

Purifan Independent Business Owner Agreement

Name of Applicant:		
Applicant SSN:	- -	Age:
Name of Spouse:		__ N/A
Spouse SSN:		__ N/A
Name of Business or DBA:		__ N/A
Business EIN or Tax Number:		
Phone:	Cell:	FAX:
Email:		
Mailing Address:		
City:	ST:	ZIP:
<input type="checkbox"/> Individual <input type="checkbox"/> LLC <input type="checkbox"/> Corporation <input type="checkbox"/> Non-Profit <input type="checkbox"/> Organization		
Business Sponsor's Name:		
Business Sponsor's ID#:	City:	ST:
Shipping Address:		__ Same as Mailing
Shipping City:	ST:	ZIP:
Name on CC:		__ By Check
Visa MC AMEX DIS CC Number:		
Billing Zip Code:	Expires:	CCV:
Signature:		Date:
Purifan Order. Color _____ Motor - Yes No Light Kit Model:		__ No LK
877-789-9580 x 16 for Questions		www.PURIFAN.com
		susan@purifan.com
ID Number Assigned:	Date:	
Log-in PIN:		
Mail or FAX to Purifan, Inc., 625 N Carriage Pkwy #105, Wichita, KS 67208 FAX 800-553-1959		

Purifan Independent Business Owner Agreement

This is an Agreement between Purifan, Inc., a Kansas Corporation(hereinafter called Company), located at the 625 N. Carriage Parkway #105, Wichita, Kansas and _____ located at the address shown on the front page of this Agreement to become a Purifan Independent Business Owner (PIBO). The entity signing this agreement is a:

An Individual Sole Proprietorship Limited Liability Company Corporation Non-Profit Organization

Whereas the Company designs, manufactures, sells and distributes a line of Products that it wants to sell to customers through an organization of Independent Business Owners who operate under the terms of this Agreement.

and

Whereas the PIBO wants to sell the Company's Products, and build a Sponsored PIBO Organization (Downline) who also sell the Company's Products, and

whereas the PIBO wants to earn a Sales Commission based on the success of their efforts, and the efforts of recruiting and building a productive Downline Sales Network Organization.

The Company and PIBO hereby enter into the business relationship outlined by the Terms and Conditions of this Purifan Independent Business Owner Agreement (PIBOA).

1. PIBO Primary Duties, Responsibilities and Commissions - The PIBO agrees the primary responsibility of the PIBO is to make contact with sales prospects, present the benefits and value of the Company's Products and generate Sales Orders for Products from the sales prospect. The PIBO also agrees they will perform these sales duties in a manner that complies with all of the rules, and restrictions as specified by this Agreement. The PIBO is also responsible for recruiting Sponsored PIBOs (PIBO2) to his downline sales organization, getting these PIBO2s to sign a copy of this Purifan Independent Network PIBO Agreement, training these PIBO2s and motivating their downline PIBO3s to be successful PIBOs for the Company. In summary:

- 1.1 The PIBO agrees they will have the right to offer for sale, promote customer orders for the Company's products and earn commissions, bonuses, compensation and prizes in accordance with the Company's policies, compensation plans and all applicable terms and conditions.
- 1.2 The PIBO agrees they have the right to sponsor additional individuals and business entities to become a PIBO for the Company and these sponsored PIBOs will become part of this PIBO's Downline Sales Network Organization (DSO).
- 1.3. The PIBO agrees they will train and motivate their sponsored PIBOs in their DSNO.
- 1.4 The PIBO agrees they will comply with all federal, state and local laws, rules and regulations, and shall make all reports and remit all withholdings, taxes and fees, or other deductions that may be required by federal, state and local laws.
- 1.5 The PIBO agrees to perform their sales activities, recruiting activities and any other obligations as a Purifan Independent PIBO with the utmost honesty and integrity.

The Company Agrees to pay the following commissions to PIBOs based on assigned Business Value (BV).

PIBO LEVEL	%
PIBO LEVEL 1	15%
PIBO LEVEL 2	5%
PIBO LEVEL 3	2.5%
PIBO LEVEL 4	1.25%

These commissions are paid two times per month at this time, although in the future the plan would be to pay these commissions weekly as the commission volumes grow.

The calculated commission is paid to the PIBO at the next pay period after the money has been received and cleared the bank. The Company needs one business day to calculate total commissions, so any payments received on the last day of the pay period will be paid in the following pay period. If customer money-back guarantees have not expired then the commission due will be paid after these money back periods have been fulfilled, or the customer signs an acceptance and money-back release that is forwarded to the Company

The PIBO agrees to provide accurate tax information and to keep this information up to date in the company records so a 1099 tax information form can be issued to the PIBO for the annual commissions paid.

