

MEMBERSHIP AGREEMENT

Trade Rules & Regulations

Version 1, June 2008

1. CONTRACT AND MODIFICATION OF CONTRACT

- 1.1 The following Trade Rules and Regulations (the "Rules") constitute the contract by and among the Participating Member ("Member") and Ormita International, incorporated in the Commonwealth of New Zealand, and its affiliates, all herein referred to as "Ormita".
- 1.2 Any use of the Ormita Trading System ("Exchange") to facilitate a transaction by a Member constitutes acceptance of these Trade Rules and Regulations.
- 1.3 At its sole discretion Ormita may amend the Rules by giving Member thirty (30) days notice.
- 1.4 Any Ormita purchase, sale and/or access to the Ormita Online Trading Platform by a Member after the thirty day notice period constitutes acceptance by that Member of such change(s) to the Rules and the agreement of the Member to abide by the same.

2. NOTICES

- 2.1 Service of notices: Any notice given pursuant to these Terms will be deemed to be validly given if personally delivered, posted, or forwarded by facsimile transmission to:
 - a. in the case of a notice to Ormita; any of the addresses set out below or to such other address as Ormita may advise;
 - b. In the case of a notice to a Member; the address of facsimile number which is listed in Ormita's records as the address or facsimile number of the Member.
- 2.2 Time of service: Any notice given pursuant to this Agreement will be deemed to be validly given;
 - a. in the case of delivery, when received;
 - b. in the case of facsimile transmission; when sent provided that the sender has a facsimile confirmation receipt recording successful transmission;
 - c. in the case of posting; on the second working day following the day of posting, provided that any notice personally delivered or sent by facsimile either after 5pm on a working day or on any day that is not a working day will be deemed to have been received on the next working day.

3. NATURE OF THE PARTIES

- 3.1 Ormita has established the Exchange to allow Members to trade amongst each other on a non-cash or no more than 50% part cash basis as defined in the members Equity Program. The Equity Program defines categories of business types to promote equity and liquidity within the network. Although a member may increase the minimum trade percentage defined in the Equity Program. Unless otherwise negotiated directly with Ormita Regional Licensee, all items listed must comply with the Equity program defining the minimum % in ORMITAs and are inclusive of all country taxes, including any Value Added Tax, Sales Tax and Goods and Services Tax etc, applicable upon the sale of an item within the Seller's jurisdiction.
- 3.2 The Exchange is the association of businesses, professionals, and individuals who have joined together ("Members") to do business among themselves through the organized system which is regulated by the record-keeping and administrative services of Ormita and through the medium of Ormita Credits (the term ORMITAs and Ormita Credits are defined in Paragraph 4.1 herein).
- 3.3 Except as stated in paragraph 4.11, the role of Ormita is that of a facilitator and third-party record-keeper. The parties to any Transaction made through the Exchange are entirely responsible for that sale or supply and Ormita has no liability to either party in relation to that Transaction.
- 3.4 The Ormita Trading System ("Exchange") consists of the following components:
 - a. The online trading platform accessible via www.ormita.com;
 - b. Mobile telephone banking;
 - c. Telephone banking;
 - d. Ormita call centre brokerage systems;
 - e. Internet banking;
 - f. Internet POS; and
 - g. Other brokerage personnel, tools and systems.
- 3.5 Ormita is a Member and can enter into Transactions as a principal. Where Ormita sells goods through the Exchange it does so on the basis that it makes no warranty regarding those goods, except that it owns them. Ormita excludes any implied warranties to the fullest extent of the law in respect of any such sale.
- 3.6 The Member is a bona fide and legal business, registered charity and/or legal resident of the country in which transactions are made that desires to do business with other Members of the Exchange and hereby subscribes to Ormita services. Member warrants that it is in compliance with all applicable State, Federal, Industry and Professional laws and regulations.

