



The SMART Buying Group Retail Store Membership Agreement

A-Z Media Group, Inc./ The SMART Buying Group
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Corp. Contact: NSnow@a-z.com
Account Rep: Lisa Fedele, Sr. Retailer Consultant
Email: lfedele@a-z.com

Member: _____
Address: _____
City, State, Zip: _____
Contact: _____
Phone: _____
Email: _____
Fax: _____
Website: _____

This Membership Agreement by and between The SMART Buying Group (“TSG”), a wholly owned subsidiary, of A-Z Media Group, Inc. and _____ (“MEMBER”), is effective beginning _____ with reference to the following facts:

1. Retail Store Membership Benefits

The following is a list of services that TSG will endeavor to provide to MEMBER for membership dues received:

- a. Premier Retail Store Advertising Program in Scrapbooking.com Magazine.
- b. Bi-monthly e-newsletters to MEMBERS with industry news and other information.
- c. MEMBERS-only bulletin board for MEMBERS to exchange ideas and enjoy other benefits of networking with their peers.
- d. Special pricing for web hosting, email address capture and consumer communications.
- e. Events to allow MEMBERS and manufacturers to interact in a private setting.
- f. Manufacturer branding plan-o-gram program.
- g. Volume rebates based on performance.
- h. Matching co-op funds.
- i. Approved manufacturer advertising campaigns.
- j. Clearance center program.
- k. Online revenue sharing program.
- l. Annual National Scrapbookers Trend Report.

2. Membership Fees

MEMBER may choose to pay the membership fees on a semi-annual or annual basis. The ongoing membership renews automatically every 6 or 12 months as designated by MEMBER in this Agreement. The membership fee will be due on the 25th day of the month prior to the renewal date. A 10% discount will be applied should MEMBER choose the annual payment plan. TSG reserves the right to change the membership rate from time to time with 60 days notice.

3. Agreement Term and Cancellation Policy

Membership is perpetual and renews automatically on a semi-annual or annual basis as agreed by MEMBER. MEMBER or TSG may terminate this agreement at any time with 30 days written notification. No refunds will be issued on any unused portion of the membership fees.

4. Membership Responsibilities

The following responsibilities are required for membership:

- a. Maintain confidential TSG's membership and business methodologies.
- b. Be respectful to all those within TSG and the industry of which we are a part.
- c. MEMBER must be in good standing throughout the industry at all times and must conduct their business in an appropriate professional manner.

5. Business Practices

The following is a list of business practices in which we will not participate:

- a. There will be no exclusion of any retailer or manufacturer.
- b. There will be no product, service or manufacturer bans of any kind, retail members will decide which manufacturer partnership programs are best in their individual markets.
- c. There will be no protection of territories, regions or local markets, as we believe in open markets and that the free enterprise system is the best way to promote growth.
- d. There will be no non-compete clause. If someone has a better idea, then they should be able to freely compete within the marketplace. We honor competition.
- e. TSG will not handle the money of any MEMBER nor have any rights to withdraw funds from MEMBERS' business checking accounts.
- f. TSG will not guarantee the performance of manufacturers.

6. Miscellaneous

- a. No Partnership. TSG and MEMBER do not, by this Agreement or otherwise, create any partnership or agency relationship. MEMBER will indemnify and hold TSG harmless against any claims of liabilities.
- b. Written Notice. Any notices permitted or required under this Agreement shall be deemed given upon receipt of certified mail to the addresses of the parties noted at the beginning of this Agreement.
- c. Governing Law; Compulsory Arbitration; Waiver of Trial by Jury. This agreement shall be governed by and interpreted in accordance with the laws of the State of California, including all matters of construction, validity, performance and enforcement, without giving effect to principles of conflict of law. Any controversy or claim arising out of or relating to this Agreement, or the

breach thereof shall be settled by arbitration in accordance with rules of the American Arbitration Association, and judgment on the award rendered may be entered in any court having jurisdiction. Arbitration proceedings shall be conducted in Carlsbad, California. THE PARTIES DESIRE THAT THEIR DISPUTES BE RESOLVED BY ARBITRATION APPLYING THE APPLICABLE LAWS OF THE STATE OF CALIFORNIA. THEREFORE, AND WITH THE UNDERSTANDING THEY ARE WAIVING A CONSTITUTIONAL RIGHT, THE PARTIES HERETO WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE, WHETHER IN CONTRACT, TORT OR OTHERWISE, ARISING OUT OF, CONNECTED WITH, RELATED TO OR INCIDENTAL TO, THIS AGREEMENT OR ANY RELATED DOCUMENT.

- d. Modification/Waiver. This agreement shall not be modified or amended except in writing by each of the parties expressly setting forth the nature of any such amendment or modification. The failure of either party to insist upon the performance of any obligation or duty of the other owed to it shall not act as a waiver of its rights to expect subsequent performance of such obligation or duty.
- e. No Assignment. This Agreement and all rights hereunder, shall not be assignable by either party hereto.
- f. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original Agreement, and all of which shall constitute one Agreement.
- g. No Third Party Beneficiaries. No person who is not party to this Agreement shall have any equitable or other rights by virtue of this Agreement.
- h. Entire Agreement. All negotiations are merged into this Agreement. This Agreement constitutes the entire understanding of the parties. There are no oral or other written agreements between the parties concerning the subject of this Agreement. This Agreement shall constitute a binding obligation between the parties.
- i. Captions. Any titles or captions contained in this Agreement are for convenience only and shall not be deemed part of the rest of this Agreement.
- j. Enforceability. In the event any provision of this Agreement shall be held to be illegal, invalid or unenforceable, such determination shall not vitiate the legality and enforceability of the remaining provisions of this Agreement, nor shall the same be affected or impaired thereby.
- k. Publications. By signing this agreement, MEMBER authorizes TSG to use its logo in SMART Group publications.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year written above.

The SMART Buying Group

Signed: _____
Name: Lisa Fedele
Title: Senior Retailer Consultant
Date: _____

Member: _____

Signed: _____
Name: _____
Title: _____
Date: _____

This Agreement is effective upon signing by a corporate officer of The SMART Buying Group

The SMART Buying Group

Signed: _____
Name: Dennis Conforto
Title: CEO
Date: _____

Payment Terms & Conditions

Member agrees to the following payment terms:

Membership Fees

Option I – Annual Pre-Paid Plan

Payment in the amount of \$539.46 is due upon signing and reflects the 10% annual prepaid discount.

Future annual payments are due and payable on the 25th of the month preceding the annual renewal date for the term of this Agreement.

Option II - Semi-Annual Payment Plan

The first semi-annual payment in the amount of \$299.70 is due upon signing.

Future semi-annual payments in the amount of \$299.70 are due and payable on the 25th of the preceding month for the term of this Agreement.

Credit Card Authorization:

Card Type: Visa Mastercard Discover American Express

Card Number: _____ Exp Date: _____

Cardholder Name (please print): _____

Customer agrees to pay the amount reflected on this Agreement according to the cardholder's agreement.

Authorized Signature: **X** _____ Date: _____

Member shall be subject to all late fees and finance charges as allowed by law in the State of California should company fail to make timely payment(s) as set forth in this Agreement.