

READYSETSHOW RIDER AGREEMENT

Company: TLZ Distributors, 346 Dabney Drive, Henderson NC 27536.

This ReadySetShow Rider Agreement (“Agreement”) is between the above-identified Company and the individual (“Rider”) identified on the last page of this Agreement. Other capitalized terms used herein (for example, “Rainbow System,” “Qualified Home,” and “Qualified Sale”) have the meanings set forth in Section 5 below. The parties agree:

PREAMBLE: Rider Has Purchased a Rainbow System. Individually or jointly with his spouse or significant other, Rider has purchased a Rainbow System from the Company, which purchase is unaffected by, unrelated to, and in no way conditioned upon Rider’s receipt of any money or anything of any value under this Agreement. Rider’s prior purchase of a Rainbow System is evidenced by a separate Retail Installment Sales Contract, bill of sale, and/or other document. Regardless of whether Rider ever earns or receives any money or anything of any value under this Agreement, Rider must fully pay for the Rainbow System he purchased from the Company in accordance with the terms of such purchase. Rider represents and confirms that he was not in any way induced or led to purchase his Rainbow System by the possibility that he might hereafter receive any money or anything of value under this Agreement. But for this essential representation by Rider, the Company would not have entered into this Agreement.

1. **Potential Payment of First Commission to Rider.** The Company will pay a First Commission of \$1,500.00 to Rider if, no later than the 180th Day, Rider books and attends the performance of at least 12 separate completed Qualified Shows, which Qualified Shows resulted in at least 2 Qualified Sales by the 180th Day. The Company will pay such Commission within 45 days after it has verified Rider’s entitlement to it.

2. **Potential Payment of Second Commission to Rider.** If Rider is entitled to receive a First Commission under Section 1 above, Rider will also be entitled to and will receive a Second Commission of \$1,499.00 if, and only if, the first 6 Qualified Shows booked and attended by Rider were completed no later than the 45th Day. The completion of 6 Qualified Shows by the 45th Day will not itself entitle Rider to receive a Second Commission. Rider will be entitled to a Second Commission only if Rider also earns the First Commission. Any Second Commission will be paid with payment of the First.

3. **Accessories.** If (in accordance with Section 4 below) Rider books three qualifying appointments within 7 days after purchasing his Rainbow System, then Rider will receive, at Rider’s option, either (a) a Rainmate, (b) an AirCare2Go, or (c) a Rainbowmate. If by the 180th Day Rider books and attends 6 completed Qualified Shows, then Rider will receive, at Rider’s option, (a) either an AquaMate or a Rainjet Complete, and (b) either a Minijet or a Rainbowmate. As described in Section 7 below, Rider may acquire other accessories and supplies using “Rainbow Dollars” earned hereunder.

4. **Booking Appointments; Rescheduled Appointments.** The booking of appointments by Rider will allow the Company to assign an experienced sales rep to perform the Qualified Shows (which Rider must attend). Rider shall book appointments through an online app designated by the Company (the “App”). When registering to use the App, Rider shall establish a UserID consisting of Rider’s first and last names. Appointments booked by Rider through the App will automatically appear as such in the Company’s records. Appointments booked through the Company’s office do not count. It may on occasion be necessary to reschedule a booked appointment. If Rider reschedules, he will do so through the App. If the Company reschedules, the Show which would have resulted from the appointment will be regarded as a Qualified Show which actually occurred on the originally scheduled date, providing that (a) the Show would have been made to Qualified Buyers in a Qualified Home, and (b) the number of appointments rescheduled by Rider does not then equal the number of appointments rescheduled by the Company. If in such circumstances the rescheduled appointment does result in a Qualified Show, Rider will not however be credited with a second such Show. It is Rider’s responsibility to ensure that all booked appointments will be for Qualified Shows; for each appointment booked by Rider, the Company may take reasonable measures to satisfy itself that such will be and was the case.

5. **Definitions.** For purposes of this Agreement, the following terms have the following meanings.

