

# Pure Romance Consultant Agreement

## CONSULTANT AGREEMENT

This Agreement ("Agreement") is entered into between Pure Romance, LLC, a Delaware limited liability company, with a business office at 655 Plum Street: Cincinnati, Ohio: 45202 ("Company") and the prospective Contractor filling out this online form.

### Agreement Background

1. The Company has designed and developed a program (the "program") for the sale of personal entertainment goods through home parties, which has become well known, and established a reputation for quality. As a part of this program, the Company provides training, services, materials, and goods, including certain goods and materials bearing the Company's PURE ROMANCE™ trademark or its PURE ROMANCE™ service mark and certain copyrighted materials for use in the businesses of individuals interested in owning a business that promotes and sells goods provided by the Company.

2. The Contractor (also referred herein as "Consultant") desires to own and operate a business that will sell goods purchased by the Contractor from the Company. As an express condition to becoming a Contractor, Contractor must enter into this Agreement.

### Agreement Provisions

In view of the foregoing background and of the following obligations, the Contractor and the Company agree:

1. Relationship. The Contractor is a self-employed individual and Independent Contractor, and not an employee of the Company, in the business of selling merchandise purchased from the Company. This is a non-exclusive arrangement and Contractor is free to operate other businesses subject to Section 12 below. The Contractor is not a corporation, limited liability company, or other form of entity. The Contractor is the sole owner of her business. The Company is a supplier of merchandise for the Contractor's retail sales business. There is no partnership, joint venture, or franchise business conducted together by the Company and the Contractor. This Agreement is not intended to create and does not create any agency relationship. The Contractor and the Company do not have any authority to act for the other or to undertake, incur, and will not undertake or incur, any obligations or debts binding upon the other. Contractor will not participate in any employee benefit program offered now or in the future by the Company. Contractor will not represent to any third party that Contractor is an employee of the Company. The Contractor acknowledges that she has investigated, to her full satisfaction, all aspects of the program, the business and the merchandise to be sold and is not in any way relying on any representations or warranties of the Company in entering into this Agreement. Specifically, the Company has made no representations, directly or indirectly, about retail outlets, account locations, the ability to earn a gross or net profit in excess of any payments made for merchandise, the existence of any market for the goods, that the Company has knowledge about the Contractor's relevant market, that the Company will supply to the Contractor names of locator companies or provide assistance with or supply names of or collect a fee on behalf of or

for a locator company or that any buy-back arrangement exists. Contractor is a direct salesperson as defined in Section 650 of the California Unemployment Insurance Code.

2. Laws and Taxes. The Contractor will observe all laws and regulations and will meet all standards set by any federal, state, local, or other governmental authority or entity regulating or pertaining to the business of the Contractor. As an Independent Contractor, Contractor is liable for all Social Security, Medicare, and other self-employment taxes, all income taxes, and other returns required by any local, state, or federal tax authority for the Contractor's business. When required or advisable due to override awards, sponsor awards, product awards, prizes or gifts, the Company may issue appropriate tax forms, including federal Form 1099 to the Contractor, reporting these to tax authorities as income to the Contractor. Contractor agrees to indemnify and hold harmless the Company for any taxes or penalties due and owing by Contractor as a result of Contractor's promotion and sale of the Company's merchandise.

3. Promotion and Sales. The Contractor will use her best efforts to learn the Company's merchandise and to promote and sell the Company's merchandise solely through home parties. The Contractor will display and promote the Company's merchandise tastefully and honestly and in accordance with the Company's policies and procedures, as they exist from time to time, including but not limited to the Incentive Requirements Guide. The Contractor will maintain the highest standards of integrity, honesty, professionalism, and responsibility in promoting and selling the Company's merchandise. The Company will make available to the Contractor non-mandatory training programs to educate the Contractor regarding the Company's products and recommended sales techniques and will provide promotional materials, forms, and sales aids to the Contractor which Contractor may choose to purchase and use at her discretion. The Company will provide to the Contractor all of its lines of merchandise, but the Company will not have any liability and the Contractor hereby waives any claim against the Company for lack of availability of any particular product due to uneven demand, inability to obtain a product from its manufacturer or Consultant, or any other condition beyond the control of the Company. While Contractor is free to engage in other direct sales/multi-level marketing businesses subject to Section 12 below, the Contractor will only display, promote, and sell merchandise distributed by the Company at home parties at which PURE ROMANCE™ merchandise is displayed, promoted, or sold. The Contractor will not sell, market, promote or display the