2. Independent Contractor Status - The PIBO agrees that they are an independent contractor, and not an employee, agent, partner, legal representative, or franchise holder of Purifan, Inc. The PIBO agrees they are not authorized to and will not incur any debt, expense, obligation, or open any checking account on behalf of, for, or in the name of Purifan, or any company name that includes the word Purifan in the name. The PIBO agrees that they will be solely responsible for paying all expenses incurred by them, including but not limited to food, travel, marketing, lodging, advertising, trade show participation, secretarial, printing, office rent, long distance, phone service, cell phone service or any and all other personal or business expenses they incur while performing their duties as a PIBO for the Company. THE PIBO AGREES AND UNDERSTANDS THAT THEY WILL NOT BE TREATED AS AN EMPLOYEE OF PURIFAN, INC. FOR ANY LEGAL PURPOSES. Purifan is not responsible for any withholding, and shall not withhold or deduct from any bonuses, compensation or commissions, if any, FICA or taxes of any kind. PIBO hereby agrees that they UNDERSTAND, all bonuses, commissions and compensation of any kind, including awards or prizes won, will be 1099 income and will be reported to taxing authorities as such income.

4. Use of Authorized Product and Recruiting Information - PIBO agrees to use only approved and authorized product performance information in their sales, marketing and recruiting efforts. PIBO agrees to use only factory approved printed and website information regarding the Compensation Plan and potential income

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5. Definition of Terms

PIBO or PIBO1 - Any person who performs the sales solicitation for products under the terms and authority of this agreement. PIBOs typically do not stock Company products, but work to capture orders for the company product that are placed directly with the Company on behalf of the customer buying the Company Products. The Customer can place the order directly with the Company or can give their order to the PIBO via hard copy, telephone call, email or fax so the PIBO can place the order with the Company via phone, fax or web online ordering.

Company Products - The current series of products distributed and sold by the Company. This product line may change over time as products are added or deleted from the product line for a variety of reasons.

Customer - Someone who orders the Company Products for personal use in their home or business.

Business Value (BV) - This is the dollar amount assigned to a product to calculate commissions. For most Purifan manufactured products this is a \$1 for \$1 relationship. Some items purchased from other vendors may have a lower available margin to pay commissions, and in these cases the BV assigned may be a value that is lower than the retail price paid by the customer. This lowered value has the effect of lowering the commission paid on these items that have a lower available margin.

Sponsored PIBOs (PIBO2) - These are PIBOs recruited by any PIBO or SR1 to add to their Downline Sales Organization (DSO). The PIBO will receive a commission on sales by this recruited DSO down to 3 SFR levels as defined by the Company Compensation Plan (CCP).

PIBO3 - The PIBOs recruited by and reporting to a PIBO2 PIBO for the terms of this PIBO Agreement.

PIBO4 - The PIBOs recruited by and reporting to a PIBO3 PIBO for the terms of this PIBO Agreement.

Downline Sales Organization (DSO) - This is a sales organization of Sponsored PIBOs (PIBO2) that were directly recruited by the PIBO. Each directly recruited PIBO2 has the right and responsibility to recruit their own Sponsored PIBOs which for the sake of this Agreement will be called a PIBO3 in the Company's compensation plan. These PIBO3's have the right and responsibility to recruit and retain their own Sponsored PIBOs who will be called PIBO4 in this PIBOs compensation plan.

Authorized Acceptance Date - The enrollment process to become a Purifan Independent Network PIBO requires submitting the required forms, placing an initial sales kit order and submitting other required materials. When all of the documents have been received and approved by the Company, the Authorized Acceptance Date is set and the agreement is in place.

6. Compliance with all Company Policies and Procedures - The PIBO agrees that they have carefully read, fully understand and agree to comply with the Company Policies and Procedures and the Purifan Network Sales Compensation Plan, located at the Company's website for download and review. The PIBO agrees these Policies and Procedures and the Purifan Network Sales Compensation Plan are a part of this Purifan Independent Network PIBO Agreement. PIBO agrees they understand that they must be in good standing, and not in violation of the PIBOA to be eligible for any bonuses, commissions, compensation or prizes from the Company as outlined in the Purifan Network Sales Compensation Plan.

7. Ability of the Company to Amend the Agreement - PIBO agrees that the Compensation Plan, Terms and Conditions, Policies and Procedures may be amended at the sole discretion of the Company and the PIBO agrees that any such amendment will apply to them. Notification

of amendments shall be published in official Company materials including the Company website, www.purifan.com. The amendments shall become effective at the time of publication. The continuation of the PIBOA business relationship or the PIBO's acceptance of any bonuses, commissions, compensation or prizes shall constitute acceptance of any and all amendments.

