

## TRAVEL BUSINESS SERVICES AGREEMENT

**THIS AGREEMENT** (the “Agreement”) is made and entered into as of the last date written at the end of this agreement, hereof, by and between Thomas Hogan Travel dba OAL Travel Network (hereinafter “OAL”) and the individual, partnership, corporation or limited liability company whose full legal name is set forth at the end of this Agreement (hereinafter “Agency”).

**WHEREAS**, Agency engages in the sale of travel services to Agency’s clients;

**WHEREAS**, OAL engages in the business of providing a menu of business services to independent travel professionals that wish to enhance their income and industry standing; and

**WHEREAS**, OAL holds the rights to license the OAL trade name to travel agencies and to access the superior travel supplier commission agreements and arrangements negotiated by OAL, which is a fully appointed travel agency.

**NOW, THEREFORE**, in consideration of the mutual promises, provisions, and covenants contained herein made by OAL and Agency (each a “Party” and collectively the “Parties”), the Parties agree as follows:

### RELATIONSHIP OF THE PARTIES

Agency and OAL shall be independent contractors of each other. Therefore, each party shall:

- (a) Be free of supervision, direction and control by the other party
- (b) Have the right to offer services to the general public
- (c) Have the right to advertise its services via the internet or print
- (d) Have business cards and company letterhead
- (e) Maintain its own insurance
- (f) Maintain its own facilities, equipment and supplies
- (g) Pay all its own business expenses
- (h) Set its own work schedules
- (i) Establish own consulting, transaction or services fees
- (j) Hire assistants to perform services in the Agency’s absence

## **EQUIPMENT, SUPPLIES, EXPENSES AND OPTIONAL SERVICES**

- (a) Agency acknowledges that, because it must pay all its costs of doing business, Agency may incur an operating loss during any period during which this Agreement is in effect.
- (b) OAL offers Agency a menu of services and access to OAL's preferred suppliers. Agency may purchase travel services from other travel suppliers with the consent from OAL. OAL will be solely responsible for vetting the supplier and arranging OAL's registration with the supplier.
- (c) Agency shall be financially responsible for the Agency's own business supplies and expenses, including but not limited to the day-to-day operations, promotional materials and events, advertising, phone, business cards, etc. Agency shall otherwise be responsible for all expenses incurred while performing the duties under this Agreement.

## **NAME LICENSE AND ACCESS TO PROGRAMS**

- (a) Name License. OAL hereby grants Agency a limited, non-exclusive, non-assignable license to use the OAL trade name to enhance Agency's income and reputation in the industry. Agency may use that name only in connection with identification of Agency's services to its clients and in dealings with travel suppliers. Whenever Agency uses the name, Agency must also use the word "independent" to signify that OAL and Agency are independent contractors. Agency shall use OAL's name on business forms and advertising only after obtaining OAL's prior written consent to such use, which shall not be unreasonably withheld, delayed or conditioned.
- (b) Programs. OAL hereby further grants Agency a limited, non-exclusive right, non-assignable right to access the supplier agreements and commission programs of OAL by making reservations for Agency's clients using OAL's ARC number. The access granted by this paragraph shall also terminate simultaneously with termination of this Agreement.

## **FUNDS AND RESPONSIBILITIES**

- (a) Agency shall pay for any and all travel related products using Agency's client's credit card only. To prevent credit card fraud, Agency shall obtain a signed credit card authorization and a copy of the front and back of the credit card, unless OAL waives this requirement in writing. All credit card charges shall be processed through the supplier for the full gross cost or the OAL merchant account (bank fees will apply). *Failure to apply any payment less than gross will result in immediate termination of contract and affected bookings will be cancelled by OAL for failure to comply.*

