

Leisure Travel Alliance Central, Inc. Contractor Agreement

This AGREEMENT is made this ____ day of _____, _____,

Between Leisure Travel Alliance Central, Inc., having its principal place of business at 2900 Wilcrest Drive, Suite 298, Houston, Texas 77042, hereinafter referred to as "Company" and _____, located in
(Individual's Name or Company Name or d/b/a Trade Name)

_____, hereinafter referred to as "Contractor".
(City & State)

WHEREAS the Company is engaged in the business of a travel agency providing host travel agency services to contractors, travel agents and other travel sellers including the processing of sales for air transportation, tours, cruises, accommodations and other travel-related products and services; and,

WHEREAS the Company enjoys the goodwill of the public, and has a reputation for fair dealing with the public; and,

WHEREAS it is deemed to be to the mutual advantage of the Company and Contractor to enter into this Agreement upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, for and in consideration of the mutual covenants and promises herein contained, the undersigned hereby agree as follows:

1. Term of Agreement. This Agreement shall become effective as of the date of execution by the last party to sign and shall remain in effect until terminated as set forth in Section 25 below.
2. Duties of Contractor. Contractor agrees to perform under this Agreement as a business entity or self-employed business person selling travel services and products to the public.
3. Duties of Company. In consideration of Contractors' affiliation and placement of travel sales with Company, Company agrees to provide the following services:
 - A. Company shall provide to Contractor travel industry identification numbers held by the Company for the purpose of allowing Contractor to make and manage travel supplier bookings for Contractor's customers.
 - B. Company will process travel bookings and transactions for Contractor and Contractor's customers including valid bookings and transactions for air travel, accommodations, ground transportation, cruises, tours, travel insurance, and other acceptable travel services and products provided that the Company or suppliers of such travel services and products receive in advance valid, required and prompt payments for such services and products from Contractor or Contractor's customers in accordance with applicable provisions of Section 9 of this Agreement.

C. From time-to-time, the Company and suppliers of services and products may offer Contractor access to and participation in consumer marketing programs co-designed by the Company and suppliers of travel services and products. Contractor, at Contractor's sole discretion, may opt to participate in or decline to participate in such programs under the processes and terms established by the suppliers of services and products.

D. From time-to-time the Company may offer Contractor access to select third-party travel technology programs or other software including travel reservations programs and customer relationship management (CRM) software (including products which may be available to Contractor at no cost or discounted cost).

4. Contractor's Compensation. Contractor's compensation shall be based on the compensation calculations as specified in Exhibit 1 of this Agreement. The payments called for under this Agreement as specified in Exhibit 1 shall be the sole compensation to which Contractor shall be entitled from the Company for all work performed by Contractor under this Agreement. Contractor shall not be entitled to make any other claim for additional compensation under this Agreement.

5. Risk of Loss. Contractor agrees to assume the full risk of loss in the event that Contractor's compensation does not exceed the cost of Contractor's incurred expenses. Contractor expressly agrees that Company shall not be responsible for Contractor's cost of doing business in connection with this Agreement, including, but not limited to, Contractor's expenses for workspace, work tools, travel, Contractor's time investment or any other expenses of any type or nature.

6. Contractor Expenses, Place of Work, Hours, Work Tools and Travel.

A. Place of Work. Company cannot provide work space for Contractor at Company's offices and Contractor is not required or encouraged to be at Company's offices to perform work. Accordingly, Contractor shall make all decisions with respect to the location where Contractor performs the work and sales activities contemplated under this Agreement.

B. Work Tools. Company will not provide Contractor with work tools or supplies. Contractor may, at Contractor's discretion, use or acquire personally-owned work tools or supplies such as office furniture, computers, printers, software, internet access, telephones and telephone lines and office supplies; provided however, that Company will not, under any circumstance, reimburse or pay Contractor for such items either before, during or after the time Contractor performs work under this Agreement.

C. Hours. The Company does not require any minimum or maximum time commitment from Contractor. Contractor may work any number hours Contractor chooses.

D. Travel. Company shall not pay for Contractor's travel or travel-related expenses of any nature including, but not limited to (1) personal travel, or (2) business travel, or (3) educational travel or familiarization trips that might be offered to Contractor by travel suppliers from time-to-time; Contractor may elect to accept or decline such travel supplier offers at Contractor's sole discretion.

