. **PRICING:** All TTIPS products are sold to Distributors for resale at retail prices and are subject to the collection of any applicable sales tax. TTIPS shall have no responsibility for the collection or payment of sales taxes due to resale of products by Distributors. All TTIPS products and promotional literature prices are subject to change without notice.

TTIPS agrees:

14. To abide by the terms of this agreement and the Distributor's Handbook.
15. Not to restrict the Distributor to any territory in the United States or Canada. TTIPS retains the right to limit the number of Distributors in any area.
16. To give at least ten (10) days' notice to each Distributor before any modification of this Agreement.
17. To adhere to the highest standards of ethical conduct.

Miscellaneous Provisions:

18. **INDEPENDENT DISTRIBUTOR:** Each TTIPS Distributor is an independent contractor responsible for the payment of all forms of self-employment taxation. Each TTIPS Distributor acknowledges and agrees that he/she as an independent contractor is not entitled to any form of workman's compensation or unemployment compensation from TTIPS and is not an employee of TTIPS. Nothing in this agreement shall be construed to create any other relationship. TTIPS Distributors shall have no authority to bind TTIPS to any obligation or to use any TTI or TTIPS logo, emblem, trademark or trade name without the prior written approval of TTIPS. TTIPS shall not be liable for any debts or liabilities whatsoever or howsoever incurred by the Distributor, whether or not such liabilities are incurred during the term of this agreement. TTIPS places no restrictions on the Distributor's business, and each Distributor is free to engage in any other legal business activity while a TTIPS Distributor; however, the Distributor may not use intellectual property owned by TTI in any other business activity.
19. **ARBITRATION:** The parties are desirous of reducing the time and costs of resolving disputes. At the option of either party, disputes arising from or connected with this agreement shall be settled by arbitration initiated by either party by giving written notice to the other of the intent to arbitrate the dispute according to the then existing rules of the American Arbitration Association. The decision of such association shall be binding upon the parties. No attorney fees or arbitration costs shall be made a part of any award. This agreement shall be construed according to the laws of the State of Arizona. Proper venue for any arbitration hearing or filing shall be within Maricopa County, Arizona. The parties acknowledge and agree that they waive their right to file litigation regarding this agreement. The parties agree that arbitration shall be the sole and exclusive method regarding any disputes concerning this agreement.
20. **COUNTERPARTS:** This agreement may be executed in one or more counterparts, all of which taken together shall constitute one instrument.
21. **ENTIRE AGREEMENT:** The terms of this agreement constitute the entire agreement between the parties, and the parties represent that there are no collateral agreements or side agreements not otherwise provided for within the terms of this agreement. This agreement supersedes all proposals (oral or written), understandings, representations, conditions, and other communications between the parties relating hereto.
22. **EXECUTION OF DOCUMENTS:** The parties agree to execute all documents that may be necessary to carry out the intent and purpose of this agreement including the Distributors' Handbook. Each party further represents and warrants that it has full power and authority to undertake the obligations set forth in this agreement and that it has not entered into any other agreement nor will it enter into any other agreements that would render it incapable of satisfactorily performing its obligations hereunder.
23. **INTERPRETATION:** Whenever any word is used in this agreement in the masculine gender, it shall also be construed as being used in the feminine and neuter genders, and singular usage shall include the plural and vice versa, all as the context shall require.

24. **MODIFICATION:** Any modification or amendment of this agreement shall be in writing and shall be executed by all parties, except that TTIPS shall have the right to amend, modify, or change this Agreement in case of legislation, government regulation, or changes in circumstances beyond the control of TTIPS that might affect materially the relationship between TTIPS and the Distributor.
25. **NOTICES:** Copies of any and all notices concerning this agreement shall be mailed to the parties at the addresses written in this agreement and any change of address shall be communicated to the other party in writing. Mailings shall be certified. The time period on all notices shall run from the date of the mailing.
26. **PARTIAL INVALIDITY:** If any provision of this agreement is held invalid or unenforceable, all the remaining provisions shall nevertheless continue in full force and effect.
27. **SUCCESSION:** The provisions of this agreement shall inure to the benefit and be binding upon the parties hereto, their heirs, executors, administrators, agents, personal representatives, assignees, officers, employees, and shareholders.
28. **WAIVER:** Any waiver by any party of a breach of any provision of this agreement shall not operate as or be considered as a waiver of any subsequent breach thereof.
29. **NON-ALIENATION OF BENEFITS:** No right of benefit under this agreement shall be subject to anticipation, alienation, sale or assignment, pledge, encumbrance, or charge, and any attempt to anticipate, sell, assign, pledge, encumber, or charge the same shall be void. No right or benefit hereunder shall in any manner be liable for or subject to the debts, contracts, liabilities, or reports of the person entitled to such benefit. If Distributor should become bankrupt or attempt to anticipate, alienate, sell, assign, pledge, encumber or change any right or benefit hereunder, then TTIPS shall have the right to terminate this agreement.
30. **INSTRUMENT INTERPRETATION:** Distributor understands that interpretation of all instruments published/authored by TTIPS is accomplished using authorized software and that TTIPS is not liable for interpretations through any other methods. Therefore, the Distributor agrees not to make any verbal or written interpretation of results of instruments published/authored by TTIPS by other methods and accepts full responsibility and liability for those interpretations if so accomplished.
31. **INDEMNIFY:** Distributor agrees to indemnify and hold TTIPS and its subsidiaries, affiliates, directors, officers, agents, partners and employees harmless from any claim or demand, including reasonable attorneys' fees, made by a third party due to or arising out of Distributor's use of this Service, Distributor's use of any TTI software, Distributor's connection to the Service, Distributor's violation of the Distributor's Handbook or the Distributor's Agreement or Distributor's violation of any rights of another.
32. **RELEASE:** Distributor releases TTI from all claims, demands, and damages (both actual and consequential) of every kind and nature, known and unknown, suspected and unsuspected, disclosed and undisclosed, arising out of or in any way connected with such disputes between the Distributor and third parties.
33. **LIMITATIONS OF LIABILITY:** TTI is not liable for any direct, indirect, incidental, special, consequential or exemplary damages, including, but not limited to, damages for loss of profits, goodwill, use, data, or other intangible losses even if TTIPS has been advised of the possibility of such damages. Exclusions: Some jurisdictions do not allow the exclusion of certain warranties or the limitation or exclusion of liability for incidental or consequential damages. Accordingly, some of the above limitations may not apply. TTIPS is not liable for any delay or failure in performance resulting directly or indirectly from acts of nature, forces, or causes beyond its reasonable control, including, without limitation, Internet failures, server failures, computer equipment failures, telecommunications failure, other software or equipment failures, electrical power failures or other such events.

