

THE YTB COMPANIES OFFER TWO UNIQUE AND POWERFUL OPPORTUNITIES, THAT OF A REFERRING TRAVEL AGENT OR 'RTA' AND THAT OF INDEPENDENT MARKETING REPRESENTATIVE OR 'REP'. THE TRAVEL AGENT OPPORTUNITY HAS AN INITIAL FEE UNDER \$500 AND A MONTHLY WEB SITE HOSTING FEE OF \$49.95. THERE IS NO FEE OR TRAVEL AGENCY PURCHASE REQUIRED TO BE A REP. YOU MAY CHOOSE TO PARTICIPATE IN ONE OR BOTH OPPORTUNITIES.



## The YTB Team Structure & Copyrighted Compensation Plan

(Effective May 1, 2007)

For use in the United States and its territories only (except Puerto Rico)

### YTB CORPORATE OFFICE

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## What is a YTB Independent Marketing Representative?

A person who has signed an Independent Marketing Representative agreement with YourTravelBiz.com is called a Representative.

(We will use the term "Rep" from now on).

- Reps may sell online Travel Agencies, enroll RTAs, and sponsor other Reps.
- Reps earn commission on personal online Travel Agency sales.
- Reps do not receive travel credentials and cannot sell travel.

## What is a YTB Travel Network Referring Travel Agent?

A Referring Travel Agent (RTA) is a person who has purchased an online Travel Agency in an agreement with YTB Travel Network of Illinois and pays the \$49.95 monthly license fee for a personalized online travel website and its "Back Office". (We will use the term "RTA" from now on).

RTAs refer people to their website (online Travel Agency) to book travel and earn commissions on travel booked through their personalized site.

## Team Building

Building a team of Reps is more easily accomplished if you understand the Rep commission plan provided by YTB to all Reps. There are three (3) total teams as defined below:

- The "1st Team"
- The "PowerTeam"
- The "Dream Team"

### WHAT IS YOUR 1ST TEAM?

Your 1st team is made up of personally sponsored Reps plus the Reps they sponsor and so on. When you are qualified to override by having three (3) active personally enrolled online Travel Agencies (RTAs) [your own online Travel Agency if you choose to purchase one will not count as one], you will earn a 50% match of the commissions earned by all personally sponsored 1st Team Reps.

Your 1st team is considered complete when you:

- Personally sponsor three (3) or more Reps and
- Have six (6) active RTAs enrolled (online Travel Agencies having paid their initial fee and paying the \$49.95 monthly license fee) by you and/or your 1st Team Reps.

### WHAT IS THE POWERTEAM?

Once your 1st Team is complete, you qualify to start your PowerTeam with all additional personally sponsored Reps. Your PowerTeam includes the 1st team of every Rep in your PowerTeam through infinity.

Example: Joyce qualifies to start her PowerTeam and personally sponsors Max. Max's personally sponsored 1st Team members are Josh, Sarah, and Amy who personally sponsor at least three (3) Reps each, nine (9) total. If those nine (9) each personally sponsor three (3) Reps, there would be 27 additional reps in Joyce's PowerTeam. All 40 of these Reps, and ALL additional Reps sponsored into subsequent 1st Teams, are in Joyce's PowerTeam (this continues through infinity).

Remember, the 1st Team of every Rep in your PowerTeam is not complete until there are three (3) or more personally sponsored Reps and a total of six (6) active online Travel Agencies sold by them and their 1st Team Reps. Every sale that is made by any of these 1st Team Reps is considered a PowerTeam sale for you and is commissioned to you.

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### **WHAT IS THE DREAM TEAM?**

When one of your PowerTeam Reps (regardless of depth) starts their own PowerTeam, that PowerTeam becomes a 1st Generation Dream Team to you. When a 1st Generation Dream Team Rep starts a PowerTeam (regardless of depth), that PowerTeam becomes a 2nd Generation Dream Team to you. This continues through six (6) generations of PowerTeams and comprises your DreamTeam.

### **WHEN ARE COMMISSIONS PAID?**

Every new sale (of an online Travel Agency) that is entered into the system by 12 (midnight) Eastern Time Zone on Thursday will be paid Friday of the following week. This includes \$50 Direct Sale Commissions, \$50 PowerTeam Commissions, all Dream Team Commissions, the 50% Match of your personally sponsored Rep's Commissions, the \$1,000 Leadership bonus, and the \$10,000 Dream Bonus. Residual commissions are paid on the 11th of the following month.

### **WHAT ARE DIRECT SALE COMMISSIONS?**

Reps earn \$50 for every personal online Travel Agency sale they make, regardless of whether or not they are qualified to override. Once a Rep has qualified to start his/her PowerTeam, he/she also receives the \$50 PowerTeam Commission, (\$100 total [if qualified to override]), on all additional personal online Travel Agency sales.

