



Culbeans, Inc
Terms and Conditions
Effective May 1, 2014

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Hereinafter, the term "Member" refers to Retail Affiliates, Coffee Club Affiliates and Enhanced Affiliates.

Purpose of Terms and Conditions

These Terms and Conditions (also known as “Agreement”) in their present form and as amended at the sole discretion of Culbeans, Inc. are created for the understanding of the Culbeans Members and Affiliates that through proper conduct and integrity he or she may be an active member. It is the responsibility of each Member or Affiliate to read, understand, adhere to and ensure that he or she is aware of and operating under this Agreement.

Section 1 - Terms for a Retail Affiliate

1.1 Definition

A Retail Affiliate is an individual who registers on our website with the intention purchasing products and/or referring Members to Culbeans and gradually building a Member base to earn from. Retail Affiliates can earn recurring compensation from any Affiliates they refer.

1.2 Pricing

Retail Affiliate memberships are absolutely free. Customers who purchase Culbeans products at retail pricing are also automatically enrolled as Retail Affiliates.

1.3 Commissions

- Retail Affiliate members earn 10% commissions from all personally referred Affiliates (first level) who purchase Culbeans commissionable products including Coffees, Teas, Supplements and Memberships.
- There are absolutely no qualifications or purchase requirements to be a Retail Affiliate and earn commissions.
- Retail Affiliates may upgrade to a Coffee Club Affiliate or an Enhanced Affiliate at any time by purchasing either respective memberships.
 - This is common when Retail Affiliates see growth beyond their first level of referrals.
- Culbeans pays commissions to all Affiliates once their earned commissions add up to \$25 or more (You may request payment thresholds of lesser or greater amounts at any time).
- Commissions are paid directly to an Affiliates bank account. This requires the Affiliate to provide Direct Deposit bank account information by calling Culbeans support or e-mailing the necessary information.
- Commissions that remain unpaid for more than 3 months because bank account information has not been provided will be applied as Store Credits for the Affiliate to use on future purchases.

Section 2 - Terms for Coffee Club Affiliate

2.1 Definition

A Coffee Club Affiliate is an individual who purchases a Coffee Club Affiliate Membership (includes a product of choice and a lifetime discount membership) which allows them to buy Cülbeans products at Membership pricing for life. Coffee Club Affiliates can earn recurring compensation from any Affiliates they refer

2.2 Pricing

The cost for the Coffee Club Affiliate Membership is \$69 for a lifetime (doesn't expire).

2.3 Commissions

- Coffee Club Affiliates earn 10% commissions from all personally referred Affiliates (first level) who purchase Cülbeans commissionable products including Coffees, Teas, Supplements and Memberships.
- When a Coffee Club Affiliate refers a Member who purchases at Retail Price from the web site, the Coffee Club Affiliate will earn the difference between the Membership Discounted Price and the Retail Price, plus 10% of the Membership Price.
 - i.e. a bag of Black Bold Retail for \$26 and the Coffee Club Affiliate Membership Price is \$20. When a referred Affiliate purchases at the Retail price, the Coffee Club Affiliate who referred them will earn \$8 (\$6 difference plus \$2 for 10% of Membership price)
- Coffee Club Affiliates earn additional commissions when referrals purchase membership packs.
- Beyond the initial Membership purchase, there are absolutely no qualifications or additional purchase requirements to be a Coffee Club Affiliate and earn commissions.
- Coffee Club Affiliates may upgrade to an Enhanced Affiliate at any time by purchasing the Enhanced Affiliate Membership Pack.
 - This is common when a Coffee Club Affiliate sees growth beyond their first level of referrals.
- Cülbeans pays commissions to all Affiliates once their earned commissions add up to \$25 or more (You may request payment thresholds of lesser or greater amounts at any time).
- Commissions are paid directly to an Affiliates bank account. This requires the Affiliate to provide Direct Deposit bank account information by calling Cülbeans support or e-mailing the necessary information.
- Commissions that remain unpaid for more than 3 months because bank account information has not been provided will be applied as Store Credits for the Affiliate to use on future purchases.