8. Term of this Agreement - The term of the PIBOA is one calendar year from the date of Authorized Acceptance Date when all necessary materials are received in an acceptable format at the Company. The Agreement can be renewed for an additional year by being in good standing and paying a Renewal Fee of \$50.00 within 30 days plus or minus of the renewal date. The Annual Renewal Fee is subject to change at the company's sole discretion. Failure to renew the PIBOA business relationship with the Company, or in the event it is canceled or terminated for any reason, PIBO agrees they will permanently lose all rights as a PIBO. PIBO agrees they will no longer be able to sell Company Products or Services, nor shall they be eligible to receive bonuses, commissions, compensation or prizes as income resulting from the activities of themselves or their former Downline Sales Organization (DSO). The PIBO agrees that in the event of cancellation, termination or non-renewal, the PIBO waives all rights, including, but not limited to, property rights to my former Downline Network Sales Organization, and to any bonuses, commissions, compensation, prizes or other remuneration derived through the sales and other activities of my former DSO. The Company reserves the rights to terminate all PINRA agreements upon 30 days notice if the company elects to:

- 8.1 dissolve as a business entity,
- 8.2 cease business operations,
- 8.3 terminate distribution of the Company's Products and/or income opportunities via Independent Network PIBOs or any similar direct selling channels.

9. No Ability to Assign Any Part of this Agreement - The PIBO agrees they have no right to assign this agreement or the duties and responsibilities of this agreement without the prior written consent of a Company Officer who is authorized to allow such assignment. The PIBO also agrees, that If the PIBO attempts to transfer or assign the PIBOA without the express written consent of the Company, by a duly authorized officer, this PIBOA is considered terminated or voided, at the sole option of the Company, and will result in termination of this agreement and the PIBO forfeits all pending compensation.

10. Disciplinary Action - PIBO agrees that if they fail to comply with any portion of this PIBOA or Company Policies and Procedures, the Company may, at its sole discretion, impose upon PIBO some form of disciplinary action as set forth in the PIBOA or Company Policies and Procedures. If PIBO is in breach, default or violation of the PIBOA at termination, PIBO agrees not to be entitled to receive any further bonuses or commissions, whether or not the sales for such bonuses or commissions have been completed.

11. Release of Liability - PIBO hereby agrees to release the Company, its directors, officers, shareholders, employees, assigns or agents (collectively referred to "Company Affiliates"), from all legal or financial liabilities, claims for consequential damages or exemplary damages. PIBO further agrees to release the Company and the Company Affiliates from all liability arising from or relating to the promotion or operation of the PIBO's business and any activities related to it, and agrees to indemnify the Company for any liability, fines, penalties or other awards arising from any unauthorized conduct that the PIBO undertook in operating their business, travel, recruiting, training, motivating, installing, servicing or selling activities.

12. Waivers and Breach by Company - Any waiver of any portion of the PIBOA by the Company must be in writing and signed by a duly authorized officer of the Company. Any perceived waiver or breach of the PIBOA by

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the Company shall not be construed as a waiver of any subsequent breach that may occur.

13. Enforceability - If any provision of the PIBOA is held to be invalid or unenforceable, such provision shall be reformed, or changed, only to the extent necessary to make it enforceable and the balance of the PIBOA will remain in full force and effect.

14. Governing Law and Agreement to Arbitration - The PIBO hereby agrees that this PIBOA will be governed by and construed in accordance with the laws of the State of Kansas, without regard to principles or conflicts of laws. All disputes and claims relating to the Company, the PIBOA, Policies, Procedures, Terms and Conditions, Compensation Plans, Incentive Plans, Sales Contests, Awards Competitions, Prize Competitions or the Company's Products or business opportunity, the rights and obligations of the PIBO and the Company or any other claims or causes of action relating to the performance of either a PIBO under the PIBOA, or the Company Policies and Procedures shall be settled totally and finally by arbitration in Sedgwick County, Wichita, Kansas, or any other such location as the Company prescribes, in accordance with the Federal Arbitration Act and the Commercial Arbitration Rules of the American Arbitration Association, except that all parties shall be entitled to discovery rights under the Federal Rules of Civil Procedure. All issues relating to this arbitration shall be governed by the Federal Arbitration Act. The decision of the arbitrator shall be final and binding on all parties and may, if necessary, be reduced to a judgment in any court of jurisdiction. The prevailing party shall be entitled to receive from the losing party, according to the decision of the arbitrator, all costs and expenses, including legal, filing and court costs. The provision to arbitrate shall survive any termination or expiration of the PIBOA. Nothing in the PIBOA shall prevent the Company from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction, permanent injunction or other relief available to safeguard and protect the Company's interest prior to, during or following the filing of any arbitration or other proceeding or pending the rendition of a decision or award in connection with any arbitration or other pending proceeding. The parties hereby agree to consent to jurisdiction and venue before any federal or state court in Sedgwick County, Wichita, Kansas for the purposes of enforcing an award by an arbitrator or any other matter not subject to arbitration. (Louisiana Residents Only - Notwithstanding the foregoing, Louisiana residents may bring an action against the Company with jurisdiction and venue as provided by Louisiana law.)

15. Time Limit on Legal Actions - The PIBO agrees to a time limit of one year from the date of any act or omission for any cause of action to be filed relating to or arising out of the PIBOA or relationship with the Company. Failure to bring such action within one year of the date of occurrence shall bar all claims against the Company for such act or omission. PIBO hereby agrees to waive all claims that any other statutes of limitations applies.