4 THE NATURE OF 'ORMITAS'

- 4.1 The term "ORMITAs" or "ORMITA Credits" refers to the bookkeeping entry used by Members of Ormita to record the value of every transaction made between its members and Ormita shall maintain an account for each Member.
- 4.2 ORMITAs are not legal tender and have no value other than to enable Member's to make purchases from other Members on a non-cash (or no more than 50% part cash) basis in accordance with these Terms. Under no circumstances shall Ormita be obliged to redeem ORMITAs for cash at any time. ORMITAs may be used only in the manner and for the purposes set forth in these Rules.
- 4.3 Members agree that accounts held in ORMITAs are not an obligation by Ormita of any type and neither Ormita nor its Members shall consider ORMITAs as legal tender, securities, or commodities. Ormita disclaims any and all responsibility for the negotiability of ORMITAs or for the availability of goods or services from any source. ORMITAs are solely the liability of the Members who owe ORMITAs to the Exchange and are not the liability of Ormita.
- a. Members agree that a positive balance of ORMITAs in their account denotes the right to receive goods and services offered by other Members willing to accept ORMITAs in payment for those goods and services.
- b. Members agree that a negative balance of ORMITAs denotes the Members obligation to sell goods or services to other Member's to the extent of that deficit in ORMITAs.
- 4.4 Ormita will credit to a members account in ORMITAs:
- a. the value of each sale or supply made by that Member through the Exchange in accordance with these Terms;
- b. any other amounts as may be provided for in these Terms or as agreed between the Member and Ormita
- 4.5 Ormita will debit from members account in ORMITAs:
- a. the cost of each purchase made by that Member through the Exchange;
- b. any other amounts as may be provided for in these Terms or as agreed between the Member and Ormita.
- 4.6 EXCHANGE OPERATIONS AND BAD DEBT RESERVE - An Exchange Operations and Bad Debt Reserve Fund shall be maintained to cover (a) expenses of administering Exchange operations and (b) bad debts for which Members are collectively liable. Ormita Credits making up the Fund shall accrue from charges to Member accounts for this purpose, from fees on Ormita Credit loans, from any positive balances abandoned or surrendered by former Members in accordance with this Agreement, and from collections of charged-off accounts. All funds in this account shall be the equal and joint property of the members of the Exchange.

- 4.7 Member grants to Ormita the right and power to assess a reasonable service fee for its administration of Exchange operations, which assessment, if made, shall be paid from the Exchange Operations and Bad Debt Reserve Fund on a schedule determined by Ormita.
- 4.8 ORMITA EXTENSIONS OF CREDIT - Member grants to Ormita the right to make Extensions of ORMITAs in Credit, either in the form of loans or lines of credit to any Member on terms and conditions consistent with that Members credit worthiness and ability to repay or generate sales within the Exchange. Member grants to Ormita the right and power to administer credit operations, and to charge reasonable fees for this service. Member understands and acknowledges that all aspects of Extensions of Credit in ORMITAs are within the sole discretion of Ormita. Members wishing to apply for credit may be required to submit a loan application, financial statement, credit agreements, promissory note, personal guarantee, provide collateral or to prepay cash service fees prior to approval. Ormita is under no obligation to extend credit at any time. Ormita reserves the right to change a Members credit limit without notice.
- 4.9 ABANDONED ACCOUNT - If a Member elects not to remain in "Good Standing" (defined in Paragraph 8.6) and has not entered into a buy or sale transaction for 12 months, Ormita may, at its sole discretion, consider the account abandoned and allocate any positive balance to the bad debt reserve fund for either collection by that member should their account standing be rectified and/or allocation towards bad debts created by other members of the Exchange.
- 4.10 ALLOCATION OF GOODS AND SERVICES - Member acknowledges that Ormita may, at its sole discretion, regulate the allocation of goods or services that are in short supply. Member acknowledges that some accounts are primarily or solely for the use of Ormita, its principals or employees. Ormita acknowledges that with respect to those accounts, it is bound by these Rules in the same manner as any other Member.
- 4.11 RIGHT TO REGULATE AND BORROW
- a. Member acknowledges and grants to Ormita the right and power to regulate and control the number of ORMITA Credits within the Exchange.
 - b. Member grants to Ormita the right and power to borrow from the Exchange.

