

FRANCHISE DISCLOSURE DOCUMENT



Blue Sage Franchising, Inc.
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This disclosure document is for the right to own and operate a BlueSage Longevity Labs™ Area Representative Business in which you will be responsible for promoting, establishing and supporting BlueSage Longevity Labs™ unit franchisees that own, operate and/or manage businesses ("Unit Franchise(s)") that specialize in providing the general public with services and products focused on wellness solutions and aesthetic services at a specific location(s) (referred to as a "MedSpa" or as "MedSpas") under the word mark "BlueSage Longevity Labs™" and such other trademarks we authorize ("Marks"). The term "Area Representative" means a person or entity that operates one or several Area Representative Businesses. Each Unit Franchise will report to and receive support directly and indirectly to you and/or our corporate headquarters. BlueSage Longevity Labs™ Unit Franchises are offered under a separate disclosure document ("FDD for Unit Franchises").

The total investment necessary to begin operations of a BlueSage Longevity Labs™ Area Representative Business will range from \$233,147 to \$648,772. This includes \$220,000 to \$595,550 that must be paid to the franchisor or its affiliate(s). This applies to a minimum of 14 and a maximum of 38 outlets to be developed. Each Area Representative Business must open at least one Unit Franchise. The estimated total initial investment necessary to begin operations of a Unit Franchise is contained in our FDD for Unit Franchises.

This disclosure document ("Disclosure Document") summarizes certain provisions of your Area Representative Agreement and other information in plain English. Read this Disclosure Document and all accompanying agreements carefully. You must receive this Disclosure Document at least fourteen (14) calendar days before you sign a binding agreement with, or make any payment to, us or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Cathy Galligan, Chief Operating Officer of Blue Sage Franchising, Inc., at 2659 East Gulf to Lake Highway, Ste. 301, Inverness, FL 344532659 East Gulf to Lake Highway, Ste. 301, Inverness, FL 34453

The terms of your contract will govern your franchise relationship. Don't rely on the Disclosure Document alone to understand your contract. Read your entire contract carefully. Show your contract and this Disclosure Document to an advisor, like a lawyer or accountant.

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue NW, Washington, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information on franchising. Call your state agency or visit your public library for other sources of information on franchising. There may be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: April 29, 2025

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit G.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit D includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only BlueSage Longevity Labs™ business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a BlueSage Longevity Labs™ franchisee?	Item 20 or Exhibit G lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit A.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About *This* Franchise

1. **Out-of-State Dispute Resolution.** The Area Representative Agreement requires you to resolve disputes with the franchise by mediation and/or litigation only in New York. Out-of-state mediation and/or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate and/or litigate with the franchise in New York than in your own state.
2. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
3. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
4. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.
5. **Sales Performance Required.** You must maintain sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.
6. **Mandatory Minimum Payments.** You must make minimum advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

REQUIRED BY THE STATE OF MICHIGAN

The state of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you.

- (a) A prohibition of the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure each failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchised business are not subject to compensation. This subsection applies only if (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months' notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that mediation or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of mediation, to conduct mediation at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualification or standards.
 - (ii) The fact that the proposed transferee is a competitor of the franchisor or sub-franchisor.
 - (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
 - (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.
- (h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of

such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless a provision has been made for providing the required contractual services.

The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.

Any questions regarding this notice should be directed to the Attorney General's Department for the State of Michigan, Consumer Protection Division, Franchise Section, 670 Law Building, 525 W. Ottawa Street, Lansing, Michigan 48913, (517) 373-7117.

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EXHIBITS TO DISCLOSURE DOCUMENT:

- A. STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS
- B. AREA REPRESENTATIVE AGREEMENT
 - EXHIBIT 1 DEVELOPMENT AREA
 - EXHIBIT 2 MINIMUM DEVELOPMENT OBLIGATIONS
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- I. RECEIPTS

ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

Blue Sage Franchising, Inc., a Delaware corporation (“BlueSage Longevity Labs™”), is offering prospects the opportunity to own and operate an Area Representative Business in accordance with the terms described in this Disclosure Document. To simplify the language in this Disclosure Document, the terms, “We,” “Us,” or “the Company,” or “BlueSage Longevity Labs™” mean Blue Sage Franchising, Inc. the franchisor (but not the Company’s officers, directors, agents or employees). “You” means the person or entity who buys an Area Representative Business from us. The term “Area Representative” or “Area Representatives” mean the person or entity that owns and operates one or several Area Representative Businesses. The term “Unit Franchise” or “Unit Franchises” means one or several BlueSage Longevity Labs™ single unit franchises. The owner(s) and operator(s) of a Unit Franchise(s) is referred to as a “Unit Franchisee(s)” or simply as a “Franchisee(s).” If you are a corporation, partnership, limited liability company, or other entity, your principal shareholders, partners or members will be referred to as “Owners.” Unless otherwise indicated, the term “Franchised Business” means an Area Representative Business.