- “Rainbow System” refers to the Rainbow home cleaning system and the Power Nozzle accessory thereto.
- “Show” refers to a complete in-home presentation of a Rainbow System, as well as all the optional accessories, including the AquaMate, the Rainbowmate, the Rainmate, and the Rainjet Complete.
- “Qualified Show” refers to a Show made to Qualified Buyers in a Qualified Home (both as defined below).
- “Qualified Buyers” refers to exactly two persons who meet all of the following criteria (for which documentary evidence may be required): (a) Individually or together, they own the Qualified Home (defined below) in which the entire Show is performed. (b) Both of them are 21-65 years of age. (c) They are married or cohabiting together in a committed relationship with one another. (d) Both of them personally view the entire Show and courteously participate therein. (e) At least one of them is lawfully employed on a full-time basis (or otherwise possesses sufficient lawful regular income that full-time employment is not needed to meet the costs of living), or both are comfortably

retired. (f) They are both U.S. citizens possessing valid Social Security Numbers. (g) They speak, fully understand, and regularly communicate with other persons in the language in which the Show is made. (h) At least one of them is a family member or personal friend of Rider. (i) Neither of them has personally witnessed a Show in the immediately preceding 5 years, or owns a Rainbow vacuum cleaner that is not at least 5 years old.

- A “Qualified Home” is a home which meets all of the following criteria. (a) The Qualified Buyers reside in it. (b) It is a single-family home; it is not an apartment, condominium, cooperative unit, recreational vehicle, duplex, townhome, part of a multi-family complex, or anything other than a single family home. (A mobile home will be regarded as a single-family home provided that it is physically located and supplied with utilities on real property owned by one or more of the Buyers). (c) It is fully furnished, well-maintained, in very good condition, and equipped with all regular utilities. (d) It is not currently in the process of being reconstructed or remodeled. (e) It is geographically located no more than 90 miles from Henderson, North Carolina. (f) It is no more than a two-hour drive, under ordinary driving conditions, from Henderson, North Carolina. For a home located outside the geographical and/or time limitations of (e) and (f), the Company may in the exercise of its discretion elect to treat such home as a Qualified Home.
- The “Effective Date” of this Agreement is the date on which it has been signed by both parties.
- The “180th Day” refers to the date which is 180 calendar days after the Effective Date.
- The “45th Day” refers to the date which is 45 calendar days after the Effective Date.
- “Commission” refers to a payment by the Company to or for the benefit of Rider, in the amount(s) previously stated, pursuant to and in accordance with the terms of this Agreement.
- “Qualified Sale” refers to the sale of a Rainbow System to one or both of the Qualified Buyers, following a Qualified Show, if and only if (a) the buyer pays for the Rainbow System in cash, by check, or by credit card and pays at least \$2,999.00, or (b) should the transaction be a credit sale in which a finance company purchases the buyer’s Retail Installment Sale Contract, the Company actually receives payment from the finance company in an amount equal to or exceeding 90% of the amount financed, and the buyer timely makes at least the first required installment payment; unless both such conditions are met, a financed sale is not a Qualified Sale. Notwithstanding the foregoing, a Show which actually results in the sale of a Rainbow System is deemed to constitute one made to Qualified Buyers in a Qualified Home (and hence to yield a Qualified Sale), regardless of whether the foregoing definitions of such terms were met, if either (a) or (b) above is satisfied. For example, if a Show to a Buyer residing in a condominium results in a cash sale of a Rainbow System, such would constitute a Qualified Sale even though the Buyer does not live in a single family home. Note: no more than 3 such otherwise unqualified Shows will be deemed to be Qualified Shows.

6. **Payment of Commission(s).** Rider purchased a Rainbow System from the Company. If Rider paid by cash, personal check, or credit card, any Commission owed to Rider will be paid directly to him by a Company check. If Rider financed the purchase of his Rainbow System, any Commission owed to Rider will be provided by the Company directly to the applicable finance company, to be credited to Rider’s account in accordance with a separate arrangement between the Company and the finance company. Notwithstanding anything in this Agreement to the contrary, a Rider who financed his purchase from the Company of a Rainbow System will not be entitled to and will not receive any Commission hereunder unless (a) the Company has received payment from the finance company, and (b) Rider has made at least the first installment payment required by his Retail Installment Contract. If the sales tax owed by Rider on his purchase of a Rainbow System was financed, the amount of such sales tax will be deducted from the Commission that would otherwise have been paid to Rider; the duty to pay such sales tax is solely that of Rider. To receive a Commission Rider must first complete a W-9 tax form.