### **HOW DO I QUALIFY TO OVERRIDE?**

You qualify to earn override compensation by making three (3) personal online Travel Agency sales and your own purchase if you choose to make one will not be counted as one. You will continue to be qualified to override as long as you maintain at least three (3) personally sponsored active online Travel Agencies. Once you are qualified to override, you will earn a 50% Match of the commissions earned by the personally sponsored Reps in your 1st team and PowerTeam.

### **WHAT IS THE 50% MATCH?**

The 50% Match is calculated by multiplying the commissions earned by your personally sponsored Reps by 50%. If one of your personally sponsored Reps earns \$1,000, another earns \$2,000, and a third earns \$5,000 in commissions (\$8,000 total), then your 50% Match would be \$4,000. The 50% Match includes Direct Sale Commissions, PowerTeam Commissions, DreamTeam Commissions and all Residual Commissions. The Leadership Bonus, Dream Bonus and 50% Match are not included.

### HOW DO I GET PAID ON MY POWERTEAM?

You Receive:

- \$50 Direct Sales Commission on personally enrolled RTAs.
- \$50 PowerTeam Commission on personally enrolled RTAs.
- \$50 PowerTeam Commission on RTA enrollment made by any PowerTeam Rep until they have reached their own PowerTeam.
- 50% Match of Commission earned by personally sponsored PowerTeam Reps
- PowerTeam Residual. The PowerTeam leader who receives the initial \$50 PowerTeam Commission for that sale also receives a 4% Residual Commission (\$2.00) of the monthly license fee.
- Note: You must be qualified to override in order to receive the PowerTeam Commissions, Residual Commissions, or Bonuses described above.

### HOW DO I GET PAID ON MY DREAM TEAM?

- 1st Generation—Your DreamTeam begins when a Rep in your PowerTeam, regardless of who sponsored them, qualifies to start their PowerTeam. That PowerTeam becomes your 1st Generation DreamTeam and you earn \$30 on new online Travel Agency sales made by those Reps (and their PowerTeam) plus 4% Residual (\$2) Commission on all online Travel Agency monthly license renewals of \$49.95. If the PowerTeam Leader who starts your 1st Generation DreamTeam is also personally sponsored, you qualify to receive a 50% Match of their \$50 PowerTeam Commission (\$25) plus your \$30 DreamTeam Commission, or a total of \$55.
- 2nd Generation—When a Rep in your 1st Generation DreamTeam qualifies to start their own PowerTeam, their PowerTeam becomes your 2nd Generation DreamTeam. You earn \$20 on new sales made by those Reps (and their PowerTeam) plus 4% Residual (\$2) Commission on all online Travel Agency monthly license renewals of \$49.95.
- 3rd Generation—3rd Generation DreamTeams are started when a 2nd Generation DreamTeam Rep qualifies to start their own PowerTeam. You earn \$10 on new sales made by those Reps plus 4% Residual (\$2) Commission on all online Travel Agency monthly license renewals of \$49.95.
- 4th, 5th & 6th Generation – YourTravelBiz.com has a total of 6 generations of DreamTeams that pay overrides. On your 4th, 5th, and 6th Generation DreamTeams you earn \$5 on all new sales plus 2% Residual (\$1) Commission on all online Travel Agency monthly license renewals of \$49.95.
- Note: You must be qualified to override in order to receive any of the DreamTeam Commissions and Residual Commissions described above. There may be multiple PowerTeams in each DreamTeam Generation.

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### **HOW DO I QUALIFY FOR THE LEADERSHIP BONUS?**

Once you qualify to start your PowerTeam, you have unlimited time to earn \$1,000 Leadership Bonuses. The first is earned when the total active online Travel Agencies sold by your PowerTeam reaches six (6) or more at the end of any weekly pay cycle (12 Midnight Thursday Eastern Time Zone). Leadership Bonuses are paid WEEKLY on Friday of the following week for any pay cycle where the active PowerTeam enrolled RTA total reaches 6, 12, 18, 24 or 30.

Example: If on midnight (EST) May 3, 2007 (end of Pay Cycle) you have five (5) new active PowerTeam enrolled RTAs, then on the following Friday (May 11, 2007) you would receive a PowerTeam Commission of \$250 (but no Leadership Bonus). If in the following Pay Cycle that begins Friday, May 4, 2007 and end at midnight (EST) on May 10, 2007, you add seven (7) sales which brings your active PowerTeam enrolled RTA total to 12, then the following Friday (May 18, 2007) you would receive a PowerTeam Commission of \$350 plus TWO \$1,000 Leadership Bonuses for a total of \$2,350 just from your PowerTeam! (one Leadership Bonus for each six RTAs).

There is NO TIME LIMIT to earn Leadership bonuses. Once you accumulate 30 active PowerTeam enrolled RTAs, you start back at zero and you will receive Leadership Bonuses when the number of your active PowerTeam enrolled RTAs again reaches 6,12, 18, 24 and 30.