5 TRADE OBLIGATIONS AND RESPONSIBILITIES

- 5.1 Ormita will use its best efforts to assist Members to do business among each other. This is defined in the Transaction Policy – Rules and Regulations ("Transaction Policy"), available online at www.ormita.com, are part of these Rules and are and all other Rules, Regulations, Terms, Conditions and Policies. The Transaction Policy describes trade pricing, promotion and disputing a transactions as well as continuing service fees (also see Ormita Price and Fee Schedule available at www.ormita.com) and other trade obligations and responsibilities.

- 5.2 The Online Trading System is a full eCommerce and online banking application that provides Members the ability enter into transactions. The Online Terms and Conditions, available at www.ormita.com, are also a part of these Rules and all other Rules, Regulations, Terms, Conditions and Policies.

6 BREACH OF RULES

- 6.1 TRANSACTION RULE VIOLATIONS - Ormita has the right, but not the obligation, to inquire into complaints of Rule violations by the Member. Member grants to Ormita the right to take such actions which, at Ormita's sole discretion, are deemed necessary. Violations of the Rules may result in termination of Member's account and/or immediate adjustment to the transactions involved. If Member fails to buy from, and sell to, other Members in Good Standing in accordance with these Rules that Member will be in material breach of the Rules. If Member violates any term of the currently effective Rules, Ormita may immediately terminate Member's account or may freeze all activity in the account without notice. At its sole discretion, Ormita may reinstate Member or unfreeze Member's account.
- 6.2 SUSPENSION OF TRANSACTION PRIVILEGES - Ormita reserves the right, at its sole discretion, to suspend the transaction privileges of any Member who is in violation of any local, state or provincial, or federal law, who engages in overpricing, or otherwise violates the Rules.

6.3 TERMINATION

Termination on Default - Ormita may immediately suspend or terminate a Membership if:

- a. The Member is not following the terms of their contractual agreement with Ormita.
- b. Ormita has received two or more complaints against a given Member for poor performance.
- c. The Member is 90 days past due with their outstanding cash fees.
- d. The Member is in receivership or liquidation.
- e. The Member is subject to any credit recovery actions by other third parties.
- f. The Member is selling their goods or services to other clients at prices in excess of their normal cash price.
- g. The Member has committed fraud, either toward other Members of the Exchange or Ormita.

Termination on Notice:

- h. Ormita may terminate a Member's membership by giving 30 working days written notice to the Member.
- i. A Member may terminate their membership by giving 30 working days written notice to Ormita.

Upon termination:

- j. All cash and ORMITA's service fees outstanding become due and payable. No service fees will be refunded.
 - k. Any Member with a negative account balance (where purchases exceed sales) must balance their account with ORMITA Credits within one month of termination date. After said one month period, Member must immediately pay Ormita any remaining negative ORMITA balance in cash.
 - l. Any Member with a positive account balance (where sales exceed purchases) may spend the positive balance after pre-paying Ormita the cash service fees on the positive balance. After payment of fees, ORMITA Gift Certificates "Script" will be issued to Member for the remaining positive balance.
 - m. All unused Ormita transaction materials, Ormita ID Card, member directories and any other Ormita documents must be returned immediately upon termination.
- 6.4 LIQUIDATED DAMAGES IF TERMINATED FOR CAUSE - A violation of the Rules damages Ormita and the Exchange in a number of ways that are difficult to quantify. These may include, but are not limited to, administrative costs in dealing with the violation; financial injury due to loss of cash service fees and/or expenditure of funds, such as in collection actions; loss of Member goodwill toward Ormita; and loss of trading volume and Members. Member and Ormita agree that Member shall pay Ormita the sum of Seven Hundred Fifty dollars (\$750.00) cash, as liquidated damages and not a penalty, to Ormita if Member is terminated for violation of the Rules for other than overdue cash fees. Damages must be paid within thirty (30) days of the date of notice of termination of Member's Ormita Account. If Member has a positive account balance, the liquidated damages must be paid in addition to the requirements of paragraph 6.3(j) thru 6.3(m) above before the account balance will be converted to Ormita Gift Certificates or Script. Ormita is not obligated to but reserves the right to re-instate any terminated account.
- 6.5 DRAFT/GIFT CERTIFICATE/SCRIPT PASSING - Member shall not give or receive a Ormita Gift Certificate, Script, or other Ormita transaction material with the, buyer's name or seller's (recipient) name left blank or receive a third-party Ormita Gift Certificate, Script, or other Ormita transaction material as payment. Such transactions may result in suspension of transaction privileges or termination of Member's account subject to the provisions of paragraph 6.3(h) and 6.3(j) thru 6.3(m) above.