7. Use of Company's IATA, ARC, CLIA and Other Industry ID Numbers. For approved travel booking purposes, Contractor shall be entitled to use the Company's International Air Transport Association ("IATA") number, and/or Airlines Reporting Corporation ("ARC") number, and/or Cruise Lines International Association ("CLIA") number, and/or other industry identification (ID) numbers of Company and Contractor are each entitled to their respective shares of commissions and/or fees paid by travel suppliers for travel sales processed under Company's industry ID numbers.

8. No Minimum Quota, Guarantee or Advance. The parties agree that no minimum quota of sales or revenue is required under this Agreement, no minimum amount of compensation is guaranteed and that there shall be no prepayment or advance payment to Contractor against Contractor's anticipated earnings.

9. Payment for Travel Services and Products.

A. Contractor shall be responsible for valid, required and prompt payments to Company or suppliers of travel services and products for bookings and transactions of Contractor or Contractor's customers and Company will process bookings and transactions upon receipt of valid, required and prompt payment.

B. A payment shall not be deemed valid if: (1) A payment is not received by the Company or the supplier of travel services and products; or (2) A payment is not received by the Company when due or not received by the Company on a day or at a time that allows Company reasonable time for proper processing; or (3) A payment is less than the required payment; or (4) A payment by credit or debit card is declined, rejected or invalid; or (5) A payment by check or other instrument is declined, returned or otherwise dishonored; or (6) There is a deduction from the payment for commissions or other sums not agreed to by the Company; (7) There has been a deduction for an amount then in dispute between or among the Contractor and/or the Contractor's customers and/or the Company and/or the provider of services and products; or (8) A payment is not received by the supplier of products and services when due or if such supplier otherwise declines to provide the products or services for any other reason; or (8) A payment is otherwise delayed, compromised, declined or uncollectable for any reason.

C. Company shall not be held responsible for the consequences to Contractor or Contractor's customers resulting from invalid, insufficient, improper, declined or late payment and Contractor agrees to indemnify and defend Company against any liability, claim or action arising out of such an event.

10. Company's Recovery of Invalid Payments, Declined Payments, Penalties and Losses. In the event that the Company incurs a financial penalty or loss associated with a customer booking or transaction of Contractor, including but not limited to, travel supplier debit memos, refunds due, commission recall statements, denial of credit, credit card chargebacks, dishonored or returned checks, uncollected customer payments, other imposed losses or penalties or invalid payments of any other nature, Contractor agrees that Company shall be entitled to deduct the amounts of such losses from compensation owed to Contractor regardless of whether Contractor believes the reasons or claims associated with imposed penalties or losses are valid, invalid, fair or unfair. In the event the losses to the Company

exceed the amount of the compensation owed to Contractor by \$500.00 or more, Contractor agrees to pay the deficit amount to the Company in full within five (5) business days of such an event. If the loss exceeds the compensation due Contractor by less than \$500.00, the deficiency will be reduced by commission deductions over the following three (3) months. If, after three months, the commission deductions have not eliminated the Company's loss, Contractor agrees to pay Company the remaining balance of the loss on or before the end of the fourth month.

11. Contractor Expenses. Also incorporating Section 6 above, Company shall not pay, reimburse or be liable to Contractor or any third-party for any expenses incurred by Contractor including, but not limited to, automobile expense or mileage, parking, travel, meals, postage and delivery, office rent, office supplies, telephone or cell phone expenses, internet or technology services, office equipment, computers, maintenance, software, bank debits for returned checks or any other expenses of any nature incurred by Contractor.

12. Contracts and Authority to Bind. Unless specifically authorized to do so in writing by an authorized officer of Company, Contractor shall have no authority to bind, obligate or commit the Company to engage in any activity or perform any services under any contract, promise, representation, assumed or implied authority or oral agreement.

13. Indemnification. Company shall not be liable for, and Contractor agrees to indemnify and hold Company, its officers, officials, and employees harmless from any claim of liability or responsibility arising from any transaction by Contractor or Contractor's customers or any other act of Contractor or Contractor's customers except an event arising out of gross negligence of the Company. This provision shall survive and remain in full force and effect after the termination this Agreement.

14. Personal Injury Liability. Company shall not be liable for, and Contractor agrees to indemnify and hold Company harmless from: (1) any and all claims and damages which may arise as a result of injury or damage to Contractor, to Contractor's customers or to any other person; or, (2) to Contractor's or Company's property, to the property of Contractor's customers or to the property of any other person or entity; and, (2) any and all other liabilities or events of any kind or nature arising out of activities carried out by Contractor or providers of transportation or providers of other travel services not owned by or under the direct control of the Company. This provision shall survive and remain in full force and effect after the termination this Agreement.