16. Use of Name and Photograph - PIBO hereby agrees to allow the Company to use their name, photograph, personal story, and/or likeness in advertising, on the website or in any promotional materials and waives all claims to remuneration for such use.

17. Completed Documents Requirements - The PIBO hereby agrees that prior to being paid any commissions, bonuses or compensation the PIBO must have completed these minimum requirements:

- 17.1 Mailed or faxed a signed copy of this agreement to the Company.
- 17.2 Provided required SSN or Tax ID or EIN for 1099 income tax purposes. This can be mailed or faxed.
- 17.3 Provided a written copy of the Purifan Knowledge Test to show they have read the necessary materials to properly represent the Company's Products and Business Opportunity. This can be mailed, faxed or scanned and faxed. An online test may be made available at some time in the future.

A faxed or scanned and emailed PDF version of any of these agreements will be considered and treated as an original in all respects.

18. Entire Agreement - The PIBO hereby agrees this Purifan Independent Network PIBO Agreement in its current form, and as amended by the Company at its discretion, constitutes the entire contract between the Company and the PIBO. Any implied or verbal promises, representations, offers or other communications not expressly set forth in this PIBOA are of no force or effect.

With my signature below, I agree to the Terms and Conditions, Policies and Procedures, PIBOA and agree to become a Purifan Independent PIBO as described in this Agreement and the Company Policies available on the Company website at www.purifan.com, and hereby give Purifan, Inc. the right to process this application.

Applicant's Signature of Authorization

Date: _____

Co-Applicant's Signature of Authorization

Date: _____

FAX COMPLETED AGREEMENT TO 800-553-1959 - YOU WILL RECEIVE AN EMAIL CONFIRMING RECEIPT

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Current Company Policies and Restrictions These Are Subject to Change at Any Time And are Posted on the Company Website

19. Restrictions and Adherence to Company Policies - The Company, the Independent Sales Organization and the Customers want the Company to succeed and be around for a long time to support their activities and Products. This requires all the Company employees and PIBOs to avoid doing activities that create problems, damage the business or violate any federal state and local laws. Many past sales activities are now restricted or banned by various laws. The Company maintains a list of Policies that define the allowed and restricted activities of the PIBO and all the PIBO's employees and associates. These Policies are updated on a regular basis to deal with changes in the constant changes in the laws. The PIBO agrees to stay current on the Company's Policies and comply with all guidelines and restrictions to avoid any problems of any kind.

The PIBO agrees to comply with all of the existing Company Policies and all Company Policies implemented in the future that are considered an integral part of this agreement. The currently defined Company Policies are on the website under the following titles:

The PIBO agrees to comply with all of the existing Company Policies and all Company Policies implemented in the future that are considered an integral part of this agreement. The currently defined Company Policies are on the website under the following titles:

- 19.1 Appendix A - Policy on Making Health Claims
- 19.2 Appendix B - Policy on Making Income Claims
- 19.3 Appendix C - Policy on Email and FAX Spam Laws
- 19.4 Appendix D - Policy on Advertising and Marketing
- 19.5 Appendix E - Policy on Recruiting
- 19.6 Appendix F - Policy on Sharing Trade Show Opportunities
- 19.7 Appendix G - Policy on Product Performance Claims
- 19.8 Appendix H - Policy on Retail Partnerships
- 19.9 Appendix I - Policy on Restricted Accounts or Markets
- 19.10 Appendix J - Policy on Selling Competitive Products
- 19.11 Appendix K - Policy on Recruiting for Other Companies
- 19.12 Appendix L - Restricted Customers and States
- 19.13 Appendix M - Policy on Websites and Internet Marketing
- 19.14 Appendix N - Policy on Cancellation of Agreement
- 19.15 Appendix O - Policy on Return of Unopened Inventory
- 19.16 Appendix P - Policy on Protecting Copyrights and Trademarks
- 19.17 Appendix R - Policy on International Sales
- 19.18 Appendix S - Policy on Distributor Relationships

19.1 Appendix A - Policy on Making Health Claims

The Company prohibits PIBOs from making false, unproven or misleading health claims because these claims can get the company in trouble with federal and state agencies who want to protect consumers. You should use the approved claims in the training materials provided by the company.

The best way to avoid this is to present published information from 3rd party sources like the Environmental Protection Agency (EPA), American Lung Association (ALA), Asthma and Allergy Foundation of America (AAFA), New England Journal of Medicine (NEJM), Center for Disease Control (CDC), Air Resources Board of California (ARB), National Education Association (NEA), American Association of School Administrators (AASA), National Association of School Nurses (NASM), American Federation of Teachers (AFT), United Federation of Teachers (UFT), American Academy of Allergy Asthma and Immunology (AAAAI) and other scientific studies and research papers from around the world.

You can also use company approved customer testimonials from Purifan customers. It is important that you try to get happy customers to give you a

testimonial in written or video format. You should also get a signed release allowing you to use this information for training and marketing.