- 6.6 SPEND OUT/CANCELLATION - If Ormita reasonably believes that a Member is spending out its account balance in anticipation of cancelling future participation in Ormita, or if Member has requested termination, then Ormita shall require the prepayment of cash service fees on the remaining balance held in Members account.
- 6.7 SECURITY INTEREST, INSOLVENCY - Member hereby grants Ormita a security interest in all ORMITAs in Member's account for the amount of all unpaid cash fees. If Member becomes insolvent or bankrupt all cash fees shall be due and payable in full. Ormita shall have the option, in lieu of filing as a creditor, of treating the ORMITAs balance as equal in value to the amount of cash fees owing, and terminating the account; provided however, that if Ormita does receive all of its cash fees in full, Ormita shall reinstate the ORMITAs to the Members account.
- 6.8 CONFIDENTIALTY and NON-DISCLOSURE – Member is provided with Company information and documentation that may or may not be considered public knowledge. In either case the disclosure of this information to a competitor is not in the best interest of Ormita and may result in suspension of transaction privileges or termination of Member's account subject to the provisions of 6.3(h) and 6.3(j) thru 6.3(m) above.

7 MISCELLANEOUS

- 7.1 FAX SIGNATURES and ELECTRONIC SIGNATURES - Member agrees that Ormita can accept a faxed and/or industry standard electronic signature as an original, legal signature.
- 7.2 LEGAL REQUIREMENTS - Member shall abide by applicable International, Federal, State, Commonwealth, Provincial, and Local laws or regulations pertaining to Exchange transactions. Ormita shall not be responsible for any failures on the part of Member to comply with such laws and regulations. Member agrees not to hold Ormita liable for any action Ormita takes to comply with applicable laws or regulations.
- 7.3 NO WAIVER OF RIGHT - The failure or delay of Ormita in exercising any right will not operate as a waiver of that right, nor shall the partial exercise of a right preclude any other or further exercise of any right. The remedies for Ormita are cumulative and are not exclusive of any remedies provided by law.
- 7.4 SEVERABILITY; ATTORNEY'S FEES - Every item contained in these Rules is severable from every other term herein. If any term should be judged unenforceable, it shall not affect the enforceability of other terms outlined in these Rules. If legal action must be taken by Ormita against a Member to enforce any provision of the Rules, Member shall pay Ormita all attorney's fees & collection fees, court costs, plus reasonable interest from the date of default until payment in addition to any other judgment as granted by a court of law or an acceptable arbitration.
- 7.5 DISSOLUTION - If Ormita or any of its licensees terminates or otherwise ceases to do business, all Members in a negative position of ORMITAs will pay amounts

they owe in cash at the Members exchange rate where they are registered (i.e. one Ormita having the equivalent buying power of one dollar in cash) into a fund. The fund, less expenses, will be distributed pro rata to all Members who are in a positive position of ORMITAs. Ormita, its officers, employees, agents and authorized entities (including Ormita and its officers, employees, licensees and agents of any controlled subsidiary) are not liable to any Members for cash or ORMITAs beyond the distribution of such funds, except as provided in these Rules.