15. Contractor Insurance. As a matter of Company policy, Company will only contract with contractors who are adequately insured, considering the scale and scope of their business, with general liability and errors and omissions insurance. Contractor warrants that it will maintain comprehensive general liability and errors and omissions insurance in amounts satisfactory to Company during the term of this Agreement. Contractor must deliver certificates of comprehensive general liability and errors and omissions insurance to Company upon to execution of this Agreement. Alternately, in the event Contractor does not have errors and omissions insurance or is unable or unwilling to secure such coverage, Contractor shall agree to be covered under Company's errors and omissions insurance. If applicable, Contractor further agrees to reimburse and pay the Company a prorated share of the cost for such coverage, the Contractor's share and cost of which to be determined by the Company from time-to-time.

16. Right to Contract with Third Parties. Company retains the right to contract for similar services with other contractors. Contractor similarly retains the right to enter into contracts with other parties to process travel arrangements for Contractor's clients. Contractor warrants that Contractor is not an employee (receiving IRS Form W-2) of another party engaged in selling travel services or products.

17. Business Custom. Contractor covenants to perform the services on each sale of transportation and/or travel-related services and products Contractor accepts in accord with the format which may be prescribed by the Company, or policies or regulations applicable to such sales as required by the suppliers of products and services, or the Airlines Reporting Corporation and in accord with travel industry ethical standards, business customs and best practices in the travel agency business. Contractor shall not engage in fraudulent and/or deceptive advertising or other unethical or illegal practices.

18. No Hiring. This Agreement does not constitute a hiring by either party. Contractor is not an employee of Company. Contractor is subject to limited control with respect to the general transactional procedures of Company and only with respect to those transactions Contractor voluntarily elects to place with the Company. Company shall not make any premium payments or contributions for any Workers' Compensation or Unemployment Compensation for Contractor. Contractor will not receive sick leave pay, vacation pay, jury duty pay, leave of absence considerations, medical insurance benefits, retirement plan benefits or the ability to participate in such plans as the ESOP and 401(k) nor will the Contractor be eligible for other benefits that Company might provide to its employees from time-to-time. In addition, the Contractor will not receive payments on a regular basis if no compensation is earned in accordance with the compensation provisions of this Agreement.

19. Federal, State and Local Taxes. Contractor agrees to be responsible for all of Contractor's own Federal Income Tax, Social Security contributions, Medicare contributions and other federal, state and local taxes and fees of any nature whatsoever. Company will not withhold Federal Withholding Tax, Social Security Tax, Medicare Tax or other federal, state or local taxes or fees from the gross amounts paid to Contractor as compensation earned under this Agreement. Company will provide Contractor with an annual IRS Form 1099-MISC reflecting Contractor's compensation under this Agreement and submit same to the Internal Revenue Service on or before the due date.

20. Confidential Information and Trade Secrets. Contractor shall not, for any reason whatsoever, either during the term of this Agreement and for a period of two (2) years after the date that the Agreement terminates, disclose to any person, other than in the discharge of the duties under this Agreement, any confidential information concerning: (1) the business operations or internal structure of Company, or (2) the contractors, customers or clients of Company, or (3) Contractor's work performed for any customer or client of the Company, or (4) any method and/or procedure relating or pertaining to projects developed by the Company or contemplated by the Company. Upon termination of this Agreement for any reason, Contractor shall not remove from Company's offices, or retain if previously delivered or removed, without the prior written consent of the Company, any written, graphic, digital or recorded information relating or pertaining to the Company, its contractors or customers. Contractor hereby acknowledges that the disclosure or loss of Company's confidential information or trade secrets would cause direct severe and irreparable financial loss and hardship to Company.

21. Non-Disclosure of Company's Industry Identification Numbers.

Company's confidential industry ID numbers including, but not limited to, IATA, ARC and CLIA codes have been disclosed to Contractor to be used only by Contractor during the term of this Agreement and only for the purposes of this Agreement. These industry ID numbers shall not be disclosed to other persons except travel suppliers and cannot be transferred or sold to any third-party. The disclosure of these numbers in violation of this section is acknowledged by Contractor as a disclosure of confidential information which would cause direct, severe and irreparable financial loss and hardship to Company.

22. No Inducement of Co-Contractors. For two (2) years after termination of this Agreement, Contractor will not either directly or indirectly induce, attempt to induce, or aid others in inducing any person, including but not limited to employees of Company or other affiliated Contractors who are also parties to Contractor Agreements with Company, to leave their employ, affiliation or association with Company. Each of the parties mutually acknowledges that such interference with employment or contractual relations of Company will cause direct severe and irreparable financial loss and hardship to Company.