34. **NON WAIVER:**The failure of TTIPS to enforce any provision hereof shall not constitute or be construed as a waiver of such provision or of the right to enforce at a later time.
35. **GOVERNING LAW:**This agreement shall be governed by and construed in accordance with the laws of the State of Arizona.
36. **FORUM:** Sole and exclusive jurisdiction for any action or proceeding arising out of or related to this agreement shall solely be an appropriate state or federal court located in Maricopa County, Arizona.
37. **HEADINGS:**The headings of the sections of this agreement are inserted for convenience only and shall not constitute a part hereof or affect in any way the meaning or interpretation of this agreement.
38. **LIMITATION OF ACTIONS:**Any cause of action that Distributor may have with respect to use of this service and this agreement must be commenced within one (1) year after the claim or cause of action arises.
39. **SEVERABILITY:** If for any reason a court of competent jurisdiction finds any provision of this agreement, or portion thereof, to be unenforceable, that provision shall be enforced to the maximum extent permissible so as to effect the intent of this agreement, and the remainder of this agreement shall continue in full force and effect.
40. **TERMINATION:**TTIPS may terminate the Distributor Agreement for any material breach, or if Distributor violates any law or regulation; commits, pleads guilty or nolo contendere to, or is convicted of an act or offense involving moral turpitude, commits any willful or dishonest act that could injure TTIPS, or fails to meet minimum performance standards established by TTIPS from time to time. On termination of this agreement, the Distributor shall cease to be an authorized Distributor of TTIPS products and shall not hold himself out as such. Neither party shall be liable to the other because of such termination for compensation, reimbursement, or damages on account of the loss of prospective profits or anticipated sales, or on account of expenditures, investments, leases, or commitments in connection with the business of good will of TTIPS or the Distributor or for any other reason whatsoever growing out of such termination. On termination, the Distributor will cease to be authorized to use any intellectual property of TTI including, but not limited to, TTI copyrights, trademarks, and trade names. The Distributor will not at any time after such termination use or permit any such intellectual property to be used in any manner in connection with any business conducted by it or in which it may have an interest. This agreement terminates and supersedes all prior Distributor Agreements, if any, between the parties to this agreement.

Use of the Internet Delivery Service (IDS)[®].

Hereby defined as an Internet based system for gathering information and delivering a report according to input from respondents completing copyrighted questionnaires (hereafter “Service”).

41. SECURITY:

A. User ID and Password

The Distributor shall receive a user ID and password from TTIPS. The Distributor is responsible for maintaining the confidentiality of the user ID and password. The Distributor is fully responsible for all activities that occur under the Distributor’s user ID or password. The Distributor agrees to immediately notify TTIPS of unauthorized use of the Distributor’s user ID or password or any other breach or potential breach of security. The Distributor agrees that the Distributor will logout from the account at the end of each session.

Distributor's clients shall receive a user ID and password from the Distributor. Client is responsible for maintaining the confidentiality of the user ID and password. Client is fully responsible for all activities that occur under Client's user ID or password. Client agrees to immediately notify the Distributor of unauthorized use of Client's user ID or password or any other breach or potential breach of security. Client agrees that client will logout from the account at the end of each session.

B. TTIPS cannot and will not be liable for any loss or damage arising from the Distributor's and/or client's failure to comply with this section.