- (b) To prevent default to travel suppliers, Agency shall not accept cash from clients and shall not deposit client checks or supplier checks into Agency's bank account. Rather, Agency shall remit all client and supplier checks directly to OAL made payable to Thomas Hogan Travel, which shall pay the travel suppliers on Agency's behalf.
- (c) Agency shall be liable for all non-payment, chargebacks, debit memos and other liabilities pertaining to Agency's business, including but not limited to hidden-city ticketing, back-to-back ticketing, split ticketing, one-way travel on a roundtrip ticket, reservations churning, duplicate reservations, and reservations for a fare for which the client does not qualify. Agency shall also be liable for violations of U.S. Department of Transportation codeshare, full-price, and other regulations governing the sale of travel. Agency hereby authorizes OAL to charge Agency's credit card for any amounts due or to deduct any such amounts from any payment to Agency. OAL shall provide Agency written notice of any deductions and provide Agency ten (10) business days to resolve any issues related thereto. If Agency fails to resolve such deductions within ten (10) business days after OAL's written notice, then OAL may proceed with the said charge or deduction.
- (d) Unless authorized in writing by the other party, neither party shall sign, consent to, or state that it is authorized to sign or consent to any contract on behalf of the other party and shall not sign any paper on behalf of the other party.
- (e) Agency shall indemnify, hold harmless and defend OAL from and against all claims by Agency's clients, employees, independent contractors and suppliers arising out of or in any way related to the activities of Agency and its employees, independent contractors and assistants. Agency's obligations under this paragraph shall survive termination of this Agreement.
- (f) Agency shall use OAL's standard invoicing format so that data may be tracked for Agency's benefit in OAL's back-office systems. Failure to invoice a sale will result in forfeiture of commission if the monies are received prior to the invoice submission date.

### **COMPENSATION**

OAL will pay the Agency via direct deposit the 15<sup>th</sup> of the following month in which the commission was received by OAL. It is the responsibility of the Agency to update OAL if the bank account on file has changed by using the Direct Deposit Form in the Advisor Access.

Agency shall be entitled to the commission percentages of revenue received by OAL on sales when the following takes place:

Agency's membership is current, Agency has reported the sale prior to the commission being received, clients have departed and the supplier has paid OAL. All shipping fees, chargebacks, disputes, foreign

transaction fees and other costs Agency has incurred can be deducted the Agency's percentage from the commission earned. If OAL does not receive payment for any chargebacks or disputes, the amount will be deducted from future pending commissions until the full amount is reconciled. If the Agency has no pending future commissions, Agency is responsible for paying any and all fees in full to OAL within 30 days of notification.

- (a) "Revenue" shall mean fees, commissions or mark ups received from airline, hotel, car rental, rail, cruise, tour, and insurance sales to Agency's clients, for which: (i) OAL's ARC number has been used; (ii) the client has paid in full; and (iii) the supplier payment has been received. Revenue shall exclude overrides, other bonuses from suppliers based on OAL's volume and incentives. Sales shall include groups but only if an authorized representative of OAL provides written approval of the group contract before the contract is signed. In the case of groups so authorized, revenue shall be calculated after the direct expenses of the group.
- (b) With each payment, OAL shall provide access to the accounting tools for Agency to retrieve a statement of commissions received. Agency shall submit all disputes and questions concerning the statement within thirty (30) days thereafter; otherwise, Agency shall be deemed to have waived any dispute concerning the statement. OAL may deduct amounts owed by Agency or Agency's clients from any payment to Agency.

#### **FREE AND REDUCED RATE TRAVEL**

OAL shall accommodate reasonable and customary requests by Agency for free and reduced-rate travel benefits ("Travel Benefits") for Agency whenever possible. All such requests must be submitted in writing to an authorized representative of OAL for approval. It is understood that the availability of free and reduced-rate travel changes from time to time. If there are a limited number of Travel Benefits available OAL reserves the right to withhold such authorizations for OAL's needs and/or to offer Travel Benefits to select Agency's.

#### **SUPPLIER PROCESSING FEES**

There are certain commission payments that carry a processing fee. A processing fee is assessed for the convenience of using the supplier who works with a travel advisor. This is the decision of the supplier and their payment processing system. OAL is not responsible for paying the fee. The fee will be deducted from the Agency's booking commission.

#### **LIABILITY**

Agency is responsible for the validity and accuracy of all bookings and payments by clients of the Agency. The Agency shall be fully responsible for any errors made during the course of selling travel. This includes misquoting a client or any misrepresentation made to the client about the travel services, which he/she is purchasing. The Agency will also be financially responsible for problems arising with reservations as a direct result of the Agency's negligence and/or inability to make timely payments.

