



**MEMO**

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

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The Tax Laws in the State of New York require the collection of sales tax by certain out-of-state Sellers selling to New York residents. The law enacted by the State of New York, N.Y. Tax Law § 1101(b)(8)(vi), provides these Sellers create a nexus to New York thereby giving New York the right to collect and remit sales tax in the state.

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

- enters into an agreement with a resident of this state under which the resident, for a commission or other consideration, directly or indirectly refers potential customers, whether by a link on an internet website or otherwise, to the seller, and
- if the cumulative gross receipts from sales by the seller to customers in the state who are referred to the seller by all residents with this type of an agreement with the seller is in excess of \$10,000 during the preceding four quarterly periods ending on the last day of February, May, August, and November.

This presumption may be rebutted by proof that the Resident with whom the Seller has an agreement did not engage in any solicitation in the state on behalf of the Seller that would satisfy the nexus requirement of the United States constitution during the four (4) quarterly periods in question.

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

This Memo is intended to represent an agreement between Resident and Seller 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: \_\_\_\_\_  
\_\_\_\_\_