C. Misuse

Distributor shall not access data not intended for Distributor or use any user ID or password that Distributor is not authorized to use. Distributor shall not attempt to probe, scan, or test vulnerability of a TTI system or the Service or to otherwise attempt to breach security of a TTI system or the Service. Distributor shall not attempt to decode, de-compile, disassemble, or reverse engineer any of the software comprising the Service. Distributor shall not use any device, software, or routine to interfere or attempt to interfere with the proper working of the Service. Distributor shall not take actions, which impose an unreasonable or disproportionately large load on the Service.

D. Lawful Use

Distributor warrants to TTI that Distributor shall not use the Service for any purpose that is unlawful.

42. PRIVACY:

A. Grant of Rights - By inputting any data or engaging in any other form of communication

Distributor is granting TTI a royalty-free, irrevocable, perpetual, nonexclusive, unrestricted, worldwide license to such data or communication, including any derivative works. TTI will only use the data for "group" research and will not release individual data.

B. Monitoring - Distributor acknowledges that TTIPS is not responsible for, but reserves the right to, and may from time to time and without further notice to the Distributor or third parties, monitor any and all information transmitted or received through the Service, for operational or other purposes. During monitoring, information may be examined, recorded, stored and copied, transmitted, or used for any purpose.

C. Respondent Grant of Rights - Each respondent, by completing any response form grants the rights to TTI the use of any data or information transmitted. TTI will only use the data for "group" research and will not release individual data. This information shall be royalty-free, irrevocable, perpetual, nonexclusive, unrestricted, worldwide license to such data or communication, including any derivative works.

D. Confidential and Proprietary Information - TTIPS does not want nor shall it receive proprietary information from or through a Distributor.

43. RIGHTS RESERVED:

A. Modification to Service - TTIPS reserves the right at any time and from time to time to improve, modify, discontinue, temporarily or permanently, the Service (or any part thereof) immediately and with or without notice. Distributor agrees that TTIPS shall not be liable to Distributor or to any third party for modification, suspension or discontinuance of the Service or any lack of notice thereof.

B. Disclosure - TTIPS reserves the right at all times to preserve and disclose any information if required to do so by law or in the good faith belief that such preservation or disclosure is reasonably necessary to comply with legal process, enforce this agreement, respond to claims of third parties, or to protect the rights, property, or personal safety of TTI, the users of the Service and the public.

C. Agreement - TTIPS reserves the right at all times to modify, discontinue (temporarily or permanently), this agreement (or any part) unilaterally in its sole discretion immediately and with or without notice. Distributor agrees that TTIPS shall not be liable to Distributor or to any third party for modification, suspension or discontinuance of this agreement or any lack of notice thereof.

44. USE OF MATERIAL:

A. Copyright - Copyright notice. All rights reserved. Materials available through the Service are protected by copyright law. Any and all copying, modification, distribution, publication, or other use of the content of the Service in tangible or electronic form by Distributor is strictly prohibited unless prior written permission is obtained from TTI. The Service may contain other proprietary notices and copyright information, the terms of which must be observed and followed.

Acknowledgement of ownership: Distributor acknowledges and agrees TTI is owner of all such copyright rights in such materials.

B. Trademark - Nothing contained through the Service should be construed as granting any license or right to use any trademark displayed through the Service without prior written permission of TTI or such third party that may own the trademark. Please refer to the latest update of Proper Trademark Usage on www.ttied.com.

Acknowledgement of ownership: Distributor acknowledges and agrees TTI is the owner of all such trademark rights.

45. CONFIDENTIALITY: Distributor shall only allow permitted users to access the Internet site.

Except as otherwise provided in this agreement, Distributor shall not sell, transfer, publish, disclose, display or otherwise make available any portion of this Service to others.

46. TRANSFER RESTRICTIONS: Distributor shall not transfer any rights under this agreement.

47. ARCHIVED REPORTS: Reports are stored on the IDS system for 18 (eighteen) months. After that, data is archived on a monthly basis. It is the Distributor's and their clients' responsibility to store their report data on their own systems.

48. DISCLAIMER OF WARRANTIES FOR SERVICE - Distributor expressly understands and agrees that:

A. Distributor's use of the Service is at Distributor's sole risk. The Service is provided on an "as is" and "as available" basis. TTI expressly disclaims all warranties of any kind, whether expressed or implied, including, but not limited to the implied warranties of merchantability, fitness for a particular purpose and non-infringement.

B. TTI makes no warranty that:

1. The Service will be uninterrupted, timely, secure, or error free.

2. The results that may be obtained from the use of the Service will be accurate or reliable.

3. The Service will meet Distributor's requirements.

C. Any decision made based upon the results of this Service is done at Distributor's own discretion and risk, and Distributor will be solely responsible for any damage or loss.

D. Exclusions - Some jurisdictions do not allow the exclusion of certain warranties or the limitation or exclusion of liability for incidental or consequential damages. Accordingly, some of the above limitations may not apply.

49. LINKS:

A. Links to third party sites - TTIPS assumes no responsibility for the contents of any third party site linked to the site.

B. Links to TTIPS - Distributor may provide links to TTIPS from locations outside of TTIPS provided that Distributor link only to the home page www.ttisurvey.com or to www.ttiadmin.com when the link is only available to individuals or businesses authorized to use the Service.