Section 3 - Terms for an Enhanced Affiliate

3.1 Definition

An Enhanced Affiliate is an individual who purchases an Enhanced Affiliate Membership and is able to receive Membership pricing along with earning recurring compensation from individuals they refer. Enhanced Affiliates earn 10% from their personal referrals in the same manner as Retail and Coffee Club Affiliates. However, Enhanced Affiliates are entitled to earn an additional 4 levels of commissions beyond their personal referrals. These levels are paid at 5%, 5%, 3%, 2% respectively.

3.2 Pricing

An individual can become an Enhanced Affiliate by purchasing the Enhanced Affiliate Membership Pack for \$129.

3.3 Enhanced Affiliate Membership Pack Contents

Items included in the Enhanced Affiliate Membership Pack:

- 1 bag of Black Bold
- 1 bag of Latte Lover
- 1 bag of Mocha Choco-latte
- 1 bag of Hemp Cafe
- 1 bag of Chai Tea
- 2 samples of Green Tea and Rooibos Tea
- A Culbeans flash drive/USB containing tools and information
- Lifetime Discount Membership

3.4 Staying Active

An Enhanced Affiliate remains active by having a personal monthly order every month of at least \$50 (at their discounted price) or by referring 3 new customers who purchased at least 1 bag each through their replicated website. The order requirement starts the next calendar month after the Enhanced Affiliate Membership Pack is purchased.

Enhanced Affiliates who do not maintain a continual \$50 monthly order will be transitioned to a Coffee Club Affiliate on the 1st of the following month.

3.5 Re-Activating

Enhanced Affiliates who are transitioned to a Coffee Club Affiliate can either choose to remain a Coffee Club Affiliate or they can re-activate by purchasing another Enhanced Affiliate Membership Pack. While transitioned to a Coffee Club Affiliate, commissions will only be earned as a Coffee Club Affiliate and not an Enhanced Affiliate.

Section 4 - Autoships

4.1 Autoship Options

- Affiliates can choose between the dates of the 5th, 15th, or 25th to schedule his or her Auto-ship.
- Enhanced Affiliates who chose to use autoship for their \$50 minimum monthly order to stay active will receive 2 Simple Sampler Credits on the “Verb” Mobile App to share and help promote to prospects.
- Should the Affiliate’s credit card decline, Culbeans will automatically attempt the Auto-ship charge the following business day. Should it decline again, Culbeans will contact the Affiliate via email and/or phone to collect Auto-ship payment.

Section 5 - Change of address, telephone and e-mail addresses:

To ensure timely delivery of products and sales materials, it is important that the Culbeans files are current. Street addresses are required for shipping since USPS cannot deliver to a post office box.

Members planning to change their email address or move must update their profile on the Culbeans website. Culbeans is not responsible if shipments were shipped before the Member made the proper changes. To guarantee proper delivery, two weeks advance notice (updating profile) must be done.

Section 6 - Product, merchandise delivery

At time of purchase, Culbeans will ship product within 2 business days via USPS (other options may be used upon special request).

Once Culbeans has shipped product and Culbeans received a tracking number. Culbeans will update the invoice record on file with the corresponding tracking number so the Member can track their package.

Once shipments have left the Culbeans warehouse, Culbeans will not be responsible for the guaranteed arrival as that will be the sole responsibility of the carrier.

Culbeans is not responsible for lost, stolen or damaged product or merchandise. Should this occur, it is the Members responsibility to contact the shipping company, provide the tracking confirmation number and settle the complaint with the shipping company. It is also the full responsibility of the Member to enter an accurate shipping address in their profile. Should the address be inaccurate, resulting in a lost shipment, Culbeans will not be responsible for the lost product and/or merchandise.

Section 7 - Multiple Business Centers

Cülbeans will not allow any affiliate to sponsor another affiliate at the same address. This would be unfair to the upline sponsor in potentially reducing their commission percentage from 10% (first level) to 5% (second level). If duplicate addresses are found, the member will be notified and required to select the membership to retain going forward. All others will be moved to the upline sponsor.

Section 8 - Refund Policy

Product Refunds are given at a 75% value of wholesale cost. Refunds are only given when product has been returned to warehouse undamaged and unopened. Refunds will be given within 7 business days after the Cülbeans warehouse receives the product.

If a refund is requested on a Membership Pack, the member's position will be transitioned to a Retail Affiliate at the time of refund.