- 7.6 WARRANTY OF INFORMATION - Member warrants that it provides all information to Ormita in good faith and that such information is accurate to the best of Members knowledge. It is the sole responsibility of the Member to maintain the accuracy of their contact information, offerings, online advertisements and transaction activity all of which is available and maintained online at www.ormita.com in accordance and with full consideration to the "Online Terms and Conditions". We undertake to comply with the Terms of our privacy policy which is described the Ormita Privacy Policy located on the web at www.ormita.com.
- 7.7 APPLICABLE LAW - All interpretation of the Rules shall be governed by the laws of the Commonwealth of New Zealand, and in the English language. Any sums which may be awarded by account or arbitrator to Ormita shall be in local dollars unit of the country of the member, rather than ORMITA Credits.
- 7.8 VENUE - Any action brought by any party to this agreement shall be filed, and venue shall lie only in the courts of the Commonwealth of New Zealand, to which jurisdiction and venue Member hereby specifically. At the discretion of Ormita the venue may be relocated for a specific issue or time. In which case Ormita will provide 30 days written notice to the Member.
- 7.9 This Agreement shall inure to the benefit of, and shall be binding upon the respective successors, beneficiaries and heirs of parties hereto. This Agreement may not be transferred, pledged, or assigned to another party hereto without the written consent of Ormita.
- 7.10 Ormita only may amend the "Agreement", "Rules" or any other legal documents by giving Member thirty (30) days written notice. This amendment will be included or notification of modification will announced in the monthly statement of the Members account. This notification will direct the Member where to receive or review the amendment. Any purchase or sale by Member which makes use of the Ormita Trading System, after the thirty (30) day notice period constitutes acceptance by Member of such change(s) to the Rules and the agreement of Member to abide by the same.

8 DEFINITIONS

- 8.1 "Account" – the Members transaction activity details, marketing and contact information.
- 8.2 "Authorization": A number or code supplied by Ormita to a seller to confirm the buyer's eligibility to buy.

- 8.3 "Buyer" or "Customer": Member in a trade who receives goods or services from another Ormita Member and has their account debited in trade Credits.
- 8.4 "Negative Trade Balance": Member trade purchases exceed trade sales.
- 8.5 "Member" or "Members": A business, company, or individual that is participating in Ormita Trading System to buy and sell its products or services according to the terms, rules and regulations established by Ormita and approved by Ormita.
- 8.6 "Member in Good Standing" - a Member who complies with the current Rules and any other agreements in effect with Ormita, who is current in the payment of any cash or ORMITAs owing to Ormita, who has a valid Member account, and is trading within its Credit Limit is a "Member in Good Standing". Only Members in Good Standing are entitled to the services of Ormita and the Exchange.
- 8.7 "Positive Trade Balance": Member trade sales exceed trade purchases.
- 8.8 "Ormita Card": Card issued to Ormita Member and its designates to identify who has the authority to purchase goods or services from Ormita Members using the Members account so indicated on the card. A valid (authorized and unexpired) card must be presented to the seller from the buyer for any and every trade. The Ormita card is the property of Ormita and will be surrendered upon demand. Member is responsible for all purchases made with card.
- 8.9 "ORMITA Credits", "ORMITA Units", or "ORMITAs:" a unit of accounting for each transaction that Members use within the Ormita Trading System. These are not legal tender, securities, or commodities and are not transferable. For transaction purposes, one ORMITA is equal to one equivalent national currency dollar where the Participant is registered (i.e. one trade credit in a United States Members Ormita account is equal to one U.S. Dollar) in assigning credit entries to sellers account and debit entries to buyer's account.
- 8.10 "Seller" or "Merchant": Member in a trade who provides goods or services from another Ormita Member and has their account credited in ORMITAs.
- 8.11 "Trade" or "Transaction": A purchased or sale of a product or service between Members of the Ormita Trading System where payment is made by debiting the buyer Members account and crediting the seller Members account with ORMITAs.
- 8.12 "Standby": A Member requesting to go on Standby Status must have a Zero or Positive trade balance and a member in Good Standing; as such is not obligated to trade but must notify their Broker.
- 8.13 "Trade Draft" or "ORMITA Check": The receipt that seller must fill out and present to the buyer for buyer's signature to complete a trade transaction. Seller and buyer will retain copies of trade drafts for reconciliation of statements and in the event of a contested sale. All trade drafts must be filled out properly for the seller to receive credit.

8.14 "Zero Trade Balance": Member trade purchases equal trade sales.