The Franchisor, and any Parents, Predecessor and Affiliates

Blue Sage Franchising, LLC was formed as a Delaware limited liability company on February 1, 2024. On April 10, 2025, the company was converted from a Delaware limited liability company to a Delaware corporation, under the name Blue Sage Franchising, Inc.

Our principal business and mailing address is 2659 East Gulf to Lake Highway, Ste. 301, Inverness, FL 34453. Our telephone number is (212) 799-1605. Our agent for service of process is disclosed in **Exhibit A**.

We have one (1) affiliate, SRS Wellness, LLC (dba SRS Dermatology), located at 11 Irving Place, Woodmere, NY 11598. Our affiliate is owned and operated by Suzanne Sirota Rozenberg, D.O., our Chief Medical Officer. It began operating its business in June 2014. Our affiliate operates a business substantially similar to the type of business that will be operated or managed by Unit Franchises.

Neither we, nor our affiliate, offer goods or services to our franchisees, or offer franchises in any other lines of business.

Our Business

We currently offer two types of businesses: 1) Unit Franchises; and 2) Area Representative Businesses (“Area Representative(s)”). We began offering both types of franchise in September 2024. We are not currently engaged in any other lines of business. This Disclosure Document is for Area Representative Businesses only and does not contain information about the costs of opening or operating a Unit Franchise. Unit Franchises are offered under a separate Disclosure Document for Unit Franchises (“FDD for Unit Franchises”). We do not currently operate any Unit Franchises or Area Representative Businesses.

Area Representative Businesses

We offer qualified applicants the opportunity to sign an area representative agreement (referred to as a “Area Representative Agreement” or “ARA”), a copy of which is attached as **Exhibit B** to this Disclosure Document, the right to solicit potential purchasers for our Unit Franchises in a defined geographic development area (“Development Area”).

As Area Representative, under the ARA you will (i) solicit, recruit, screen and interview prospective Franchisees for us (“Sales Services”) and (ii) provide operational, training and field support to each Franchisee in your Development Area both before and after they open their Unit Franchise (“Support Services”). You will share in a portion of some of the initial franchise and royalty fees paid to us by the Franchisees in your Development Area in exchange for performing your duties under the ARA. You will also receive special pricing on products and services you offer in connection with Unit Franchises that you own and operate, as well as overrides on sales made by Unit Franchises within your Development Area (“Special Pricing and Overrides”). The Special Pricing and Overrides are set forth in our Manual for ARs, but are subject to change from time to time. You may request a copy of the most up-to-date Special Pricing and Overrides from us before signing the ARA.

Your right to promote Unit Franchises in your Development Area is exclusive. However, we may assist in recruiting prospective Franchisees and selling Unit Franchises in your Development Area. If we do, you will still earn your portion of the initial franchise fee for franchises that we sell in your Development Area as long as you comply with the requirements of your ARA. We will turn over to you all of the sales leads that we receive from prospects looking to acquire a Unit Franchise in your Development Area so that you can pre-qualify the candidate. Your ARA will set forth the minimum number of Unit Franchises you must sell (“Minimum Development Obligation”) within a certain period of time (“Development Schedule”). Your Development Area, Minimum Development Obligation and Development Schedule will be established before you sign your ARA.

While we rely on you to solicit, screen and interview Franchisee candidates and to present us with those applicants whom you pre-qualify using our criteria, we make the final decision on whether we will sell a franchise to the candidates you present. If we approve the candidate, we and the candidate will sign a Franchise Agreement. You will not be a party to the Franchise Agreements. However, you will provide a variety of Site Services and Support Services to the Franchisees in your Development Area. We will prepare and pay the costs associated with the franchise disclosure documents (“FDD”) used in soliciting franchisees within your Development Area, however, you will assist us in getting any information we need to prepare and update the FDD.

If you are a business entity, the ARA requires you to designate the individuals who will be responsible for your Area Representative Business. The Owner(s) of the Area Representative Business, or others you designate to operate the Area Representative Business, must meet our qualifications and must be approved by us. Your current and future Owners and their spouses must agree to bind themselves individually to certain provisions of the ARA, including the covenants against competition and disclosure of confidential information, restrictions on transfer and dispute resolution procedures.

We may periodically make changes to the systems and standards for your Area Representative Business. All Area Representatives must be developed and operated in accordance with our specifications, standards, policies and procedures, which will be communicated to you via our confidential Manual for Area Representative Businesses (“Manual for ARs”) or other written communications and directions from us. A copy of the table of contents of our Manual for ARs is attached as **Exhibit C** to this Disclosure Document.

Market and Competition for Area Representative Businesses

Area Representative Businesses compete with other franchisors, area representatives, sales brokers and others offering various types of franchise concepts and/or other business opportunities. Prior business management experience is generally very important for new Area Representatives, and prior business ownership experience is highly desirable.