19.2 Appendix B - Policy on Making Income Claims

The Purifan Independent Business Owner Program is a form of Network Marketing that is controlled by a wide variety of federal and state laws. These laws were implemented to protect consumers from being "over-sold" on the business opportunity and the income potential being presented during recruiting presentations. Some laws are under the Consumer Protection Association, Securities and Exchange Commission, Federal Trade Commission and most state Attorney Generals enforce similar state laws to protect consumers from business scams. The laws restrict what you can say about the business opportunity and specifically prohibit claims of excessive income potential that is rarely reached by the average member of the program. There are typically a large number of recruited people in the network that do not actively pursue sales, or dedicate any significant amount of time to selling. These types of participants should be averaged with the more successful members, so the average monthly income is typically much lower.

When presenting the business opportunity to a prospective recruit, use the company approved recruiting materials that explain the compensation plan in detail. The use of income projections and case studies based on estimated or successful models can be misleading and should be avoided.

Be honest about explaining how you earn a commission and how any single example sale would pay the sponsors in the up-line from the sale. All selling is hard work, and many people are not willing to put in the dedicated effort and handle the rejection that is an integral part of selling. Sales success is determined by many factors, but making a lot of sales presentations is a key parameter to closing business in any sales organization. The sponsor and the Company can provide the sales tools, literature, training, motivation, products and direction to the PIBO, but the success is determined by how hard the PIBO works on their selling efforts, and how persuasive they are in selling the Company products.

19.3 Appendix C - Policy on Email and FAX SPAM Laws

The PIBO agrees to abide by the Company's Policy prohibiting the violation of state, federal and international SPAM laws for emails and FAXes. These laws basically prohibit emailing information to a person who you do not know and have an existing relationship. These laws are to prevent anyone from blasting out sales emails to lists of addresses in hopes of generating sales interest. These laws are constantly being strengthened at the state and federal level. Violation of email SPAM laws or policies can get the entire company placed on blocked email lists which can hurt all PIBOs who are trying to communicate in a legitimate and legal way with prospects and customers. Only FAX or email to someone you know or have informed you are sending them some information. Avoid emailing as your first point of contact with a person or company. This is why the best methods of selling require the PIBO to get someone to call them. This can be accomplished through direct mail, advertising, street-side signs, referrals from existing customers, party-format presentations, retail store partnerships, introductions, tradeshow, industry meetings, group presentations or any method that generates an interest in the customer calling the PIBO.

Remember that if you violate SPAM laws you jeopardize the reputation of the Company, the product and all of the other Purifan Independent Business Owners reputations and ability to do business.

19.4 Appendix D - Policy on Advertising and Marketing

The PIBO agrees to abide by the Company's Policies on Advertising and Marketing. There are many laws regarding making health claims about any product, or making income claims when recruiting sponsored PIBOs that must be complied with or the Company and all those working to make it a success will be damaged. The Company provided approved marketing materials, advertising copy, prepared advertisements for many venues and

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works to create a successful marketing and advertising program that is effective, affordable and focused on the key messages. PIBOs are not allowed to create their own promotional materials, brochures or anything that would be considered advertising for print, direct mail, internet, tradeshow banners, radio spots, printed inserts, TV, signage, street side signs, email campaigns or newsletters. These items are developed and provided by the Company to make sure the claims and information comply with the rules, laws and needs of the entire Purifan organization including the many PIBOs who are working to grow the Company's and product's success in their markets. If you need something developed, contact the Company by email or phone and discuss your need and see if something is available, adaptable or could be created to help you with your desired advertising and marketing goals.

19.5 Appendix E - Policies on Recruiting

The PIBO agrees to abide by the Company's Policies and Rules on recruiting new sponsored Purifan Independent Business Owners. The Company strongly encourages PIBOs to work on recruiting new sponsored PIBOs into their own Downline. This is a key way to build a strong business model and boost your potential for more income from your Purifan business. There are many state and federal laws that are focused on the recruiting of others into any "business opportunity." The key to success is to stick with the recruiting materials and claims approved by the company and do not claim earnings potential that is not provided in the Company Sales Training Kit. There are many potential sponsored PIBOs that have realistic earnings expectations given that they plan to work on their Purifan business on a part time basis because of many personal reasons and conflicts for their time. The goal is to be honest and realistic with every PIBO about how the compensation program works and making sure they understand it rewards hard work and success that produce orders for the Company's products. Selling is hard work and takes perseverance, dedication and discipline to make the calls and handle the frustrations and rejection that are part of any sales effort these days.