## **EACH PARTY'S LEGAL STATUS**

- (a) **Standards and Licenses.** In order to avoid jeopardizing OAL's reputation and travel supplier relationships, Agency shall: (i) adhere to all laws and ethical standards applicable to travel agencies and shall operate its business in a manner consistent with general accepted procedures in the industry; (ii) obtain and maintain all local and state licenses required of businesses in general and (if applicable) travel agencies in particular, such as Seller of Travel registrations; and (iii) obtain and maintain liability insurance and errors and omissions insurance, if available in the market.
- (b) **Taxes.** Each party shall be responsible for the payment of all taxes arising out of its performance of duties under this Agreement, including without limitation, federal, state and local income taxes. Each party also agrees to comply with any state employment and workman's compensation laws applicable to its employees. Each party's obligations under this paragraph shall survive termination of this Agreement.
- (c) **Tax ID Reporting.** OAL uses the Agency's Social Security Number (SSN) or Employee Identification Number (EIN) during the initial onboarding process. When submitting or updating an EIN, a copy of the letter showing EIN approval must be provided before the change is approved. If Agency chooses to change their tax number during the calendar year and has received commission, Agency will receive multiple 1099's.
- (d) **1099.** A 1099 statement for tax purposes will be issued to the Agency. It is the Agency's obligation to pay all appropriate taxes and fees. Agency shall indemnify and hold OAL fully harmless for the Agency's failure to properly report or pay such taxes incurred.
- (e) **Benefits.** Agency shall not be entitled to any benefits, except for Travel Benefits as set forth in the Free and Reduced Rate Travel Section.
- (f) **Place and Time of Work.** Neither party shall be required to maintain set hours, work any set number of hours in any week and/or spend time at any business locations.
- (g) **Service for Others.** Each party is free to seek out business opportunities, advertise, maintain a visible business location and be available to work in the relevant market.
- (h) **Training.** Agency will be required to pay for any trade seminars or familiarization trips Agency attends where a fee is applicable to attend.
- (i) **Assistants.** The Agency retains the right to employ non-booking assistants at the Agency's own expense. These assistants can assist the Agency with any office related needs except for booking travel related items. The Agency assumes all legal and financial responsibility for these assistants. If the Agency wants to have a booking sub-agent or partner, this person must enroll and qualify as a participating agent with OAL.

- (j) Membership is non-Transferrable. Once the onboarding process has begun with the Agency the membership cannot be transferred to another Agency.

## **TERM AND TERMINATION**

- (a) Term and Termination for Convenience. The initial term of this Agreement will be one (1) year from the last date at the end hereof and will automatically be renewed from year to year thereafter, unless one Party gives the other Party at least thirty (30) days' written notice of non-renewal. Notwithstanding the foregoing, either Party may terminate this Agreement upon sixty (60) days written notice to the other Party. Following termination, no further payment will be made except with respect to commissions received by OAL during the 60-day period after the effective date of termination, for Agency's sales made during the term hereof, but the percentage compensation paid by OAL may be lowered to 50% to compensate OAL for the increased work required of OAL after Agency is no longer affiliated with OAL.
- (b) Termination for Cause. This Agreement may be terminated by either Party in the event the other Party breaches this Agreement and does not cure such breach within fifteen (15) days after receipt of written notice of such breach. In addition, upon written notice to the other party, either party may terminate this Agreement immediately following the other party's disloyal, dishonest or illegal act. OAL may also terminate this Agreement immediately upon written notice if Agency misuses the OAL trade name licensed in this Agreement. If this Agreement terminates for cause, then no further commission payments will be made after the date of termination.
- (c) IATA, ARC, CLIA Number. Upon termination relating to section (a) or (b) above, the Agency agrees to immediately cease and desist from using OAL's IATA, ARC or CLIA number. If after termination OAL discovers the Agency has used the above-mentioned number a fee of no less than \$10,000 per occurrence will be pursued from the Agency and all legal fees associated with the recovery of this fee will be the responsibility of the Agency.
- (d) No Sales Clause. If Agency does not have any recorded sales and/or commission earned during the term of the agreement, OAL reserves the right to not offer a renewal of the contract to the Agency.