23. Employees, Affiliates or Associates of Contractor. Contractor agrees to accept full liability for the actions and omissions of any and all of Contractor's employees and associates as though such actions and omissions were committed by Contractor.

24. Name and Logo Usage. Company agrees to grant a limited, non-exclusive, royalty-free license of its trade name and logos for use on Contractor's business cards and letterhead. If Contractor decides to use Company's trade name and logo on his/her business card and letterhead, Contractor shall prominently and conspicuously display Contractor's status as a contractor or independent sales agent of Company for the purpose of avoiding the implication that Contractor is employed by Company. As part of this limited license, Contractor shall agree to use business cards and letterheads that are distinctively different in both appearance and color from any of the business cards and letterheads used by Company for its employees. All such designs and materials shall be disclosed to Company in advance of use and are subject to Company's approval. Contractor shall bear any and all costs associated with obtaining Contractor's business cards and letterhead. Both the Company's trade name and its logo are registered trademarks. They may not be used without the express written permission of Company. Use of Company name or logo without written permission is a violation of Company's trademark rights which Contractor acknowledges would cause Company direct severe and irreparable financial loss and hardship.

25. Termination. This Agreement may be terminated in either of the following ways: (1) The Agreement may be terminated without cause by the Contractor or Company upon 30-days written notice by either party to the other party. or (2) this Agreement may be terminated by either party upon either party becoming aware of an actual or probable breach of this Agreement by the other party, and by presenting to the other party written notice of the claimed breach. If the claimed breach is found to be substantially valid, the parties shall, promptly and in good faith, attempt find a mutually acceptable cure for the breach. If a cure is not mutually agreed to within seven (7) days following the initial written notification of the claimed breach, the non-breaching party may suspend or terminate the Agreement upon providing written notice to that effect to the other party; provided however, that neither party is required to waive their rights to pursue remedies to reinstate of the Agreement, and/or to collect damages resulting from a breach, and/or to collect damages for an improper suspension or termination of the Agreement.

26. Effects of Termination on Compensation. In the event that this Agreement terminates, Contractor will be entitled Contractor's share of compensation earned prior to the termination date as is provided for in this Agreement. This shall be computed up to and inclusive of the termination date. Contractor shall not be entitled to any further compensation following the date of the termination. In the event that either party terminates this Agreement while payment of commissions or fees attributable to the Contractor's sales activities are still outstanding, Company and Contractor shall each be entitled to receive their respective shares the of the outstanding compensation that is ultimately received.

27. Governing Law. This Agreement shall be governed by and construed according to the laws of the State of Texas, the courts of which shall have exclusive jurisdiction and venue over all controversies arising out of or relating to this Agreement.

28. Right to Amend or Modify Agreement. This Agreement shall not be modified or amended after the date hereof except by mutual agreement between Company and Contractor in writing; and, no amendment, modification, termination or waiver shall be binding unless it is in writing and signed by the party or individual(s) against whom the amendment, change or waiver is sought to be enforced.

29. Assignability. This Agreement is not assignable by either Contractor or Company without the written approval and consent of non-assigning party.

30. Compliance with the Law. The Contractor is responsible for compliance with all federal, state and local laws governing licensing, registration, permits or other business regulations including laws containing specific provisions of laws applicable to sellers of travel. Contractor shall indemnify and hold harmless the Company from any claims or damages asserted against it by third parties arising out of Contractor's violation of such laws and regulations. In addition, Contractor shall conduct activities under this Agreement in full compliance with United States law, including all applicable requirements of Public Law No. 108-187, the CAN-SPAM Act, and Public Law No. 102-243, the Telephone Consumer Protection Act of 1991, Public Law No: 109-21, the Junk Fax Prevention Act, and all relevant regulations, directives, and guidelines issued by the Federal Communications Commission and Federal Trade Commission with respect thereto. Contractor further acknowledges and agrees that Contractor is solely responsible for properly registering to do business in states and localities that require by law registration of travel agents and "sellers of travel". Contractor further agrees that Contactor is solely responsible for all costs and fees associated with such registrations.

31. Waiver. No waiver by either Party of any condition, term or provision of this Agreement shall be deemed to be a waiver of a preceding or succeeding breach of the same or any other condition, term or provision.

32. Notices. Notices required or permitted under this Agreement shall be deemed given upon delivery to the receiving party at the address set forth below:

Company:

Leisure Travel Alliance Central, Inc.
C/O Leisure Travel Alliance, Inc.
1000 Heritage Center Circle
Round Rock, Texas 78664

Contractor:

33. Merger Clause. This Agreement constitutes the entire agreement between Company and Contractor pertaining to the activities contemplated in this Agreement; and, there are no agreements or understandings written or verbal concerning such activities under this Agreement which are not fully set forth herein.

