



MEMO

To: New Jersey Affiliate (“Resident”)
From: Total Gym Fitness, LLC (“Retailer”)
Re: Collection of Sales Tax in New Jersey

The Tax Laws in the State of New Jersey require the collection of sales tax by certain out-of-state Retailers selling to New Jersey residents. The law enacted by the State of New Jersey, P.L.1966, c.30 (C.54:32B-1 et seq.), provides these Retailers create a nexus to New Jersey thereby giving New Jersey the right to collect and remit sales tax in the state.

According to the law, a Retailer is presumed to be soliciting business through an independent contractor or other representative if the person making sales:

- enters into an agreement with an independent contractor having physical presence in this State or other representative having physical presence in this State, for a commission or other consideration, under which the independent contractor or representative directly or indirectly refers potential customers, whether by a link on an internet website or otherwise, and
- the cumulative gross receipts from sales to customers in this State who were referred by all independent contractors or representatives that have this type of an agreement with the person making sales are in excess of \$10,000 during the preceding four quarterly periods ending on the last day of March, June, September, and December.

This presumption may be rebutted by proof that the independent contractor or representative with whom the person making sales has an agreement did not engage in any solicitation in the State on behalf of the person that would satisfy the nexus requirements of the United States Constitution during the four quarterly periods in question.

Resident hereby certifies that it will not engage in any solicitation activities in the State of New Jersey, and Resident will certify annually, under penalty of perjury, that it has not engaged in any prohibited solicitation activities on Retailer’s behalf in New Jersey at any time during the previous year. For the avoidance of doubt, Resident will continue to maintain Internet links to Retailer’s website in exchange for commissions on sales generated through such links.

This Memo is intended to represent an agreement between Resident and Retailer satisfying the compliance provisions set forth in the amended law. Resident has been afforded the opportunity to consult with an attorney prior to signing below.

Agreed to by: _____
(Print Name of Resident)

By: _____
Name:
Title:

Dated: _____

Address: _____