7. **Rainbow Dollars.** The Company will credit Rider with having earned “Rainbow Dollars,” as follows: (a) for each Qualified Show commencing at approximately 10:00 a.m. or 2:00 p.m. (Monday-Friday) which is booked and attended by Rider no later than the 180th Day, Rider will receive \$25 in Rainbow Dollars; and (b) for each Qualified Sale resulting from Qualified Shows booked and attended by Rider, after the first two such Qualified Sales, Rider will receive \$100 in Rainbow Dollars. Rainbow Dollars have no cash value and may solely be redeemed and exchanged for the following items (subject to availability): a strainer (\$25 Rainbow Dollars); a fragrance pack (\$30 Rainbow Dollars); a luxury pack (\$30); a Fresh Air bottle (\$30); a jumbo floor & wall brush (\$50); an AirCare2Go (\$100); a Minijet (\$200); a Rainmate (\$150); a Rainbowmate (\$200); a 14-foot extended hose (\$250); a Rainjet Complete (\$300); and an Aquamate (\$400). Rainbow Dollars expire after 6 months.

8. **Rider’s Workplace Is the Home.** Rider’s principal task hereunder consists of attending in-home presentations of Rainbow Systems at Qualified Homes. To the extent Rider is regarded as having a “workplace” hereunder, Rider’s “workplace” consists of the homes in which Rider attends such presentations; the Company’s place of business does not constitute Rider’s workplace. The Company will not provide Rider with an office or with any office equipment, secretarial assistance, a phone, a vehicle, or a personalized email account.

9. **Rider Determines His Own Schedule.** Rider solely determines the amount of time he devotes to the work of booking appointments, travelling to Qualified Homes, and attending Shows. Rider need not devote any specific or minimum

amount of time each day, week, or month to such tasks. No penalty will be imposed on Rider for choosing not to devote any time to such tasks on any given day or during any given week or month.

10. **Rider's Independent Contractor Status.** Rider is an independent contractor; Rider is not an employee, agent, or representative of the Company. Rider is not guaranteed of receiving any compensation or of realizing a profit hereunder.

11. **Consequences of Rider's Independent Contractor Status.** Because Rider is an independent contractor and not an employee, the Company will not withhold any federal or state income or other taxes on Rider's behalf. The Company will not provide Rider with any bonuses, paid vacation, sick pay, medical benefits, dental benefits, or any other kind of benefits. If Rider earns any Commission, the Company at year end will provide Rider with a federal IRS 1099 Form. Rider is solely responsible for reporting, to the applicable federal and state tax authorities, all compensation received by him from the Company hereunder, as self-employment income. Rider will provide his own transportation and pay all incidental expenses, including but not limited to taxes, license fees, gasoline, car repairs and maintenance, cell phone charges, text messaging charges, auto liability insurance, and any other expenses incurred in connection with Shows of Rainbow Systems and travelling to Qualified Homes at which Shows are made. Because Rider is an independent contractor and not an employee, the Company has not obtained and will not obtain workers' compensation insurance or any other kind of insurance on Rider's behalf or for his benefit; Rider must directly obtain whatever insurance Rider wishes to have.

12. **No Oral Agreements.** As of the Effective Date, this Agreement constitutes the sole contract between the parties with respect to the subject matter to which it pertains. It supersedes any and all previous discussions, understandings, promises, and agreements between the parties as to such subject matter. Such Agreement between the parties is entirely written; it does not include any oral promises, representations, or terms. To be effective, any modification of this Agreement must be written and signed by both parties.

13. **Miscellaneous.** This Agreement is governed by and construed according to the laws (excluding conflict of laws principles) of the State of North Carolina. All provisions of this Agreement which, by their express or implied terms, are intended to survive the termination of this Agreement, shall do so. No waiver by either party of any provision in this Agreement shall constitute a waiver of the performance of any other provision. As used herein, references to "he" and "his" and "him" are deemed to be references to "she" and "hers" and "her" should Rider be female. A digitally reproduced copy of this Agreement shall be deemed equivalent to the signed original.

By: _____
(Rider's signature)

By: _____
(Signature for the Company)

(Rider's printed name)

(Printed name of Signer)

(Date)

(Date)

Rider's Home Address, Phone Number, Email Address:

45th Day: _____ **180th Day:** _____