

International Barter Exchange (IBE®)
Post Office Box 1986
Sarasota, Florida 34230-1986
(941) 955-6100 FAX (941) 955-0151

<http://www.barter-works.com>
ibe@gte.net

International Barter Exchange (IBE®) **Operating Rules and Trading By-Laws**

1. The member releases the International Barter Exchange, herein referred to as IBE ® , its officers, and employees from any and all liability for products and services supplied by Exchange members (we are recognized by the IRS as a third party record keeping company).
2. Before new membership agreements are accepted they must be approved by an IBE ® director in writing.
3. Before adding handwritten addendum's to any agreement involving IBE ® , they must be initialed and approved by an IBE ® director.
4. IBE ® screens and investigates all members of the IBE ® system but cannot and does not guarantee the performance of its members.
5. All new members must provide products and services to the Exchange prior to being able to withdraw products and/or services from the system.
6. Any transactions resulting in a deficit balance must be pre-approved by an IBE ® director.
7. As of January 15, 1992, membership in the Exchange is subject to administration fee increases as deemed appropriate annually by the Board of Directors. This includes membership fee, renewal fee, administration fee and broker fees.
8. The Exchange is able to make travel arrangements. However, any cancellations are subject to complete forfeiture of the broker fee and a 100% penalty on trade dollars. Most travel is booked with IBE ® reciprocal members. Once a trade is executed IBE ® must immediately transfer the trade dollars. Please make travel arrangements only when you are certain of dates and accommodations. All travel is subject to 20% commission. A credit card is mandatory to secure all reservations and will be charged at the time of confirmation. A penalty of 25% is charged for short notice (five day) travel arrangements.
9. Exchange members must operate in good faith. Should a member inflate the value of their product or services to the membership this will constitute cause for immediate removal from the membership. In an effort to curb any price inflation that might be taking place in the IBE ® System as a result of a Seller dramatically inflating the price of a product or service over their fair retail market pricing, once documented, the Seller will be penalized with a \$250.00 cash fine and an immediate freeze on their IBE ® account will be placed until this fine is paid in full for the first offense and then Seller will be discharged from IBE ® on a second violation.
Should a Buyer advise the IBE ® Management Team in writing, within seven working days, accompanied with two (2) cash estimates, that a product or service has been dramatically inflated in its sales price on Barter vs. Cash currency, IBE ® will launch an immediate investigation upon receipt of the appropriate paperwork documenting the claim. If it is determined by the IBE ® Management Team that the Seller has indeed increased the price of that product or services beyond their normal retail pricing, IBE ® will then institute the Penalty fine. If a second offense arises involving the same Seller and the incident is again documented and the IBE ® Management Team finds the Seller in a second violation, the Seller will be immediately discharged from the IBE ® system.
IBE ® works hard to ensure fair trading and fair pricing amongst the IBE ® members and the IBE ® Management Team will not tolerate or accept price increases above normal cash trading prices. IBE ® is designed to stimulate additional plus business for its members which also results in cash referrals to members. Remember, all Sellers eventually become Buyers; treat your fellow IBE ® members with respect and fairness when trading. By increasing prices above retail you also increase your taxable income.
10. Authorizations will be declined if member Buyer does not have sufficient trade credits or cash fees are outstanding. Once a Buyer and Seller agree on the pricing and an authorization number is issued the 15% Broker Fee is nonrefundable. Should a Buyer and a Seller following a transaction run into a delivery dispute it is up to the two parties to resolve the difference. If for some reason a Seller does not deliver, in good faith, products or services for the Buyer, it is the Seller's responsibility to provide any Broker Fee refund directly to the Buyer. IBE ® is held harmless once the authorization number is issued for fees earned on the authorizing of the transaction. Should a Seller agree to refund the Barter dollars, it is also the Seller's responsibility to refund the Broker Fee. Any litigation that might arise between the Buyer and Seller shall result in the Buyer seeking full restitution from the Seller and not IBE ® . IBE ® is a third party record keeping company that earns income through Broker Fees. Broker Fees are non-refundable once the authorization number has been issued.
11. IBE ® operates only as a third party record keeping company and is not responsible for the services or products exchanged between Buyer and Seller. Each member holds IBE ® harmless in any disputes that may arise between Buyer and Seller in regard to the exchange of goods and services. 12. Members choosing to leave the Exchange are entitled to

spend out their account if they are in a net credit balance, during the next ninety day period. However, credits are not converted to U.S. currency should a member with credits decide to leave the Exchange. Credits are convertible into products and services only, and are subject to the regular operating transaction and administration fees.