### **HOW DO I EARN THE \$10,000 DREAM BONUS?**

When you reach a total of 100 active PowerTeam enrolled RTAs, you earn a \$10,000 Dream Bonus. You can earn multiple \$10,000 Dream Bonuses with subsequent increases of 100 active PowerTeam enrolled RTAs.

# YTB Rep Director Bonus Program

## QUALIFICATIONS, TERMS AND CONDITIONS

1. **INITIAL QUALIFICATION:** A Rep will qualify as a Director upon the attainment of 500 active RTAs sold by Director and his/her Rep downline; with a maximum of 167 (1/3) from any one leg. A Director, in order to receive Director benefits, must sign a Director Agreement within 30 days of initial qualification. Only one person within a marriage or business arrangement may be a Director.
2. **MAINTAINING QUALIFICATION:** On the first anniversary date of qualifying as a Director, and on each anniversary date thereafter, in order to maintain qualification as a Director, there must be at least ONE (1) more active RTA in the Director's downline than the total on the previous anniversary date. (Example: If on the Director's second anniversary date there were 1, 867 active RTAs in the downline, the total number on the third anniversary date must be at least 1, 868 RTAs.)
3. **MONTHLY DIRECTOR BONUSES:** A Director participates monthly in the Directors' Bonuses with other Directors.
  - Level 1 500 RTAs = \$2,000
  - Level 2 2,000 RTAs = \$4,000 minimum
  - Level 3 5,000 RTAs = \$8,000 minimum
  - Level 4 10,000 RTAs = \$12,000 minimum
  - Level 5 25,000 RTAs = \$12,000 minimum
  - Level 6 50,000 RTAs = \$12,000 minimum plus \$1 per active RTA downline
4. **COMMENCEMENT OF BONUS AFTER QUALIFICATION:** The first benefits provided and first bonuses paid to a Director at any attained level occur after qualification determined as follows:
  - a. The month in which a Rep qualifies for a Director level is defined as the "Pre- Qualifying" month;
  - b. The month following is defined as the "Qualifying Month," during which the Director must maintain at least the minimum number of active RTAs at the end of the month;
  - c. The next month is defined as the "Bonus Paid Month," on the 20th day of which the Director will receive the applicable monthly bonus.
5. **DIRECTOR ACHIEVEMENT LEVEL BONUSES:** Directors are eligible for the following bonuses upon the achievement of the following number of active RTAs at a month's end sold by Director and their Rep downline:
  - At the level of 2,000 RTAs = \$50,000 Bonus
  - At the level of 5,000 RTAs = \$100,000 Bonus
  - At the level of 10,000 RTAs = \$250,000 Bonus
  - At the level of 25,000 RTAs = \$1,000,000 Bonus
  - Total Bonus = \$1,400,000

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All Achievement Level Bonuses are paid by an equivalent value in stock options in common stock of YTB International, Inc. issued and deemed earned on June 15 of each year as to bonuses qualified for January 1 thru June 30, and on January 15 following the calendar year in which the Director qualified for the bonus between July 1 and December 31. The equivalent value is determined exclusively by YTB.

6. GROUP HEALTH AND LIFE INSURANCE BENEFITS: A Director will receive the following benefits and options:
  - a. YTB will furnish, to Director upon Director request, group health benefits (no medical questions asked or medical prequalification) guaranteed issue, at no cost to the Director, which will commence on the first day of the month following the Qualifying Month. The Director may at his/her option elect to pay for group medical insurance for a spouse, his/her family, or a business partner, and the cost of such additional coverage will be deducted from the Director's monthly bonus. A Director's spouse or business partner receives group medical insurance, if elected, with guaranteed issue and no medical questions or medical prequalification.
  - b. YTB will furnish upon Director request a \$150,000 Group term life insurance policy at no cost to the Director, which will commence on the first day of the month following the Qualifying Month. The Director may elect to pay for expanded life insurance on self, and life insurance on family or business partner, and the cost of such coverage will be deducted from the Director's monthly Bonus.
  - c. A Director may further elect to pay for self, family, and/or business partner dental insurance, short term disability, or long term disability coverage.
  
7. OTHER PROVISIONS:
  - a. Exclusive to YTB: In order to maintain status as a YTB Director, the Director, spouse, family, household member, or Director business partner are required not to actively participate in any other network marketing or direct sales company.
  - b. Disclosure: The Director must fully, at all times, disclose the fact of any ongoing income being received from any other network marketing or direct sales company.
  - c. Event Participations: The Director agrees to participate in up to twenty (20) YTB meetings and events annually, at the direction of the company.
  - d. Compliance: The Director agrees to comply with the Policies and Procedures, and Terms and Conditions applicable to Reps and RTAs of YTB.
  - e. Materials and Presentation: All materials and presentations used by Directors in personal and YTB official events must be company provided by the company or pre-approved by YTB.
  - f. Charging of Fees: YTB disallows the Director from charging any fees, tuition, or purchases for any events, material, or service without prior company approval.
  - g. IMR Status: The Director shall maintain the status of a YTB Rep in good standing.