## **RESTRICTIONS**

- (a) Confidential Information. During the term of this Agreement, each Party (a "Receiving Party") shall have access to and become acquainted with Confidential Information (as hereinafter defined) of the other Party (a "Disclosing Party").
- i. As used in this Agreement, Confidential Information includes, but is not limited to, the terms of this Agreement, personally identifiable client information and purchasing choices of potential and existing clients; sensitive, nonpublic information about Disclosing Party such as financial information, budgets, business plans, policies and procedures; client, prospect, supplier and vendor lists or data (including such information contained in any files, notes or in electronic form); merchandising, advertising, business, sales or marketing plans, tactics

and strategies; projects; technical or strategic information about online pricing, including but not limited to, contractual relationships with vendors, commission structures, and Disclosing Party related lists and forms; economic or commercially sensitive information, policies, practices, procedures or techniques; trade secrets; litigation theories or strategies; terms of agreements with third parties and third party trade secrets; information about Disclosing Party's employees and independent agents, compensation (including, without limitation, bonuses, incentives and commissions), or other human resources policies, plans and procedures, or any other non-public material or information relating to Disclosing Party's business activities, communications, ventures or operations.

For purposes of this Agreement, Confidential Information shall not include information that the Receiving Party can demonstrate: (a) was in the public domain at the time of disclosure to it; (b) was published or otherwise became a part of the public domain after disclosure to the Receiving Party through no fault of its own; or (c) was disclosed to the Receiving Party by a third party who had a lawful right to disclose such information to the Receiving Party without a breach of any duty or other obligation owed, directly or indirectly, to the Disclosing Party.

- ii. Receiving Party agrees that, during the term of this Agreement and for a period of five (5) years after termination of this Agreement, Receiving Party will not solicit, disclose or access any Confidential Information from Disclosing Party or any of its employees, advisors or contractors except as may be authorized by the Disclosing Party in writing. In addition, Receiving Party agrees that it will use such Confidential Information only in the furtherance of this Agreement and will return such Confidential Information upon request to the Disclosing Party.
  - iii. Notwithstanding anything elsewhere in this Agreement, Receiving Party may make any disclosure required of it by any judicial proceedings or any federal, state and local laws or regulations, after providing Disclosing Party with prior written notice prior to such disclosure.
- (b) Restrictive Covenants. During the term of this Agreement and for a period of two (2) years after the termination of this Agreement for whatever reason, each Party shall not (i) handle, or assist any other person or entity to handle, travel business from any person or entity which is then or, which has been within two (2) years prior to the date of such solicitation, a client of the other Party; (ii) influence or attempt to influence any such client not to do business with the other Party; (iii) interfere in any way with the other Party's relationships with any of its clients, employees, or independent contractors; or (iv) transfer reservations to another person or entity or assist any client in canceling any reservation made by or through Agencies. Notwithstanding the foregoing, restrictions on transfer and/or cancellation in this paragraph shall not constitute wrongful influence or interference under (ii) or (iii), respectively.

Moreover, each party hereby represents to the other party that it is not subject to any constraints, restrictions or other legal or contractual impediments to or prohibitions against entering into this Agreement, including but not limited to those arising in connection with its relationship or association with any person or entity whether as an independent contractor, employee, or otherwise. Such constraints, restrictions, legal or contractual impediments, or prohibitions include, without limitation, any covenants not to compete, covenants not to solicit, nondisclosure agreements, and any other restrictions on competition Agency represents that it is not subject to any such covenants, agreements, or restrictions.

(c) Restricted Access and Use

- i. During the term of this Agreement, Agency shall refrain from using OAL's GDS systems to access any record other than reservations for Agency's clients and profiles made by Agency.
- ii. In the event that either party gives any notice of termination of this Agreement, OAL may suspend Agency's GDS access (as well as access to any other OAL system and supplier access) until the effective date of termination; provided, however, that OAL shall assist Agency using OAL's personnel who access the systems during said suspension.
- iii. After termination of this Agreement, Agency shall refrain from using OAL's GDS or other systems, ARC numbers, name or access supplier websites Agency is registered under.

(e) Transfer After Termination. During and after the term of this Agreement, Agency shall refrain from transferring (or attempting to transfer) reservations from OAL to another travel agency, and from inducing a client to cancel and rebook with another travel agency, unless OAL expressly consents in writing to such transfer or cancellation and rebooking. OAL, in its sole discretion, may consent to such transfer if: (a) Agency agrees in writing to remit to OAL the amount of money corresponding to OAL's share of compensation within 15 days after Agency receives compensation for such sale from Agency's new host or the supplier; and (b) Agency is otherwise in full compliance with this Agreement. In the event of such transfer, OAL may withhold any amounts due to Agency until Agency makes such payments to OAL.

(f) Agency's Clients versus OAL's Clients. Agency's clients shall mean all clients handled by Agency except for Lead Clients generated from OAL.