13. At its option IBE ® may place a temporary freeze on a client's account expenditures when serious questions arise as to the client's solvency, credit worthiness, client's good faith, or the client's refusal to follow the IBE ® Operating Rules and Trading By-Laws.

14. The client agrees to abide by the existing Operating Rules and Trading By-Laws of IBE ® and understands that the Rules, Regulations and procedures are a part of the Membership Agreement, and may be amended from time to time for the proper functioning of IBE ® . In the event of necessary changes in the Rules and Trading By-Laws, the client will abide by the changes. The client will be notified of any changes to the Rules and Trading By-Laws through IBE ® publications.

15. Purchases by members will be limited to the amount of trade dollars accrued to their account unless other arrangements have been previously agreed upon.

16. IBE ® may issue a credit line on an account and may change the credit line effective immediately without notice. If a credit line is granted, member agrees not to make any purchases that would cause the balance of his/her account to exceed the credit line. The obligation to repay a loan is not relieved in any way by any conditions that result in a lack of trade sales. IBE ® does not have the duty or responsibility to generate trade sales for you to enable you to repay a loan or negative balance.

17. Negative trade balances are charged 1% interest (finance charge) and will be debited in trade to your account each month. You will be notified 30 days prior to any change in interest rates. Should a default in your loan agreement occur, IBE ® may charge the maximum rate allowable by law and demand payment of entire debt payable immediately to IBE ® in cash.

18. IBE ® enforces a disclaimer of Warranty and Liability: a. IBE ® is not a party to, and is not responsible for transactions between members. IBE ® makes no representation of warranty, either expressed or implied, and disclaims all liability as to the fitness, quality, delivery date, merchantability prices or any term of any trade transaction. Member does hereby indemnify and hold IBE ® harmless with respect to any claim, debt, or liability whatsoever, arising out of any transaction wherein member is a Buyer or Seller. Member acknowledges that any trade transaction in which it participates will be on a voluntary basis.

b. IBE ® is neither responsible for use of Barter Dollars by unauthorized persons nor for transactions that do not comply with the Rules of the Membership Agreement.

19. All credit for trade sales must comply with the following procedures:

a. The authorization number is a binding and enforceable obligation on the part of an authorized user of the IBE ® Barter Exchange

b. Member must receive an authorization number prior to the execution of the transaction. A 15% Trade fee for products and services and a 20% trade fee for travel will be charged to member's IBE ® account. The Buyer's signature on his/her signed IBE ® Membership Agreement serves to validate any type of IBE ® transaction. IBE ® has the right to reverse a transaction due to noncompliance with these Operating Rules and Trading By-Laws, in which event it shall be Seller's responsibility to collect the entire sale in cash from the Buyer. All transactions are subject to final audit and verification by IBE ® and, in case of inaccuracies, we may debit or credit member's account, without notice, as a result of such error. Cash interest is also charged on Buyers and Sellers at the rate of 1.5% to members who owe outstanding cash fees on their account on a monthly basis.

c. All fees for both the Buyer and the Seller will be paid directly to IBE ® paid upon receipt from your monthly statement. Any member's fees, which are not paid in full upon receipt of the statement, will not be approved for any new authorizations!

20. AUTOMATIC MEANS OF PAYMENT: In the event member has provided a credit card, the right to directly withdraw or debit from a bank account or other means of automatic payment, member hereby grants IBE ® the right to obtain payment for fees using such means when fees come due and payable.

21. DEFAULT: Member is in default of this Agreement if any one of the following occur:

a. Member does not make a required payment on the Account by the due date;

b. Member fails to pay any other obligation member may have before IBE ®;

c. Member becomes generally unable to pay member's debts or obligations (including a negative Trade Credit balance in member's Account) or member ceases to do business as a going concern;

d. Member provides IBE ® with any false or misleading information or signature on the account application or fails to notify IBE ® if any information previously provided becomes false or misleading.

e. Member dies

f. Member files a petition or starts other proceedings under the U. S. Federal Bankruptcy Code or any state insolvency statute;

g. IBE ® believes that the likelihood of member performing all its obligations under this Agreement has been impaired;

or

h. Member is found to have engaged in deceitful trading practices or otherwise undesirable or harmful conduct as determined by IBE ®.