# YourTravelBiz.com IMR Bill of Rights

Pursuant to the Terms and Conditions of the Independent Marketing Representative Agreement contractually binding YourTravelBiz.com, Inc. and its Independent Marketing Representative YourTravelBiz.com has the right to issue Policies and Procedures which, when published to the Independent Marketing Representative of the company become binding provisions of the Independent Marketing Representative Agreement, binding both the Independent Marketing Representative and YourTravelBiz.com. Pursuant to the foregoing authority granted to it in the Independent Marketing Representative Agreement, YourTravelBiz.com does hereby publish this INDEPENDENT MARKETING REPRESENTATIVE BILL OF RIGHTS which shall become a provision in the Independent Marketing Representative agreements both heretofore and hereafter entered into between YourTravelBiz.com and its Independent Marketing Representative, effective this 1st day of September 2005.

## PREAMBLE

Since the beginnings of modern era network marketing over 50 years ago, and continuing through the present date, it has been the promise of network marketing that when an Independent Marketing Representative builds a sales organization from which he/she derives a residual monthly income that, having built a sales organization and having become entitled to residual income from his/her personal sales and from the sales of his/her downline organization, the Independent Marketing Representative will continue to receive the fruits of his/her labor by way of continuing receipt of residual commission income.

This "promise" has yet to be fulfilled by any company in the network marketing industry. The intervening events which keep this promise from being kept by network marketing companies, and benefited from their Independent Marketing Representatives, are many and varied and include events such as cessation of network marketing, corporate bankruptcy, sale of the corporate business, sale of the revenue streams generating residual commissions, and the outright termination of residual commissions by the company.

The results of such intervening events to Independent Marketing Representatives and their families are often calamitous, causing serious economic consequences to the Independent Marketing Representatives and their families and sometimes the destruction of families. YourTravelBiz.com is firmly resolved that its present and future Independent Marketing Representative shall not suffer such consequences and that for the first time in the network marketing industry a network marketing company, YourTravelBiz.com, shall keep the promise to its Independent Marketing Representatives of uninterrupted residual commissions.

Pursuant to this firm resolution YourTravelBiz.com adopts and implements the following Bill of Rights for its present and future Independent Marketing Representatives.

1. This Policy and Procedure is not subject to future modifications by YourTravelBiz.com, its heirs, successors and assigns.
2. The terms "residual commissions" shall mean those commissions and the amounts thereof currently earned as of September 1, 2005.
3. YourTravelBiz.com shall not, ever, reduce the Rep residual commissions in effect on September 1, 2005.
4. So long as they are commission qualified pursuant to the YourTravelBiz.com Compensation Plan, present and future Independent Marketing Representatives of YourTravelBiz.com shall be deemed to have fully and unconditionally earned all residual commissions upon the monthly revenues paid by RTAs established by themselves and by Independent Marketing Representatives in their commissionable downline, subject only to future monthly payments being made by the RTAs commissionable to them.

5. No present or future Independent Marketing Representative of YourTravelBiz.com may be divested of the foregoing right to receive residual commissions except upon the voluntary termination of their Independent Marketing Representative status, or their involuntary termination as a Independent Marketing Representative for cause and pursuant to the procedures of YourTravelBiz.com in connection with the involuntary termination of Independent Marketing Representative status for cause.
6. No cessation of network marketing sales, bankruptcy proceedings, or sale or assignment of the right to receive future RTA monthly revenues, or other act or occurrence whatsoever, shall be deemed to defeat or otherwise be superior to the right of the present and future Independent Marketing Representative of YourTravelBiz.com to receive residual commissions as set forth herein.
7. No fee, purchase, or renewal of Independent Marketing Representative status shall ever be required of present and future Independent Marketing Representatives of YourTravelBiz.com as a condition of their receipt of future residual commissions.
8. In order to further secure, provide and protect the rights of its present and future Independent Marketing Representative to receive residual commissions as set forth in this Policy and Procedure, YourTravelBiz.com has filed with the offices of the Secretary of State of Illinois, and of New Jersey, a UCC-1 Financing Statement securing to all present and future Independent Marketing Representatives of YourTravelBiz.com their residual commission upon future RTA monthly payments.

Dates 1st day of May 2007



J. Lloyd Tomer, Chairman,  
Board of Directors of YTBI, Inc.



Scott Tomer, President & CEO  
YourTravelBiz.com



Kim Sorensen, President  
YTB Travel Network



Michael Brent, CEO  
YTBI, Inc.