



MEMO

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

Effective July 2013, the Missouri House of Representatives (“MHR”) passed a Tax Law to require the collection of sales tax by certain out-of-state vendors selling to Missouri residents. The new law enacted by the MHR provides these retailers create a “nexus” to Missouri thereby giving Missouri the right to collect and remit sales tax in the state.

According to the new law, a presumption would be created that a Vendor engages in business activities within this state if person with a substantial nexus with Missouri performs certain activities in relation to the Vendor within this state. A second presumption would be created that a Vendor engages in business activities within the state if the Vendor enters into an agreement with a resident of Missouri to refer customers to the Vendor and the sales generated by the agreement exceed \$10,000 in the preceding 12 months.

A Vendor may rebut the presumptions by showing that the person’s activities are not significantly associated with the vendor’s ability to maintain a market in Missouri, or secondly, that the Missouri resident did not engage in activity within Missouri that was significantly associated with the vendor’s market in Missouri in the preceding 12 months.

Resident hereby certifies law, that effective August 1, 2013, it will not engage in any solicitation activities in the State of Missouri, including but not limited to, distributing flyers, coupons, vouchers, newsletters and other promotional materials or their electronic equivalents; verbal solicitation, phone solicitation and e-mail solicitation, and Resident will certify annually, under penalty of perjury, that it has not engaged in any prohibited solicitation activities on Vendor’s behalf in the State of Missouri at any time during the previous year. For the avoidance of doubt, Resident will continue to maintain Internet links to Vendor’s website in exchange for commissions on sales generated through such links.

This Memo is intended to represent an agreement between Resident and Vendor satisfying the compliance provisions set forth in the 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: _____