merchandise of any other companies through her PURE ROMANCE™ business. Contractor will not sell, market, or promote merchandise sold by the Company on any web site not specifically authorized by the Company, including without limitation, E- Bay or any similar site. Contractor agrees to the liquidated damages provision set forth in paragraph 13 if Contractor sells, markets, advertises for sale, or promotes the merchandise sold by the Company on any web site not approved by the Company, including but not limited to, E-Bay or any similar site. The Contractor will display, promote, and sell the Company's merchandise in accordance with all policies and procedures set forth in the Company's products, on a nonexclusive basis throughout the United States. Contractor is free to set the prices she charges for merchandise. Contractor is free to set her own hours. Contractor shall be solely responsible for determining the method, details and means of promoting and selling merchandise and shall use her own equipment and supplies in doing so.

4. Liability and Indemnification. The Contractor will defend, hold harmless, and indemnify the Company from any claim or liability for any misrepresentation, act or omission by the Contractor or any negligence, misconduct or intentional act of the Contractor in promoting or selling the Company's goods.

5. Trademarks and Advertising. The Company owns certain trademark and trade name rights to its PURE ROMANCE™ trademarks and its PURE ROMANCE™ service marks (collectively, the "Marks") and to its PURE ROMANCE™ trade name. The Contractor will use the Marks, in connection with all home parties and sales of PURE ROMANCE™ merchandise, but only in accordance with the standards and procedures set forth in the Company's Online Consultant Guide. The Contractor will not use any other trademarks or trade names in connection with the Contractor's PURE ROMANCE business. The Contractor will not use Marks in connection with any other business of the Contractor. During the term of this Agreement, Contractor shall be given the limited and nonexclusive permission to use the format "PURE ROMANCE by

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[insert first, given, or nickname]" in local telephone directory and yellowpage listings. Except for this limited permission for use in local telephone directories, the Contractor will use the Marks in advertising only after the Company has approved the advertising in writing. The Contractor will promptly notify the Company in writing of any third-party use of the Marks or trade name, of any equivalent or variation of them, or of any similar mark or name. The limited permissions granted in this section 5 shall terminate immediately upon the termination of the consultant- retail dealer relationship provided for by this Agreement.

6. Confidential Materials, Trade Secrets, and Copyrights. The Contractor will have access to proprietary and confidential information of the Company, including but not limited to trade secrets, information, material, or databases concerning or related to services, products, sales, financial information (including product costs, sales revenue, and consultant compensation), or general business operations of the Company, its clients, "know-how," formulae, computer programs, secret processes, training materials, inventions and confidential business information such as cost data, profit margins, market plans, sales strategies, customer preferences and needs, employee salaries, employee capabilities, that is not available to the public, and any other information, materials, documents, or data that would be reasonably understood to be confidential and/or proprietary information and/or trade secrets (collectively, "Confidential Information"). The Incentive Requirements Guide is the property of the Company and contains Confidential Information. The Company may also publish other materials from time to time, including materials describing incentive programs and contests that contain Confidential Information. The Company will provide access to the Incentive Requirements Guide and the Company's Confidential Information for the Contractor's use only during the relationship

governed by, and the permissions granted by, this Agreement. The Contractor will not disclose or reveal the contents of the Incentive Requirements Guide and other materials that contain Confidential Information to anyone, will not discuss the contents of Confidential Information with anyone other than the Company, other Contractors, or the Contractor's lawyer (and will only disclose and discuss Confidential Information with a lawyer engaged to provide legal advice with regard to her business or because of a conflict or disagreement with the Company). The Contractor will not copy any Confidential Information. The Contractor will return all of the Confidential Information to the Company promptly upon the termination, for any reason, of the relationship provided for by this Agreement. The Contractor will promptly notify the Company in writing of any third- party use of the Confidential Information, including making or using copies of any Confidential Information, using extracts from any Confidential Information, or otherwise infringing any of the Marks.

Pursuant to 18 USC § 1833(b), an individual may not be held criminally or civilly liable under any federal or state trade secret law for disclosure of a trade secret: (i) made in confidence to a government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law; and/or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Additionally, an individual suing an employer for retaliation based on the reporting of a suspected violation of law may disclose a trade secret to his or her attorney and use the trade secret information in the court proceeding, so long as any document containing the trade secret is filed under seal and the individual does not disclose the trade secret except pursuant to court order.

7. Sales and Payment. The Contractor will conduct all sales to customers and payment to the Company in accordance with the policies and procedures in the Online Consultant Guide.