**GROUP BOOKINGS**

The Agency accepts the responsibility to review the supplier's group contract and all documentation associated with the group to verify all the information is correct as requested. The Agency is responsible for keeping to the contracted schedule for deposits, payments, space reduction, cancellation and penalties. The Agency agrees to ensure their client clearly understands the aforementioned. Group commissions are paid after the group has completed travel or per the supplier's commission policy. Monies paid to and processed by OAL (i.e., bonus commission, marketing funds, and unallocated tour conductors) will be paid to the Agency after the commission split and may be subject to commission split. The additional commissions must be agreed upon between both OAL and the Agency prior to the finalization of the group with the supplier. OAL will only pay a commission split due for booked travel to

the Agency booking travel with OAL's credentials and will not pay commission or other fees, costs or claims to another entity.

Group Space that requires a signature and is considered a "Contracted Group" by the supplier and must be approved and signed off by OAL. OAL reserves the right when it comes to reducing/cancelling space as per contract to avoid attrition and penalties. If an Agency group has a "Value Add" or a credit card service fee, it is mandatory for OAL to authorize the value. Each supplier has their own policy and procedure for service fee charges. Any funds collected by Agency for group specific amenities must clearly be written out and approved by OAL to be paid at 100%. Prior to a group booking promoted any Value-Adds or service fees require OAL's signature of approval and are subject to OAL for review.

Approval for Tour Conductor credit or any overpayments must be made in writing at least two (2) weeks prior to the sailing. Requests received within two (2) weeks of sailing may not be applied to the booking. If the TC is to be paid out to the Group Leader via check, the Agency must submit a Check Request Form and the check will be made payable and mailed directly to the Group Leader.

Agency booking group air space agrees to pay to the supplying airline any ticketing fees associated with issuing the tickets for the group. OAL is not responsible for group air ticketing.

#### **MISCELLANEOUS**

- (a) This Agreement contains the entire agreement by and between the Parties, relative to the business arrangement provided for herein. No amendment, waiver or discharge of any provision of this Agreement shall be effective against any Party unless that Party shall have consented thereto in writing.
- (b) This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns.
- (c) No failure or delay in exercising any rights or remedies pursuant to this Agreement shall constitute a waiver of any other right or remedy pursuant hereto. Resort to one form of remedy shall not constitute a waiver of other available remedies.
- (d) This Agreement may be executed in counterparts by the parties hereto, each of which shall constitute an original of this Agreement and all of which, when taken together, shall constitute one and the same instrument. The parties hereto intend that facsimile copies of fully executed counterparts of this Agreement shall be binding and enforceable.
- (e) A ruling by any court that one or more of the provisions contained in this Agreement is invalid, illegal or unenforceable in any respect shall not affect any other provision of this Agreement. Thereafter, this Agreement shall be construed as if the invalid, illegal or unenforceable provision had never been included, but only within the jurisdiction of the court making the ruling.

- (f) If suit is brought to enforce any of the provisions of this Agreement, then the prevailing party shall be paid by the other party all the prevailing party's costs and expenses of prosecuting and/or defending the suit, including, without limitation, the reasonable attorneys' fees, court costs and expenses of the prevailing party.
  
- (g) This Agreement shall be construed in accordance with, and this Agreement and all matters arising out of this Agreement and the transactions contemplated hereby (whether in contract, tort or otherwise) shall be governed by the law of the State of South Carolina. With respect to any suit, action or proceedings related to this Agreement ("Proceedings"), each party irrevocably (i) agrees that this Agreement shall be performable in South Carolina; and (ii) submits to the non-exclusive jurisdiction of the federal or state courts in South Carolina; and (ii) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction. Nothing in this Agreement precludes either party from bringing Proceedings in any other jurisdiction, nor will the bringing of Proceedings by a party in any one or more jurisdictions preclude the bringing of Proceedings by such party in any other jurisdiction.

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the last date written below.

**Agency's Full Legal Name:**

\_\_\_\_\_

**OAL Travel Network**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**PERSONAL GUARANTEE**

In the event that Agency is a corporation, limited liability company, or partnership, the undersigned individual(s) hereby personally, jointly and severally, guarantee each and every obligation of Agency to OAL under this Agreement.

**Printed Name of Individual:**

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Signature

**Printed name of individual:**

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Signature