Things you can't or should not say include: *It's easy to sell Purifans. You have unlimited earnings potential. You can quickly be earning thousands per month. It is easy to recruit people to join your downline and boost your income. Everyone will buy a Purifan once they know what it does. It is easy to sell Purifan products to your friends, relatives and neighbors. You can easily sell Purifans to your area schools, day-cares, nursing homes and businesses. You cannot make unapproved claims of earnings or income potential to any prospect or recruit. All you have to do is build a big downline and sit back and watch the money roll in. You can recruit anybody into a business like this, it costs almost nothing to join. You have to sign up now before this thing really explodes. You are getting in on the ground floor and should make a lot of money.*

Things that you should say include these phrases: *Like all sales efforts, it is a numbers game, and not everyone you present to will be interested in the products at this time. You have to work your way through all the NO THANK YOU customers to get to the YES, I'LL TAKE ONE customers. If you aren't willing to make evangelistic sales presentation then this is probably not the opportunity for you. This is not an order-taker business, it requires making a simple, honest and effective product sales presentation to a qualified prospect. As you build your business, make more customer presentations and sell more Purifan products it will get much easier because you will get more customer referrals and some of those who told you NO a month or two ago will be back to change their mind and buy something. The commercial accounts like businesses, day-cares and schools take more time, but can create more sales as people see the Purifans in these businesses and generate more interest from similar businesses. The market's understanding of the impact "in-room air filtration" can have on health and wellness will create more and larger opportunities in the future. The rising cost of health insurance will drive more business and larger employers like schools, to seek ways to help keep their employees healthier. As these indoor air quality markets develop the hard-work and effort you invested in the first six months or a year will start to produce a much more successful business. Most business opportunities that generate income from a recruited downline take*

time to develop. The real income success stories from the downline commission usually happen in the 12 to 36 month time frame, don't expect the downline to develop much income for you in the first six months. Recruiting takes time to build a solid and successful downline, but selling the products should be your dominant focus. Recruiting is just the start, you have to be committed to training, motivating and helping your downline become successful. Getting into the right business opportunity early can be much better than getting into it at a later date because it can be easier to recruit and you can win major account opportunities like schools earlier than others who join at a later date. While the Purifan business opportunity has significant potential, most recruits will struggle to stay committed, focused and really be successful at selling or recruiting, and like all businesses, if you don't put in the effort the opportunity won't really grow into much of anything. I'm looking to recruit people who are serious about generating orders and commissions, and I don't want to spend my time working with people who aren't serious about building this into a successful business for themselves and their family.

19.6 Appendix F - Policy on Shared Tradeshow Expenses

The PIBO agrees to the following policies on Shared Tradeshow Expenses. One of the most successful marketing programs for selling an innovative product like the Purifan product line is to show the product at tradeshows. This is an environment where customers are "looking for new ideas" and when worked properly to capture customers in the aisles and show them the Purifan, it has produced significant sales success in the past. The leads generated at these shows has to be followed up after the show with telephone contacts, emails and follow-up to make a formal sales presentation and sales proposal to the customer. It is not financially efficient to have multiple PIBOs signing up to display Purifans at any tradeshow, so the company has a policy of sharing booth space between interested PIBOs who are willing to pay their fair share of the tradeshow costs. If a PIBO wants to commit to a tradeshow booth for displaying Purifans, they should follow the following steps. This Policy requires that the PIBO will only be showing the Purifan products at their booth during the show.

1. Identify the costs for booth charges, electrical, furniture rental, carpet rental and any other mandatory tradeshow costs.
2. Contact the Purifan Office and ask if any other PIBO has already signed up for this show. We only want one Purifan booth at each tradeshow.
3. If no other PIBO has signed up. Send an email indicating you are signing up and paying the costs. Send in a copy of your tradeshow plans for the show, including the size of the booth, and all proposed costs outlined in Step 1. This reserves the show in your name as the PIBO in charge.
4. If another PIBO in the local area wants to attend the show, and work out of the same booth, when they call to check on the show, they will be informed of your commitment to a booth and your ability to control the show plans. If you want to allow them to work the show from your booth, you have the right to ask them to pay their share of the costs in Step 1. So if you let them share the booth, they pay ½ the costs. If the number of PIBOs in the booth goes higher, the cost is shared equally. Three total pay 33.3% each. Four pay 25% each and so on. The payment must be made to the PIBO prior to the start of the show. If a PIBO wants to allow other PIBOs in their own downline to work the booth for free, that is their choice.

19.7 Appendix G - Policy on Product Performance Claims

The PIBO agrees to comply with the Company Policies on making accurate and approved product performance claims. The benefits of filtered air on health issues is a well documented subject and many research reports are supplied in the training materials to educate the PIBO on 3rd party claims. The benefits of any air cleaner, including the Purifan, cannot include health claims unless a certain type of FDA approved study was conducted on the specific make and model of air purifier. These studies cost millions of dollars and must be completed by a 3rd party research organization, government agency or university study. The bottom line is that making inappropriate and

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unapproved health claims about the Purifan product line can get the company and the PIBO organization in trouble with various federal regulators and agencies. Our goal is to be honest and accurate about our product claims and let the existing customer's own testimonials help us present the product in an accurate way. PIBOs should stick with the approved language provided in the training material when presenting the Purifan products to customers. Making exaggerated claims, or attributing guaranteed health results to these products can cause problems for the Company and PIBO organization. Since every customer's health issues, allergen sensitivities and indoor environment are unique, the results of filtering the air will be different. The changes in allergy season, wind conditions, weather conditions and the health of the occupants in the room will also mean the symptoms of allergies and Asthma will vary based on many uncontrolled variations in conditions. In general, filtering indoor air at a rate exceeding 12 air changes per hour will improve the situation on any day compared to the same conditions without indoor air filtration. Follow the training material guidelines and this will avoid creating problems. Any PIBO who continues to overstate product performance claims and benefits will be terminated to avoid creating a problem for the Company and PIBO organization.