AGREED TO:

Leisure Travel Alliance Central, Inc.



**Kathy Burns
General Manager**

Date _____

AGREED TO:

Contractor

**Registered Business Name
Or d/b/a Trade Name (If Applicable)**

Signature

Print Name

Business Title (If Applicable)

Date

EXHIBIT 1

CONTRACTOR'S COMPENSATION

Compensation for Contractor-Managed Retail Customer Sales. Contractor shall be paid a commission or fee for travel sales accepted by the Company for processing travel transactions. Contractor's commissions and fees shall be _____ percent (____%) of supplier commissions or other net income received by Company for retail customer sales and transactions that are substantially managed by Contractor. Said commission or fees shall be due and payable to Contractor only after (1) an invoice for travel sales has been generated through the Company, (2) after payment for said invoiced travel sales has been collected by the Company or travel supplier from Contractor or Contractor's customers, and (3) after income has been received by the Company from travel suppliers. Travel sales include, but are not limited to, air, car, hotel, resort, cruise, tour bookings, travel insurance sales or other Company-approved invoiced items. Company may, at its sole discretion and if requested to do so, support efforts of the Contractor to collect valid but unpaid commission claims from travel suppliers or other parties; provided however, that the Company has no obligation to participate in the collection such claims by way of any specific means or action including, but not limited to, the filing of or participation in any legal proceedings against travel suppliers or other parties.

Compensation for Company-Managed Retail Customer Sales. Contractor shall receive a discounted fee or commission percentage in cases in which Contractor initiates a retail customer contact and the Company manages a substantial portion of the work required to complete and customer travel arrangements. Such Company work may include, but is not limited to: destination, accommodations and pricing research; booking, securing and confirming travel arrangements; securing customer payments; and, securing, issuing and delivering documents. In such cases, Contractor shall be paid at a discounted commission rate of _____ percent (____%). Said commissions shall be due and payable to Contractor only after (1) an invoice for travel sales has been generated through the Company, (2) after payment for said invoiced travel sales has been collected by Company from travel suppliers or customers, and (3) after the income has been received by the Company from the travel sales supplier. Travel sales include, but are not limited to, air, car, hotel, cruise, tour bookings, travel insurance sales, or other Company-approved invoiced items. Company may, at its sole discretion, support efforts of the Contractor to collect valid but unpaid commission claims from travel suppliers or other parties; provided however, that the Company has no obligation to participate in the collection such claims by any means or action, including, but not limited to, the filing of or participation in any legal action against travel suppliers or other parties.

Enhanced Commission Compensation. From time-to-time, Company may offer enhanced commission arrangements to Contractor for sales of specific supplier products or services. Such commission enhancements shall not be retroactive and shall apply only to Contractor's sales made following Company's notice to Contractor of an enhanced arrangement. Any such enhanced arrangement may be terminated by the Company immediately upon Company's notice to Contractor.

Contractor Payment. Contractors' share of commissions, commission overrides and fees shall be paid by the Company to Contractor monthly or on an alternate payment schedule mutually agreed to by the Contractor and Company.

Supplemental Services and Fees. Notwithstanding any other provision of this Agreement or Exhibit, Contractor agrees to pay Company administrative, processing and transaction fees for the processing of requested supplemental services as specified in Exhibit 2 of this Agreement.

EXHIBIT 2

SUPPLEMENTAL SERVICES AND FEES

Supplemental services and items for which there may be a separate or additional cost or fee to Contractor may include, but are not limited to the following services. Costs of supplemental services will be determined by the Company from time-to-time and may vary depending upon the difficulty and time required to perform such services. In some cases, the Company may decline a Contractor request for services if Company believes a service is a service outside of the Company's ability to perform or a service that cannot be performed in a timely manner.

- Shipping, delivery or postage fees for delivery of documents to Contractor or Contractor's customers.
- Fees charged by the Company, by ARC or by other travel suppliers for non-commissionable transactions.
- Bank Fees associated with returned checks, wire transfers, cashier's checks, stop payments and currency conversion.
- Credit card merchant fees for transactions requested by Contractor and processed by the Company under the Company's merchant fee agreements.
- Assistance obtaining visas or other travel-related documents or products.
- Assistance with claims related to travel insurance.
- Assistance with other travel-related services or products requested by Contractor.