Laws and Regulations for Area Representative Businesses

Many states and local jurisdictions have enacted laws, rules, regulations and ordinances that may apply to the operation of your Area Representative Business. In all cases, you must also comply with laws that apply generally to all businesses. You should investigate these laws, and consult with a legal advisor about whether these and/or other requirements apply to your franchise. In addition to laws and regulations that apply to businesses generally, your Area Representative Business may be subject to federal, state and local occupational safety and health regulations, Equal Employment Opportunity and Americans with Disabilities Act rules and regulations. As an Area Representative, you must comply with all applicable federal and state franchise laws. You must comply with the disclosure requirements mandated by the FTC Franchise Disclosure Rule. Further, in the states of California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin, we are required to register the FDD (or in some cases submit a notice filing) before the offer or sale of any franchise in that particular state. The states of New York and Washington will also require you to register as a franchise broker. It is your responsibility to investigate and comply with all applicable laws.

We strongly encourage our Area Representatives to consult with independent legal counsel concerning the laws of the state(s) in which your potential Development Area(s) will be located so that you are aware of the requirements that will apply to the Unit Franchises within your Development Area. We are not obligated to provide assistance in determining which specific state laws apply to Area Representative Businesses or Unit Franchises in your Development Area.

Unit Franchises

We offer Unit Franchises to persons or legal entities that meet our qualifications, and are willing to undertake the investment and effort to own and operate Franchised Businesses that will own, operate and/or manage a business that specializes in providing wellness and aesthetics services and products (such as such as medical aesthetics, weight loss therapy including semaglutide/tirzepatide, body contouring, hormone replacement therapy, platelet rich plasma (PRP) therapy, regenerative biologics therapy, bioimpedance scanning featuring body composition, galvanic skin response and baseline cardiovascular, DNA testing, IV infusions, sexual wellness therapy, acoustic wave therapy, skincare products and supplements) to the general public through licensed medical and healthcare professionals at a specified location. These operating location businesses are referred to as “MedSpa(s) or MedSpa Business(es)”. MedSpas may also offer or provide peptides, red light therapy, ozone therapy, hyperbaric chamber, plunge pool, and infrared sauna options. Other treatments available at MedSpas include Botox and fillers for anti-aging, micro-needling and AQUAGOLD microinjection systems, including hair restoration and removal, microdermabrasion and laser treatments. We may add or remove the types of products and services offered by Unit Franchises at MedSpa Businesses. If you are an unlicensed person, you may own and operate a MedSpa only if it is permissible under applicable law, otherwise, you may only manage a MedSpa for a licensed person or entity that is authorized to own and operate a MedSpa. You must consult independent legal counsel in your state to ensure the legality of your ownership or management.

You may purchase your franchise as a new, start-up, or you may begin utilizing the BlueSage Longevity Labs franchise system at an existing wellness and aesthetic business (referred to as an “Add-On MedSpa”).

Area Representatives Businesses have a continuing right to solicit potential purchasers for our Unit Franchises in a defined territory. Area Representatives also provide development and ongoing franchise support services to the Unit Franchises within a defined territory. Depending on your area, you may have an existing Area Representative that assists us with your Unit Franchise. If your Unit Franchise is located in an area where we have an Area Representative, the Area Representative will provide, on our behalf, certain franchise sales and support services to you. Area Representative Businesses are offered under a separate offering, and not included as part of this franchise offering for Unit Franchises.

Professional Corporation/Management Company Structure

Except where unlicensed ownership and operation of a MedSpa is allowed by applicable law, each MedSpa must be owned and operated by one or more licensed wellness and aesthetic professionals that will provide wellness and aesthetic services in the state in which the MedSpa is located. In those states that require a Professional Corporation (“P.C.”) (or similar entity, such as a professional limited liability company structure) to own and/or operate a MedSpa, you as a potential franchisee will, in those circumstances, supply management and general business services to the P.C. who will in turn, own and operate the MedSpa. We expect that these licensed wellness and aesthetic professionals will form a “P.C.”, and will operate the P.C. with or as permitted under local and state laws.

To operate a Unit Franchise, you must enter into a Franchise Agreement with us (attached as an exhibit to our FDD for Unit Franchises). You must operate your Unit Franchise at a site we approve. You will operate your Unit Franchise in complete accordance with the standards and procedures designated by the Company (the “System”), and according to our operations manual for Unit Franchises (“Manual”), as it may be changed from time to time.