Section 9 - Compensation retrieval on Refunds

Should a Member receive a refund, any and all upline Members that received compensation for that product that has been refunded will have the commissions deleted (if not yet paid) before Compensations are paid for that month..

If commissions have already been paid, the Cülbeans compensation software will deduct the commission amount from the earning Members next compensation period.

Section 10 - Cülbeans, Inc Registered Trademark

The name Cülbeans, the phrase "Drink the Benefits", as well as the "ü" in Cülbeans are registered and trademarked with the U.S. Patent and Trademark office. All "marks" are and shall remain the exclusive property of Cülbeans, Inc.

Unauthorized use of the "marks" is prohibited. Cülbeans, Inc. will not allow the use of its trade names, trademarks, designs, or symbols, or any derivatives of such marks, by any person, including Cülbeans Members, in any unauthorized manner without its prior written permission.

Any Cül Club Member with a domain name or Social Media URL utilizing any of the Company's Marks (i.e. "Cülbeans, "ü", etc.) are subject to the Company's right to request the Members domain name or URL to be transferred to Cülbeans, Inc. or cancelled.

The Member must continue to adhere to all other Cülbeans Terms and Conditions and Advertising guidelines. Members must also include Cülbeans, Inc. on all advertising and social media sites that they are a Member. Testimonials with health/medical claims, income claims or disparaging comments, remarks, etc. will not be allowed. Cülbeans, Inc. reserves the right to take appropriate actions for any violations of this policy.

Section 11 - Media and Media Inquiries

Cülbeans Members may not attempt to respond to media inquiries regarding Cülbeans or its products. All inquiries by any type of media must be immediately referred to Cülbeans, Inc. This policy is designed to assure that accurate and consistent information is provided to the public as well as a proper public image.

Television and Radio Advertising: Cülbeans Members may not advertise on television or radio except with Cülbeans prior written approval.

Section 12 - Indemnification

Cülbeans Members are fully responsible for all of his or her verbal and written statements made regarding Cülbeans products and the compensation plan, which are not expressly contained, in official Cülbeans materials. Members agree to indemnify Cülbeans, Inc. and its directors, officers, employees, and agents, and hold them harmless from any and all liability including judgments, civil penalties, refunds, attorney fees, court costs, or lost business incurred by Cülbeans as a result of the Member unauthorized representations or actions. This provision shall survive the termination of the Member Agreement.

Section 13 - Product and Income Claims

No claims (including personal testimonials) as to therapeutic, curative or beneficial properties of any products offered by Cülbeans may be made by Members, except for those claims contained in official Cülbeans literature.

No Member may make any claim that Cülbeans products are useful in the cure, treatment, diagnosis, mitigation or prevention of any diseases. Such statements can be perceived as medical or drug claims and can potentially violate federal and state laws and regulations.

When a Cülbeans Member is presenting or discussing the Cülbeans opportunity or compensation plan to a prospective Member, the Cülbeans Member may not make income projections, income claims, or disclose his or her Cülbeans income (including the showing of checks, copies of checks, banks statements, tax records or pay card account information)

Section 14 - Trade Shows, Expositions and other sales forums

Cülbeans Members may display and/or sell Cülbeans products at trade shows and professional expositions. To keep the Cülbeans Registered Trademark (including all sales and marketing materials) congruent, a Cülbeans Member must only use the approved official Cülbeans promotional and marketing tools (including banners, flyers, promotional cards, t-shirts, etc.).

The conduct of a Cülbeans Member is vital. All Members must act professional and conduct business with the utmost pride in the Cülbeans brand. A Member may not be rude, loud, obnoxious, unprofessional, use profane language and do or say anything that may potentially

hurt the company brand.

A Cülbeans Member is to reserve their space in their name and as a “Cülbeans Affiliate” and not to represent themselves as the company and/or corporate. The Cülbeans Member is also fully financially responsible for the costs of the trade show, exposition or other sales forums. This includes booth space, electricity, hot water, insurance, any and all expenses that the venue charges.