8. Incentives. The Company will provide certain sales and sponsoring performance incentives to the Contractor in the form of programs and contest opportunities for discounts from the purchase price for the Company's merchandise, override awards, sponsor awards, product awards, and prizes, all in accordance with the policies and procedures set forth in the Incentive Requirements Guide, newsletter, incentive program announcements, and contest announcements. The Contractor will not be entitled to payment for any discounts, override awards, sponsor awards, or prizes earned or accrued after the termination of Contractor's relationship with the Company.

9. Customer Information and Right of Publicity. The Contractor will not disclose the name or communications or contact information (including, but not limited to, addresses, telephone numbers, and e-mail addresses) of PURE ROMANCE™ customers to anyone except the Company. Such customer information is Confidential Information and property of the Company. The Contractor will at all times comply with the Company's Privacy Policies and the Terms of Use of any website operated by or for the Company and accessed by the Contractor. The Contractor also will comply with all applicable laws, rules and regulations relating to the Contractor's gathering, use, disclosure and security of all customer information. The Company may disclose the Contractor's name and her PURE ROMANCE™ business telephone number to potential customers and potential new contractors. The Company may use the Contractor's name and photograph and quotes from the Contractor about PURE ROMANCE™ merchandise and the Company's PURE ROMANCE™ business in the Company's newsletter, in promotional materials, and in similar materials.

10. Incentive Requirements Guide. The Contractor will act in accordance with the Incentive Requirements Guide, as revised from time to time by the Company.

11. Duration, Termination, and Surviving Provisions. This Agreement will be effective on the date signed (by any of the methods described in Section 17 below) by the Contractor below. Either party may terminate the relationship and the permissions granted in this Agreement for any reason upon five (5) days written notice, provided that paragraphs 2, 3, 5, 6, 9, 12, and 13 of this Agreement will survive the termination of the relationship and the permissions. Notwithstanding the foregoing, either party may terminate this Agreement immediately upon written notice for any material breach of the Agreement. This Agreement will be terminated, immediately and automatically, without notice, if the Contractor fails to purchase the minimum amounts of merchandise set forth in the then current Incentive Requirements Guide.

12. Competition Restriction. Contractor is the Company's primary and often sole contact with the customers that interact with Contractor and Contractor has knowledge and access to the Company's Confidential Information. Therefore, as a condition of entering into this Agreement and to protect the Company's legitimate business interests, the Contractor will not, during the relationship provided by this Agreement and for a period of one year from the termination of the relationship for any reason, within any County in which the Contractor has at any time displayed, promoted, or sold PURE ROMANCE™ merchandise (1) engage in a business similar to the Company's business, including owning, operating, organizing, managing, directly, supervising, consulting with, or otherwise working for or being employed by such a business; (2) solicit any employee or Contractor of the Company to become an employee, sales representative, dealer, Consultant, or contractor for the Contractor for a business similar to the Company's business; or (3) solicit any customers of the PURE ROMANCE™ network of contractors or any person who is or was a customer of the Contractor during the Contractor's relationship with the Company to purchase merchandise similar to the Company's merchandise from the Contractor or a business other than the Company. If the Contractor breaches this provision, then in addition to any legal or equitable actions available to the Company, the one-year noncompetition period will be tolled for the duration of the breach so that the Company obtains the benefit of this provision for a noncompetition period of one year. After the termination of the relationship, the Company will attempt to service the

PURE ROMANCE™ customers of the Contractor with another contractor.

13. Legal Actions, Remedies, and Liquidated Damages. Contractor acknowledges that a breach

of the restrictive covenants contained in this Agreement will cause irreparable harm to the Company for which there is no adequate remedy at law, and shall entitle the Company to immediately terminate this Agreement and to seek injunctive relief to prevent any continuing breach by Contractor, as well as any other appropriate legal or equitable remedies, without being required to post bond or other security of any character, and without having to prove or otherwise establish the inadequacy of available remedies at law for the breach or threatened breach hereof. If the Company files a legal action to enforce any of the

Contractor's obligations or the Company's rights set forth in this Agreement, then the Contractor will pay the Company's reasonable attorneys' fees, court costs, and legal expenses. Because monetary damages are difficult to determine for the breach of the obligations in paragraphs 3, 5, 6, 9, or 12, the Contractor consents to any preliminary and permanent injunctive relief, including temporary restraining orders that may be necessary to enforce these obligations. Furthermore, Contractor agrees that if Contractor violates the provisions of paragraphs 3 relative to the sale, marketing, and advertising for sale, or promoting of products on any web site not authorized by the Company, including E-Bay, then Contractor shall pay a liquidated amount of \$5,000 per violation. Company shall continue to have all equitable rights and remedies that may be available to it for a violation of the foregoing prohibitions.