If you are not a licensed wellness and aesthetic professional, in addition to signing the Franchise Agreement with us, before you begin operating the Franchised Business, you must enter into a management agreement (“Management Agreement”) with a P.C. A copy of our form of Management Agreement is available in our Manual. Under a Management Agreement, an unlicensed Unit Franchisee will provide a P.C. with management, administrative services and general business and operational support consistent with the System and generally supports the P.C.’s MedSpa and its delivery of wellness and aesthetic services and related products to patients at a MedSpa; consistent and in compliance with all applicable laws and regulations. Subject to changes that may be required by laws of the state where you will operate your Unit Franchise, you must use our applicable standard form of Management Agreement. While we provide you a generic form of Management Agreement, you are responsible for ensuring that it complies with the laws and regulations of your state. If needed, you may negotiate the monetary terms and certain other discretionary business terms of your relationship as a management company for the P.C. who owns and operates the MedSpa and who delivers wellness and aesthetic services for your Unit Franchise. You must obtain our written approval of the final Management Agreement prior to signing it with a P.C. Prior to entering into any agreement with a P.C., you must also submit information about the P.C. and its licensed professionals, and their credentials, for our approval. You must maintain a current, conforming and compliant Management Agreement with a valid and approved P.C. who is in regulatory good standing at all times during the operation of the Franchised Business.

The P.C. is responsible to employ and control wellness and aesthetic professionals and staff of the MedSpa who provide actual wellness and aesthetic services to be delivered at the MedSpa where you operate your Franchised Business. An unlicensed Franchisee may NOT provide nor direct the administering of any actual wellness and aesthetic services, nor supervise, direct, control or suggest to the P.C. or its licensed wellness and aesthetic professionals the manner in which the P.C. provides or administers actual wellness and aesthetic services to its patients (except as described below under “Waiver of Management Agreement.”). Due to various federal and state laws regarding the practice of medicine, and the ownership and operation of medical- and healthcare-related businesses that provide wellness and aesthetic services, it is critical that any unlicensed Franchisees do not engage in practices that are, or may appear to be, the practice of medicine. The P.C. is responsible for, and must offer all wellness and aesthetic services in accordance with all applicable laws and regulations, and a conforming Management Agreement and the System.

You must also ensure that your relationship with the P.C. for which you manage the MedSpa complies with all laws and regulations. The P.C. who owns the MedSpa must comply with all laws and regulations and secure and maintain in force all required licenses, permits and certificates relating to the operation of a MedSpa. Franchisees may assist the P.C. in its effort to comply with such laws and regulations, but must do so under the direction of the P.C. Each state has medical, nursing, physician

assistant, naturopathic, chiropractic and other boards that determine rules and regulations regarding their respective members and the scope of services that may legally be offered by their members. The laws and regulations generally include requirements for the medical providers to hold required state licenses and registrations to work as medical professionals or healthcare providers in the state where the MedSpa is located, and to hold required certifications by, or registrations in, any applicable professional association or registry. If a state or jurisdiction has such laws or regulations, these laws and regulations are likely to vary from state to state, and these may change from time to time.

Ownership and Operations of MedSpas By Licensed Medical or Healthcare Professionals

Depending on the laws of your state, if you are a licensed medical or healthcare professional and/or have your own P.C., you may not be required to execute a Management Agreement in order to operate a Unit Franchise. However, you must agree that you will ensure that you will operate your MedSpa in compliance with all applicable federal and state requirements and will only offer those BlueSage Longevity Labs products and services that are permitted under your wellness and aesthetic license. You may purchase and operate your Franchise as a new start-up (a “Start-up Unit Franchise”), or may convert an existing wellness and aesthetic practice (a “Conversion Unit Franchise”).

Ownership and Operation of MedSpas By Unlicensed Persons Without a P.C.

In certain states, it may be permissible under the existing laws that may be applicable to wellness and aesthetic professionals and/or practices, such as MedSpas, for an unlicensed person to both own and operate a MedSpa and a Unit Franchise, including hiring medical and healthcare professionals and personnel and to provide wellness and aesthetic services to patients at the MedSpa. If you determine that the laws that would apply to a MedSpa in your state would permit you to do so, you may request that we waive certain of the requirements of the Franchise Agreement related to separating the operation of the medical and healthcare aspects of the MedSpa from the management aspects. In particular, you (i) may not need to enter into a Management Agreement with a P.C. that, as a separate entity, would otherwise operate the MedSpa and provide all wellness and aesthetic services, and (ii) you would not be restricted from hiring and supervising medical or healthcare professionals. Any waiver, or any modification of our standards, would be subject to compliance with all applicable laws and regulations. If we agree to do a waiver, you must enter into an Amendment to Waive Management Agreement (“Waiver Agreement”) (attached as exhibit to the FDD for Unit Franchises). Under the Waiver Agreement, you agree that, instead of entering into the Management Agreement with a separate P.C., you will (a) operate the MedSpa, including performing all responsibilities and obligations of the “P.C.” under the Management Agreement, and (b) manage the MedSpa as required in the Franchise Agreement and by performing all the responsibilities and obligations of the “Company” under the Management Agreement in conformity and compliant with all applicable laws and regulations.