19.8 Appendix H - Policy on Retail Partnerships

The PIBO agrees to comply with the Company Policy on Retail Partnerships. There are many retail locations that might benefit from installing Purifans in their business. These public locations will display the Purifan products and will attract interest from customers who visit that retail location. One opportunity that can be created by proper negotiations is to develop a Retail Partnership with these retail locations to promote the Purifan products, sell more units and recruit additional PIBOs into the downline sales organization. This may include signage by the Purifan product offering a brochure, in-store demonstrations, retail store sales of the product, referrals from the retail store staff, playing a product video in the retail store customer area and many variations of these ideas. Some typical retail locations that might make good partners for a PIBO include physician's waiting rooms, pharmacy waiting areas, pet stores, cigar stores, smoke shops, liquor stores, restaurants, bars, clubs, casinos, baby products stores, pet clinics, pet grooming stores, nail salons, hair salons, barbers, customer waiting areas, mattress stores, nutritional product sales, exercise equipment stores, hair removal services, massage services, rehabilitation facilities, health clinic waiting areas, car dealer service waiting areas, car maintenance customer waiting areas, furniture stores, vacuum stores, candle stores, spa facilities, nursing homes, daycare providers, electronics stores, home theater stores, dry cleaners, photo processing stores, model apartments and model home displays. The PIBO makes an arrangement to get the retail partner to promote the product with signage, brochures and business cards so interested customers can contact the PIBO. The PIBO agrees to answer all questions and explain the product performance, installation, benefits and prices. If the interested customer buys something, the PIBO may agree to pay the retail partner a "referral fee" or commission.

If the staff of the retail store is going to actively sell the product and explain the product then we recommend the retail partner be set up as a PIBO, even though they may have no plan or interest in creating a downline, and may be willing to let all the interested customers who may want to join a downline sales team be given to the PIBO who sets up and supports the retail partner. This would pay the retail location owner the PIBO commission on products sold, and the PIBO who set up this retail location would get the override PIBO 2 commission and the opportunity to capture sponsored PIBO participants into their downline.

A second option is for the retail location to be just responsible for displaying the product and signage that directs interested customer prospects to call the PIBO who is working with the retail partner. The PIBO who sets up this relationship then handles the prospects questions and shares information on the product, installation and pricing and attempts to close the sale. In this situation the PIBO can offer the retail partner a cut or share of their commission as a reward for the customer referral. A typical fee paid to the retail partner might be \$25 to \$30 per customer or per Purifan sold. This could be satisfactory to many retail store owners like pharmacists, smoke

shops, restaurant, pet store, pet clinics or other retailers who do not have to stock the product, sell the product or answer customer questions. A good retail partner with a lot of customer traffic can provide a steady source of leads and sales to a PIBO who has the negotiating skills to set up the relationship and supports the retail partner in a way that keeps them happy about the relationship.

The Company restricts setting up retail partnerships to retail partners with 10 or fewer retail locations. If the retail partner is a chain larger than 10 locations, the Company restricts the negotiation by the PIBO without Company involvement.

If the retail partner wants to be a stocking dealer and carry an inventory of the Purifan products for immediate sale to their retail customers, this is a relationship that must be handled directly by the Company, but if such a stocking retail location is established primarily through the efforts and actions of a PIBO, a partial override commission will be paid based on the wholesale price by the stocking dealer.

19.9 Appendix I - Policy in Restricted Accounts or Markets

The PIBO agrees to the Company restrictions on sales efforts to a specified list of potential customers. These restrictions are in place to avoid creating confusion or wasting time for the Company or PIBO. These restrictions are due to the potential confusion and negative impact on the PIBO organization and other problems that could be created by attempting to sell Purifan products or set up retail partnerships with certain types of customer prospects. The PIBO agrees not to contact or attempt to sell products to the following list.

- 19.9.1 - Federal Government
- 19.9.2 - National or Region Retail Chains
- 19.9.3 - State Medicaid Organizations
- 19.9.4 - State Children's Health Insurance Programs
- 19.9.5 - International Customers or Prospects
- 19.9.6 - Medicare or Medicaid Organizations
- 19.9.7 - Large School Districts with more than 10 buildings

19.10 Appendix J - Policy on Selling Competitive Products

The PIBO agrees to comply with the Company's policy on restriction of selling any competitive products to the Company's product line. The PIBO cannot be a sales agent or sell products that are directly competitive with the Company's products. The determination that the product is directly competitive with the Company's products is the sole discretion of the Company. The PIBO may represent and sell other products that are not directly competitive with the Company's products.