14. Assignment. This Agreement is personal to the Contractor and the Contractor may not assign or otherwise transfer any right, interest, or obligation of the Contractor under this Agreement, in whole or in part, in any manner. The Company will have the right to assign or transfer all rights in its PURE ROMANCE™ trademarks, service marks, and trade name and to assign or transfer any interest of the Company in the Marks and Confidential Information. The Company will have the right to assign or transfer any or all rights, interests, and obligations of the Company arising from this Agreement. This Agreement is binding upon, and will inure to the benefit of, the Company and the Contractor, their legal representatives, and their successors in interest.

15. Amendment, Waiver, and Applicable Law. This Agreement constitutes the entire understanding of the Company and the Contractor concerning the subject matter of this Agreement and supersedes any prior oral or written and any contemporaneous oral agreements, understandings, promises, or representations. This Agreement may be amended only by an agreement in writing signed by the Company and the Contractor. No waiver of any obligation or provision in this Agreement will constitute a waiver of any other obligation or provision and no waiver of a breach of any obligation or provision will constitute a waiver of another breach of the same obligation or provision. This Agreement, including its interpretation and jurisdiction for enforcement, will be governed by the laws of the State of Ohio, and both Company and Contractor agree to exclusive jurisdiction and venue in Hamilton County, Ohio. If any provision or part of a provision of this Agreement is held unenforceable, the remaining provision will remain enforceable and any court of competent jurisdiction may reform this Agreement to accomplish the intent of the parties.

16. REASONABLENESS OF RESTRICTIONS ON COMPETITION. CONTRACTOR HEREBY ACKNOWLEDGES AND AGREES THAT THE COVENANTS CONTAINED IN THIS AGREEMENT (including but not limited to sections 2, 3, 5, 6, 9, 12, and 14) ARE FAIR, REASONABLE AND NECESSARY AS CONSIDERATION FOR THE COMPANY'S EXTENSION OF THE VALUABLE TRADEMARK RIGHTS, BUSINESS METHODS, COMPENSATION AND BENEFITS AND IN ORDER TO PROTECT THE COMPANY'S TRADE SECRETS, OTHER CONFIDENTIAL INFORMATION, AND TO PROTECT ITS LEGITIMATE BUSINESS INTERESTS.

17. Signatures. Contractor and Company agree that this Agreement can be accepted by any of the following methods:

(a) by electronic transmission of the "I Agree" displayed on the internet web site of the Company; (b) facsimile transmission of the signed Agreement and that such will be adequate to bind the Company and Contractor; (c) by original signature. In addition, this Agreement shall be deemed signed and accepted by Contractor or Company upon delivery of merchandise by Company to Contractor. Company shall return a copy of the signed Agreement to Contractor upon request.

#### 18. Duty to Comply with Code of Conduct

Pure Romance has grown into a leading force as a result of an unwavering commitment to building a respected image within the industry and among customers. This has been obtained through the actions of the Corporate Office as well as every Consultant representing the company. All Pure Romance Consultants are expected to follow the Pure Romance Code of Conduct:

- Consultants dress in professional business attire for all Corporately- sponsored events, unless casual attire is specified. Dress is tasteful and appropriate even when casual in nature.
- Consultants use appropriate language at all times and avoid slang, derogatory and/or profane terms.
- Consultants respect others' personal space and avoid inappropriate body contact.
- Pure Romance Consultants accept that each person is entitled to their own opinion and views. Consultants do not speak negatively about another Consultant or make that individual feel uncomfortable when their approach differs from their own.
- When consuming alcohol at any Corporately-sponsored event or trips, Consultants are fully responsible for their actions and must know their limits.
- Consultants maintain and share a positive attitude.
- Consultants treat other Pure Romance Consultants and members of the Corporate Office staff with the utmost respect and professionalism.
- Consultants follow Pure Romance's general Marketing policies and procedures.
- Consultants provide honest information regarding price, delivery, usage suggestions, quality and order processing.
- Consultants are fair and ethical in dealing with all business transactions and situations. Consultants handle monies responsibly and fulfill orders in a timely fashion in accordance with the policies set forth in the Consultant Guide and on the Consultant Agreement.
- Consultants respect each customer's privacy and provide confidential order processing.
- A Consultant never encourages a Hostess, customer or new Consultant to stop doing business with another Pure Romance Consultant.
- Consultants refrain from deceptive or unethical sponsoring practices.
- Consultants do not approach, directly or indirectly, other Pure Romance Consultants with thoughts of transferring to another Party Plan or Direct Sales company. Such steps will result in immediate termination of this Agreement.