You are responsible for operating in full compliance with all laws that apply to a Unit Franchise and MedSpa, and you must make your own determination as to your legal compliance obligations. Additionally, the laws applicable to your MedSpa may change, and if there are any medical or healthcare regulations or other laws that would render your operation of the MedSpa through a single entity (or otherwise) in violation of any medical or healthcare regulation or law, you must immediately advise us of such change and of your proposed corrective action to comply with medical and healthcare regulations and law, including (if applicable) entering into a Management Agreement with a P.C.. Similarly, if we discover any such laws, upon providing you notice of such laws, you agree to make such changes as are necessary to comply with medical regulations, including (if applicable) entering into a Management Agreement with a P.C.

Regardless of whether you are licensed or an unlicensed person or entity, if we grant you the right to operate a Franchised Business, neither we nor you are engaging in the practice of medicine, nursing, chiropractic or any other profession that requires specialized training or certification, and you, as Franchisee, must not engage in the practice of medicine, nursing, chiropractic or any other profession that

requires specialized training or certification, unless you are properly licensed to do so. The Franchise Agreement and Management Agreement will not interfere with, affect or limit the independent exercise of medical judgment by the P.C. and its professional medical or healthcare staff. It will be your responsibility for researching all applicable laws, and we strongly advise that you consult with an attorney and/or contact local, state and federal agencies before signing a Franchise Agreement with us, or a Management Agreement with a P.C., or any other agreements, to determine your legal obligations and evaluate the possible effects on your costs and operations.

Under our Franchise Agreement, the Company gives you the right to establish and operate a Unit Franchise at a site approved by the Company. The Franchise Agreement gives you the right to operate a Unit Franchise under the trademark “Blue Sage Longevity Labs™” and other marks designated by the Company from time to time (all referred to as the “Marks”). Under the Agreement, unless prohibited by law, you must offer all products and services that we may specify and may not offer any products or services we have not authorized.

It is anticipated that most MedSpas associated with Franchised Businesses will be located where traditional medical practices are located. However, in the future we may offer the right to operate a Franchised Business in a “Non-Traditional Site.” For purposes of this Disclosure Document, a “Non-Traditional Site” means any site or channel that generates customer traffic flow that is independent from the general customer traffic flow of the surrounding area, including on or within the confines or premises of military bases, shopping malls or centers, office complexes, airports, school campuses, train stations, or hospitals.

Market and Competition.

The market for Unit Franchises includes all individuals who desire wellness and aesthetic services. BlueSage Longevity Labs™’ target demographic encompasses both men and women aged between 25 and 75, with annual incomes of \$80,000 or higher, typically possessing a college degree or higher level of education. This target group is characterized by a willingness to invest \$10,000 or more annually in wellness and aesthetic services, driven by a proactive approach to maintaining health, appearance, and vitality. They are typically highly committed to enhancing their well-being and preserving youthfulness through advanced wellness and aesthetic treatments. Within this overall group, our company has developed several client personas and distinct profiles, which represent general traits, needs, and problems found in target demographics

If you open a Franchise Business, the competition for the MedSpa associated with your Franchised Business will include other businesses or professionals offering similar products and services to individuals. These competitors may include other wellness and aesthetic businesses and medspas, physical therapy specialists, and other medical facilities and franchises. Your Franchised Business may also face competition from businesses or professionals who operate multi-disciplinary medical and/or health practices, which offer medical and health services to their clients or patients.

Laws and Regulations.

You are responsible for operating in full compliance with all laws that apply to your Franchised Business and any MedSpas that you own, operate and/or manage. The medical industry is heavily regulated. These laws may include federal, state and local regulations relating to: the practice of medicine, nursing, chiropractic, or other professional services, and the operation and licensing of medical or healthcare professionals or facilities; the relationship of providers and suppliers of health care services, including anti-kickback laws (including the Federal Medicare Anti-Kickback Statute and similar state laws); restrictions or prohibition on fee splitting; physician self-referral restrictions (including the federal “Stark Law” and similar state laws); payment systems for medical benefits available to individuals through insurance and government resources (including Medicare and Medicaid); privacy of patient records, including the Health Insurance Portability and Accountability Act of 1996 (HIPAA); use of medical devices; and advertising of

medical services. While not all of these laws and regulations will be applicable to all MedSpas, depending on location and services provided, it is important to be aware of and compliant with the regulatory framework. You should ensure that all employees that will work with patients in your Franchised Business undergo a background check.

You must secure and maintain in force all required licenses, permits and certificates relating to the operation of the Franchised Business and the other licenses applicable to MedSpas. You must not employ any person in a position that requires a license unless that person is currently licensed by all applicable authorities and a copy of the license or permit is in your business files and displayed as may be required. You must comply with all state and local laws and regulations regarding the management of any MedSpa.

