



**MEMO**

**To:** Vermont Affiliate (“Resident”)  
**From:** Total Gym Fitness, LLC (“Person” or “Vendor”)  
**Re:** Collection of Sales Tax in Vermont

---

Effective October 13, 2015, the State of Vermont amended the Tax Law to require the collection of sales tax by certain out-of-state Persons selling to Vermont residents. The new law enacted by the State of Vermont (32 V.S.A. §9701) provides these Vendors create a nexus to Vermont thereby giving Vermont the right to collect and remit sales tax in the state.

According to the new law, a Vendor is presumed to have an independent contractor, agent, or other representative operating in Vermont for the purpose of making sales and is presumed to have a substantial nexus with the state if:

- the person enters into an agreement with a Vermont resident under which the resident, for a commission or other consideration, directly or indirectly refers potential customers by a link on an Internet website or any other means to the person; and
- the person's cumulative gross receipts from sales made by the person to customers in Vermont who are referred to the person by all residents with this type of an agreement with the person exceed \$10,000 during the preceding tax year.

The presumption may be rebutted by proof that the Resident with whom the Person 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 tax year in question.

Resident hereby certifies, that effective December 1, 2015, it will not engage in any solicitation activities in the State of Vermont, and Resident will certify annually, under penalty of perjury, that it has not engaged in any prohibited solicitation activities on Person’s behalf in Vermont at any time during the previous year. For the avoidance of doubt, Resident will continue to maintain Internet links to Person’s website in exchange for commissions on sales generated through such links.

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