19.11 Appendix K - Policy on Recruiting for Other Companies

The PIBO agrees to comply with the Company's policy on restricting the PIBO from recruiting for any other Company to attract PIBOs or PIBO prospects to join another business opportunity. Any PIBO who violates this policy will be terminated and lose their downline commissions. This includes using PIBO contact information obtained from any source to contact PIBOs in any way, in person, by phone, by mail or by electronic means to recruit them or share information with them about other business opportunities. If any person, such as a PIBO prospect, is caught recruiting at a PIBO function, such as a business opportunity meeting, the person should be asked to stop recruiting, or asked to leave.

19.12 Appendix L - Policy on Restricted Customers or States

The PIBO agrees to comply with the current Company restrictions on locations or customers that are listed in this Policy. This Policy may be updated from time to time. The Company started selling Purifans in May of 2000, and had set up a dealer and distributor network. These dealers and distributors primarily focused on the smoking market applications, but law changes have dramatically reduced this application in most parts of the

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country. In 2009 the Company decided to launch the network marketing program using PIBOs to create a better and more effective selling strategy to reach all types of customers. Due to existing distributor arrangements the Company is restricting sales of products by PIBOs or the signing up of PIBOs in the following states: Tennessee, North Carolina, South Carolina, Virginia, West Virginia and Michigan. We anticipate these market restrictions will be reduced or eliminated in the future.

19.13 Appendix M - Policy on Websites and Internet Marketing

The PIBO agrees to comply with the current Company restrictions on websites and internet marketing. The PIBO must use the company provided cloned website to explain or sell Purifans on the web. This website gives their personal profile, contact information, recruiting message and all product information by forwarding the customer to the Company website which provides the approved product information. Directly selling products on other web locations, stores, Ebay, Amazon or any other location is prohibited.

19.14 Appendix N - Policy on Cancellation of Agreement

The PIBO agrees to the following PIBO Agreement cancellation policy.

Voluntary Cancellation: The PIBO may voluntarily cancel this agreement anytime in writing and the agreement will be immediately cancelled when such notice is received in writing by FAX or mail, or by verified email at the Company's offices. The PIBO will be removed and all recruited or sponsored PIBOs in the downline will move up one level to the PIBO who recruited or sponsored the PIBO who is canceling their agreement.

Company Cancellation: The PIBO Agreement may be cancelled at any time by the Company for any reason. The typical reasons for cancellation are violations of the Company policies and procedures, or disparaging the Company and its customers or PIBO organization in a public forum. The PIBO will be removed and all recruited or sponsored PIBOs in the downline will move up one level to the PIBO who recruited or sponsored the PIBO who is canceling their agreement.

Appeal Process: If the PIBO feels they were unjustly cancelled, they have 14 days to appeal in writing with an explanation of why they should be reinstated. The Company has 14 days after the receipt of this appeal to rule on the appeal. The decision of the Company is final.

19.15 Appendix O - Policy on Return of Unopened Inventory

The PIBO agrees to the Company's following product return policy. If the PIBO wants to return unopened products purchased from the Company, and the products arrive in "New In Box" condition including all packing materials and accessories or parts, then the company will refund the purchase price less a 10% restocking charge and any unpaid freight expenses. Products that have been opened, are missing parts or have been used should not be returned, but may be disposed of on Ebay or other online sites, or they may

be sold to customers if customers are informed the merchandise is used. Literature cannot be returned.

19.16 Appendix P - Policy on Protecting Copyrights and Trademarks

The PIBO agrees to the Company's policy on protecting Copyrights and Trademarks. The Company has invested a lot of money in the creation of a brand, a quality product and a reputation with the marketplace. The PIBO must not do anything that violates the trademarks or copyrights of the Company, and do everything possible to safeguard, preserve and enhance these trademarks and copyrights. Any use of company copyrighted material or trademarks that harms the company and PIBO organization in any way is prohibited and cause for termination. The Company provides many items like shirts and pins that carry the company name and trademarked logo. These identify the person wearing them with the Company and it's reputation in the market place. We ask that all PIBOs agree not to wear or display these company logos or names at inappropriate locations or events. Some examples of where it is inappropriate would include protests, fights, during illegal or immoral activities. Please use common sense and protect the Company's reputation, trademarks and copyrights.

19.17 Appendix Q - Policy on International Sales

The PIBO agrees to the Company's policy on international sales. The Company currently prohibits sales of Purifans outside the United State, and in some restricted areas covered in 19.12 Appendix Policy on Restricted Customers or States.

With my signature below, I agree to the Terms and Conditions, Policies and Procedures, PIBOA and agree to become a Purifan Independent PIBO as described in this Agreement and the Company Policies available on the Company website at www.purifan.com, and hereby give Purifan, Inc. the right to process this application.

Applicant's Signature of Authorization

Date: _____

Co-Applicant's Signature of Authorization

Date: _____

FAX COMPLETED AGREEMENT TO 800-553-1959 - YOU WILL RECEIVE AN EMAIL CONFIRMING RECEIPT