You must also ensure that your relationship with any P.C. for which you manage MedSpas complies with all laws and regulations, and that the P.C. complies with all laws and regulations and secures and maintains in force all required licenses, permits and certificates relating to the operation of a MedSpa. Each state has medical, nursing, physician assistant, naturopathic, chiropractic and other boards that determine rules and regulations regarding their respective members and the scope of services that may legally be offered by their members. The laws and regulations generally include requirements for the medical providers to hold required state licenses and registrations to work as medical or healthcare providers in the state where the MedSpa is located, and to hold required certifications by, or registrations in, any applicable professional association or registry. If a state or jurisdiction has such a law or regulation, these laws and regulations are likely to vary from state to state, and these may change from time to time.

It is your obligation to consult with a local attorney to determine whether you will be required to work with a P.C. in order to operate a Franchised Business. You understand that it is your responsibility to operate your Unit Franchise in compliance with the laws and regulations of your state. This may mean that you may have to alter the structure of your franchise and begin working with a P.C., if the state you operate in does not allow, or decides to no longer allow, an unlicensed person from owning and/or operating a MedSpa.

Some states may permit an unlicensed person from owning and operating a MedSpa, but require you to first obtain a license or permit. You understand that it is your responsibility to obtain all necessary licenses or permits to operate your Unit Franchise.

In addition, you must operate the Franchised Business in full compliance with all applicable laws, ordinances and regulations, including, without limitation, government regulations relating to occupational hazards, health, HIPAA, EEOC, OSHA, discrimination, employment, sexual harassment, worker's compensation and unemployment insurance and withholding and payment of federal and state income taxes, social security taxes and sales and service taxes. You agree to execute all documents, including documents with us, our agents, affiliates, etc., or others, to ensure compliance with any applicable laws, whether such laws are applicable now or in the future. You should consult with your attorney concerning those and other local laws and ordinances that may affect the operation of your Franchised Business.

ITEM 2

BUSINESS EXPERIENCE

Cathy Galligan – Chief Operating Officer

Ms. Galligan has been our Chief Operating Officer since February 2024. From August 2021 to the present, she has been the EVP of Franchise Development for Global Business Advisory, Inc. in Inverness, FL. From August 2020 to the present she has been a Wellness Advocate for doTERRA International in Pleasant Grove, UT. From August 2014 to the present has been the Owner/Manager of Real Health Enterprises, LLC in Inverness, FL. From January 2022 to November 2023, she was the EVP of Operations and Compliance for Pur Life Medical in Lehi, UT.

Dr. Suzanne Sirota Rozenberg – Chief Medical Officer

Dr. Rozenberg has been our Chief Medical Officer since November 2024. She has been the Owner and President of SRS Wellness, LLC in Woodmere, NY since June 2014. From October 2012 to May 2024, she was the Program Director and DIO for St. Johns Episcopal Hospital/EHS in Far Rockaway, NY.

Joe Freiberg – Vice President of Sales and Marketing

Mr. Freiberg has been our Vice President of Sales and Marketing since February 2024. From January 2021 to the present, he has been the VP of Sales for Global Business Advisory, Inc. in Inverness, FL. From January 2008 to June 2021, he was the CEO for Pacific Advertising in Chandler, AZ.

Dr. Elle Provencher – Vice President of Training and Brand Development

Dr. Elle Provencher RND-BC, ANMC has been our Vice President of Training and Brand Development since February 2024. From May 2013 to the present, she has been a Wellness Advocate for doTERRA International in Pleasant Grove, UT. From January 2008 to the present, she has been the owner of Wellspring Natural Health Institute in Stafford Springs, CT.

ITEM 3

LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4

BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

ITEM 5

INITIAL FEES

You must pay us an initial Area Representative development fee (“the Development Fee”) upon signing your ARA. The fee will vary depending on a number of factors, including the size of the Development Area and the potential number of Unit Franchises that the Development Area may contain, but we expect these fees to range from \$220,000 to \$595,550. You will have the right to develop a minimum of 12 units for \$220,000 and 32 units for \$595,550.

The Development Fee must be paid by wire transfer, cash or certified funds when you sign the ARA. The Development Fee is uniform for all Area Representative Businesses we offer through this Disclosure Document. However, we reserve the right to modify the Development Fee in the future to reflect the changing costs of doing business and changes in the value of an Area Representative Business. We may also discount the Development Fee: (i) if an Area Representative purchases multiple Development Areas, depending on the number of Development Areas purchased and their geographic locations; or (ii) if we are unable to locate an Area Representative in a particular region we consider desirable. We have no set criteria to define how much or when we would discount the Development Fee.

The Development Fee is not refundable under any circumstances.