22. INDEMNITY: Member agrees to indemnify and hold IBE ® and its subsidiaries, affiliates, officers, directors, agents, and employees, harmless from and against any and all claims, demands, lawsuits, damages, costs, fees (including reasonable attorneys' fees) and expenses arising out of:

(i) Member's breach of this agreement (inclusive of any documents it incorporates by reference);

(ii) Member's violation of any law; (iii) Member's violation or infringement of the rights of any third party (including, without limitation, intellectual property and other proprietary rights); (iv) any and all actions taken by member in connection with IBE ® ; and

(v) any and all goods and/or services made available by member through IBE ® including, by way of example and without limitation, claims arising from the design or manufacture of such goods and member's services.

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23. TAXES:

a. Seller shall charge the appropriate sales and excise taxes and collect and record these as required by law. Under no circumstances is IBE ® responsible to pay sales, excise, use or other such tax on behalf of any member. Seller will pay these taxes directly to the Department of Revenue. (Exception) Showroom inventory IBE ® collects and reports to the state sales tax.

b. Member is responsible for including barter sales as part of gross income reported to respective State and Federal Agencies. Member should consult with an accountant or tax advisor as to how barter sales and purchases will affect member's net income.

c. IBE ® is required to report all IBE ® member sales to the I.R.S. and the State of Florida.

d. It is the member's responsibility to notify IBE ® of any changes of tax reporting Federal I.D. number or Social Security number prior to December 31 in year of change.

24. IN THE EVENT:

a. that a member declares bankruptcy or a creditor attempts to attach or garnish his account, their credits cannot be converted to U.S. currency for collection. Any party seeking to collect through legal process will be entitled to collect products and services. However they will be required to pay associated fees as any member to include the transition fee, taxes, and appropriate amount of cash (for products).

b. of a restaurant closing, where the restaurant retains positive dollars in their account, refunds shall be made over a thirty-day period to those members bringing their scrip into the IBE ® offices to redeem for credit, as long as the restaurant maintains credit in their account. For each refund made a 15% trade service refund will be charged to the restaurant's account. Once all credits are depleted, the member holding the restaurant scrip must find relief from the principal owners of the restaurant, as IBE ® is held harmless from any liability.

25. An officer can recommend to the executive committee and IBE ® reserves the right to call for the dismissal of any member that exhibits unprofessional, unethical or deceptive business practices. Any existing deficit in such a member's account must immediately be converted to cash within 10 days of notification and paid directly to IBE ® . Any member terminated under this provision with credits on account will be entitled to a 90 day spend down period while incurring appropriate administrative and broker fees.

26. Member may cancel membership at any time by notifying IBE ® in writing, delivering by certified mail, return receipt requested. All cash fees, loans, dues, and commission fees on spent and unspent credits become immediately due and payable in cash to IBE ®.

a. Membership will be canceled when all cash fees are paid and Barter Dollars are spent. No cash refunds will be given by IBE ® to member for unspent Barter Dollars under any circumstances.

b. Membership with negative trade balance (purchases exceed sales) must immediately balance account with sales or pay balance in cash to IBE ®.

c. All monthly fees, annual dues, and other fees will continue to be charged until account is closed. Annual dues may be waived if Barter Dollars are spent within a 30-day grace period after billing.

d. All IBE ® account cards must be returned prior to cancellation of membership.

e. Any member whose membership has been terminated pursuant to this section or any other section of this Agreement shall be prohibited from engaging in any further Barter Dollar transactions with other members.

f. IBE ® reserves the right to terminate any membership of any member who trades directly with another member to avoid paying commission fees, except in cases where members have proven to the satisfaction of IBE ® that they had a previous bartering arrangement prior to joining IBE ® , or where IBE ® otherwise authorizes in writing such arrangement between members. The decision by IBE ® as to whether it is satisfied as to the existence of a prior bartering arrangement between members shall be conclusive and final. If an unauthorized direct trade occurs, IBE ® shall be entitled to a fifteen percent (15%) commission fee payable by both parties. Second offense will result in suspension or termination.

g. When a member is discharged from IBE ® all cash fees become due immediately. In order to spend out credits within

a 90-day period, a member who is in the positive must prepay all trade cash fees upon seven days of the date of discharge to qualify for spend out, or else their account will be charged treble for all cash fees.

h. Any member who chooses to leave the Exchange and has a positive balance in his/her account will have 90 days in which to spend said credits; however, they must prepay all cash fees within seven days of leaving the exchange in order to qualify to spend out their credits or they will be charged cash fees in a treble amount to those due for spending down their credits.

i. Any account that has cash fees due may be placed on hold regardless of its balance being in the positive, until such time as all outstanding cash fees are paid and brought current.

j. Accounts in good standing are accounts that have cash fees paid on a timely basis.

k. All accounts that have outstanding fees due five days prior to the close of a preceding month's posting period will be billed interest on all outstanding cash and barter fee transactions.

l. Accounts with outstanding balances of cash due fees past 30 days may be discharged from the Exchange and charged treble on all outstanding cash fees.