Section 15 - Independent Contractor status

Cülbeans Members are independent contractors and are not purchasers of a franchise or a business opportunity. The agreement between Cülbeans and its Members does not create an employer/employee relationship, agency, partnership, or joint venture between Cülbeans and the Member. Members shall not be treated as an employee for his or her services or for Federal or State tax purposes. All Members are responsible for paying applicable local, state and federal taxes due from all compensation earned as an independent contractor from Cülbeans. The Member has no authority (expressed or implied), to bind Cülbeans to any obligation. Each Member shall establish his or her own goals, hours, and methods of sale, so long as he or she complies with the terms of the Member Agreement and applicable laws.

Section 16 - Retail Sale

When a Cülbeans Member sells a Cülbeans product for retail profit, that Member is fully responsible for claiming the accurate retail profit income as well as paying the federal and state tax associated with that income.

Section 17 - Minors

A person who is recognized, as a minor in his/her state of residence may not be a Cülbeans Member. Members shall not enroll or recruit minors into the Cülbeans.

Section 18 - Sale, Transfer or Assignment of Membership

Although a Cülbeans Membership is a privately owned, independently operated business, the sale, transfer or assignment of a Cülbeans Membership is subject to certain limitations. If an Affiliate wishes to sell his or her Cülbeans Membership, the following criteria must be met:

- A) The selling Affiliate must be in good standing and not in violation of any of the terms of the Member Agreement in order to be eligible to sell, transfer or assign.
- B) Before the sale, transfer or assignment must be finalized and approved by Cülbeans, any debt obligations the selling Member has with Cülbeans must be satisfied.
- C) The selling Member must receive written approval from the compliance department before proceeding with the sale.

- D) Protection of the existing line of sponsorship must always be maintained.
- E) The buyer must adhere to the Terms and Conditions.

Section 19 - Personal Referrals

All active Cülbeans Members in good standing have the right to personally refer and enroll others into Cülbeans. Each prospective Member has the ultimate right to choose his or her own enroller. If two Members claim to be the personal enroller of the same new Member, Cülbeans shall regard the first registration received by Cülbeans as controlling. The enroller may assist the registrant in filling out the member registration form. However, the registrant must personally review and agree to the online Cülbeans Terms and Conditions.

Inactive Members are Members who haven't purchased in more than 3 years. These Members can change their sponsor upon request and notification to corporate.

Section 20 - Succession

14.1 – Upon the death or incapacitation of a Member, his or her business may be passed to his or her heirs. Appropriate legal documentation must be submitted to Cülbeans to ensure the transfer is proper. Whenever a Cülbeans Member business is transferred by a will or other testamentary process, the beneficiary acquires the right to collect all compensation of the deceased Members marketing organization provided the following qualifications are met. The successor(s) must:

- A) Execute a Member Agreement
- B) Comply with terms and provisions of the Member Agreement
- C) Abide by the terms of an “Active” Member to maintain its Active Status

Compensation of the Cülbeans Member business transferred pursuant to this section will require the heirs to register a new bank account for direct deposits. If the business is bequeathed to joint devisees, they must form a business entity and acquire a federal taxpayer identification number. Cülbeans will issue all compensation and one 1099 to the business entity.

Section 21 - Transfer upon death of a Member

To effect a testamentary transfer of a Culbeans Member business, the executor of the estate of the deceased Member must provide the following to Culbeans:

- A) An original death certificate.
- B) Certified copy of the letters testamentary or a letter of administration appointing the executor.
- C) Written instructions from the duly appointed executor to Culbeans specifying to whom the business and income should be transferred.

Section 22 - Involuntary and voluntary cancellation

22.1 Involuntary cancellation

A Member in violation of any of the terms of this Agreement, including any amendments that may be made by Culbeans in its sole discretion, may result in the involuntary cancellation of his or her Member Agreement. Cancellation shall be effective on the date of which written notice is mailed, emailed, faxed or delivered express courier, to the Member's last known address (email or fax), or to his or her attorney, or when the Member receives actual notice of the cancellation, whichever occurs first. Culbeans has the right to terminate all Member Agreements upon thirty (30) days written notice in the event that it elects to:

- A) cease business operations;
- B) dissolve as a corporate entity; or
- C) terminate distribution of its product via Affiliate program.

22.2 Voluntary cancellation

A participant in Culbeans whether as a Member or Affiliate has the right to cancel at any time, regardless of reason. Cancellation must be submitted via e-mail or in writing to Culbeans at its principal business address. The written notice must include the Member or Affiliate's printed name, signature, address and phone number.