ITEM 6
OTHER FEES

<u>Fee (1)</u>	<u>Amount</u>	<u>Due Date</u>	<u>Remarks</u>
Area Representative Advertising Cooperatives	Varies without limitation; based on a vote of the cooperative; however, the maximum contribution will not exceed the amount your Franchise Recruitment Advertising and Marketing Requirement	As required by the Cooperative	Currently, no Advertising Cooperatives have been established. However, the maximum you will be required to contribute is your required annual Franchise Recruitment Advertising and Marketing Requirement.
Social Media Advertising Fee	\$299 per month	Monthly	We reserve the right to increase this fee up to \$399 per month in the future upon thirty (30) days written notice.
Franchise Recruitment Advertising and Marketing Requirement	Not less than \$500 per month or \$6,000 per year per Development Area (we may increase the required amount by up to 25% per year)	Monthly or annually	If you fail to spend any portion of these required monies, we may deduct the unspent amount from your Royalty payments and spend these funds on your behalf for Location Franchise solicitation advertising, so long as we have notified you of your failure and provided you 30 days to cure it.
Interest	Lesser of 15% per annum or the highest commercial contract interest rate permitted by law	From the date payments are due, and continues until outstanding balance and accrued interest are paid in full	Charged on any late payments of any amounts due to us
Technology Fee (3)	\$229.00 per month for first 2 users; \$75 for each additional user	As incurred	Payable to cover the cost of computer software, applications and programs we require which are necessary to operate your Area Representative franchise.

<u>Fee (1)</u>	<u>Amount</u>	<u>Due Date</u>	<u>Remarks</u>
Audit Expenses	Cost of audit and inspection plus any reasonable accounting and legal expenses	On demand	Payable if 2% or more discrepancy in amounts owed, or if you fail to submit required reports.
Late Reporting Fee	\$100	10 th day of the month following any month for which any required report is not timely submitted	Payable if any report or other information required to be submitted to us is received by us after the established deadline.
Additional Training fee	Currently \$0; however, if we implement it will not exceed \$500 per day	On demand	Payable for each person who attends any mandatory or optional additional training program or owners meeting held by us. We do not currently charge this fee. If you fail to attend any of these required training courses or meetings, we may charge you a non-attendance fee of up to \$500 per day.
Renewal Fee	The greater of: a) 10% of the Royalties we actually receive and pay to you during the 12 consecutive months immediately preceding the date of the notice of renewal; or b) 25% of the original Development Fee for your Development Area	Before Renewal	None
Transfer Fee	\$10,000 for the Development Area	At the time of transfer	Applies to any transfer of the ARA, the franchise, or its assets, except transfers to a legal entity principally controlled by you. Used to cover cost associated with transfer, including training cost.
Termination Fee (2)	One-half of the original Initial Area Representative fee for your Development Area, plus our attorneys' fees and costs	On demand	Payable if you terminate, or we terminate your franchise for cause, before your franchise term expires

<u>Fee (1)</u>	<u>Amount</u>	<u>Due Date</u>	<u>Remarks</u>
Insurance Reimbursement (3)	Amount of unpaid premiums and related costs	On demand	Payable only if you fail to maintain required insurance coverage and we pay premiums for you.
Legal Costs and Attorney's Fees	All legal costs and attorneys' fees incurred by us	On demand	Payable if we must enforce, defend our actions related to, or against your breach of, the ARA
Indemnification	All amounts (including attorneys' fees and costs) incurred by us or otherwise required to be paid	On demand	Payable to indemnify us, our affiliates, and our and their respective owners, officers, directors, employees, agents, successors, and assigns against all claims, liabilities, costs and expenses related to your ownership and operation of the franchise, your breach of the ARA, or your non-compliance with any law or regulation.

Explanatory Notes:

All fees are uniform, and are imposed by, collected by, and payable to us. All fees are non-refundable.

1. You must pay all amounts due by automatic debit. You will be required to execute an ACH Authorization Form permitting us to electronically debit your designated bank account for payment of all fees payable to us as well as any amounts that you owe to us or our affiliates for the purchase of goods or services. You must ensure that there are sufficient funds available in your account for withdrawal before each due date.

2. You must pay the termination fee, plus any costs and attorneys' fees incurred by us, if you improperly attempt to terminate or close your franchise before your term expires, or we terminate your ARA for any reason set forth in the ARA. We may also recover from you any damages suffered by us (e.g., lost future revenues) resulting from your improper or wrongful termination of the franchise.

3. If you fail to pay the premiums for insurance required to operate your franchise, we may obtain insurance for you and you will be required to reimburse us within ten (10) days of receipt of a demand for reimbursement from us. We will have the right to debit your account the amounts owed to us for such premiums if you fail to pay us within ten (10) days of our request for reimbursement.