27. IBE ® reserves the right to reject, suspend or terminate membership at any time for any reason whatsoever, and member shall not hold IBE ® liable for such action.

a. IBE ® Operating Rules and Trading By-Laws can be changed at will by the executive committee as recommended by IBE ® management team in order to better manage the trade system. All new by-laws become retroactive thirty days once added to the IBE ® Operating Rules and Trading By-Laws. It is at the discretion of the IBE ® executive committee based on recommendations from the IBE ® management team to reverse within thirty days of being issued, any authorization that the IBE ® executive committee determines not to meet the trading qualifications of the IBE ® trade exchange as set forth in the trading rules and regulations. Any member that attempts to mislead, defraud or otherwise utilize credits without a positive balance and, without prior approval of an executive committee will be subject to immediate dismissal and credits authorized will be voided and reversed. Members having provided goods and services will be then entitled to U. S. Currency relief from that company.

b. Any member with an extended credit balance or existing negative balance in excess of \$2500.00 may have authorizations reversed within fifteen days if the exchange deems this member not to be in a position to provide services to offset their debt. If the member elects to close their business, the aforementioned right is reserved by IBE ® and all authorizations issued can be reversed by the exchange if a given member appears to show no way through the IBE ® system to meet their obligation. This by-law is written to protect the membership and trading members from fraud and members unable to provide goods or services they committed to trade through the exchange.

28. Every term contained in these Rules is severable from every other term herein. If any such term should be judged unenforceable, it shall not affect the enforceability of the remainder of any other term or provision of the Rules of this Membership Agreement.

29. Member grants IBE ® a security interest in all Barter Dollars to be credited to member's account for the amount of all unpaid cash fees. Upon filing of petition under Chapters 7, 11, or 13 of the Bankruptcy Code, or an Assignment for the Benefit of Creditors, no trade shall be allowed until all cash fees due IBE ® have been paid in full. If the petition under Chapter 7 of the Bankruptcy Code is filed by or against Member, or if the plan filed pursuant to either Chapters 11 or 13 does not provide for the full payment of all cash fees due IBE ®, IBE ® shall have the option in lieu of filing as a creditor of treating the Barter Dollar balance as equal in value to the amount of cash fees owing, and terminating the account.

30. Member shall abide by applicable Federal, State and Local laws and regulations pertaining to any transaction, and IBE ® shall not be responsible for any failure on the part of Member to comply. Member agrees not to hold IBE ® liable and releases IBE ® for any action IBE ® takes to comply with applicable laws or regulations.

31. IBE ® 's failure or delay in exercising any right will not operate as a waiver thereof, any single or partial exercise of a right will not preclude any other or further exercise of any right. IBE ® 's remedies are cumulative and are not exclusive of any remedies provided by law.

32. IBE ® has the right to change, rescind, or modify any or all of the Operating Rules and Trading By-Laws at the discretion of the Executive Committee of the IBE ® Board of Directors. All changes are effective immediately and all members agree to adhere to the amended rules as a condition of their membership. All Operating Rules and Trading By-Laws are reviewed quarterly and are subject to additions and deletions. Members will always be apprised of changes and may contact the corporate attorney or the corporate offices of the IBE ® for updates, questions or additional information.

33. Brokerage Function – Responsibility for the conduct of a trade is exclusively that of the two members participating in the trade. Members acknowledge that the sole principals in any trade are the buying and selling members involved, that trades are entered into voluntarily, and that IBE ® is not the agent of any member, nor is it the guarantor of any trade or trade dollar.

34. Availability of Products or Services – IBE ® is not responsible if member cannot find specific products or services to buy from other members.

35. Definition of Member in Good Standing – A member who conducts trades in accordance with these rules and is current in any monies owed to IBE ® and has a valid, unexpired IBE ® member account is considered a "Member in Good

Standing.”

36. Line of Credit – A member who makes purchases in excess of his established line of credit must sell his products or services at 100% trade until such excess deficit is cured. At IBE ® ’s option, a member may be billed and shall pay in cash for the excess.

37. Personal Guarantee: The signatory (member) agrees to personally and individually guarantee the obligations of his/her company as set forth in the IBE ® Operating Rules and Trading By-Laws.

38. All terms and rules as set forth in these Rules shall be governed by the laws of the State of Florida.

39. Any action brought by any party to this Agreement shall be filed, and venue shall lie, in Sarasota County, State of Florida.

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