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT					
Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is Made
	Low	High			
Development Fee (1)	\$220,000	\$595,550	Lump sum	Upon signing ARA	Us
Demographic Analysis (2)	\$0	\$4,000	As arranged	As incurred	Supplier
Real property – rental (3 months) (3)	\$0	\$4,500	Monthly	As arranged	Landlord
Lease security deposit (3)	\$0	\$1,000	Lump sum	As arranged	Landlord
Construction Costs, Equipment and Fixtures (3)	\$0	\$5,000	As arranged	As incurred	Suppliers and contractors
Insurance (4)	\$3,000	\$6,000	As arranged	As incurred	Insurance Company
Utility deposits (5)	\$0	\$500	As arranged	As incurred	Utility companies
Vehicle (6) (3 months)	\$0	\$1,475	As arranged	As incurred	Supplier
Professional service fees (7)	\$1,000	\$6,000	As arranged	As incurred	Professionals
Travel and living expenses during initial training (per person) (8)	\$1,000	\$1,500	As arranged	As incurred	Third Parties
Filing fees (9)	\$0	\$850	As arranged	As incurred	State authority
Social Media Advertising Fee (3-months)	\$897	\$897	As arranged	As incurred	Third Parties
Franchise sales and advertising (3 months) (10)	\$1,500	\$15,000	As arranged	As incurred	Print advertisers

YOUR ESTIMATED INITIAL INVESTMENT					
Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is Made
	Low	High			
Technology Fee (\$250/month) and Computer system (11)	\$750	\$2,500	As arranged	As incurred	Third Parties
Additional funds (3 months) (12)	\$5,000	\$5,000	As arranged	As incurred	Third parties
TOTAL ESTIMATED INITIAL INVESTMENT (11)(12)	\$233,147	\$648,772			

Explanatory Notes:

1. We discuss the initial Area Representative development fee in detail in Item 5 of this Disclosure Document. We and our affiliates do not offer any financing for this fee. This fee is non-refundable.
2. You must pay to have a demographic analysis done to map the potential areas for Unit Franchisees. We estimate the cost of the demographic analysis to be between \$0 and \$3,000. You will not be required to pay if you are purchasing an area that we have already created one because the area was previously owned by another Area Representative. This must be purchased from an approved supplier.
3. You may operate your Area Representative Business from any location you choose. If you decide to operate your sales office from a leased premise, you will be required to pay rent and possibly incur expenses in constructing, equipping and furnishing your sales office. Since the size and nature of each Area Representative's sales office space will vary, an estimate is difficult. The estimate shown is for an office consisting of a reception area, one secretarial station, one conference room and two offices. The amount of your rent will vary according to the area, the type of office location (office building, strip center, or free-standing building), and various other factors. If you decide to operate out of a lease premises, you may also be required to pay a security deposit. In addition, in certain lease transactions, if you are an entity, the landlord may require your owners to personally guarantee the lease. Whether this fee is refundable depends on your agreement with your landlord.
4. You must obtain and maintain, at your own expense, insurance coverage for the vehicle(s) and any buildings you use or operate in connection with your franchise. Insurance costs depend on a variety of factors. Annual premiums are typically paid to the insurer immediately, with refunds being issued if you cancel the insurance. The cost of your premiums will depend on the insurance carrier's charges, terms of payment, and your insurance and payment history. Our insurance requirements are contained in our Manual for ARs.
5. If you decide to operate from a leased premise, you may be required to pay deposits for utilities. The amount of these deposits will vary depending on the practices of the utility companies and whether any impact or hook-up fees are required.

6. You may be required to purchase or lease a vehicle to conduct franchise sales activities. If you decide not to utilize your own vehicle we estimate it will cost you approximately \$400 per month to cover the cost of your vehicle, tax, title, and licensing.
7. You may wish to retain the services of an attorney and other consultants to assist you in forming your business entity and in purchasing and establishing your Franchised Business. The cost of these services will vary depending on the different services providers.
8. You will incur expenses related to our initial Area Representative training program. We provide a training program, a training location, instructors, and instructional materials. You will need to arrange for transportation, food, and lodging for your designated attendees. The costs you incur will depend on the distance you must travel and the type of accommodations you choose.
9. If the laws within your Development Area require you to be registered prior to undertaking your franchise development activities as required by the ARA, there will be certain costs associated with this registration, including registration fees. Registration fees vary from state to state.
10. We estimate that you will spend between \$1,700 and \$5,000 each month to advertise the sale of Unit Franchises in your Development Area. The precise amount will be determined by the population of your Development Area after consultation with, and consent by, us. Advertising expenditures must be documented to us upon our request. This includes the cost of sales and marketing materials. However, you must spend no less than \$500 per month, or \$6,000 per year per Development Area (we may increase the required amount by up to 25% per year).
11. We currently charge a monthly Technology Fee of \$250 to cover the cost to access our computer system, including the BlueSage Intranet CRM, LMS and franchise management system. The \$250 monthly fee is for the first 2 users, and each additional user is \$75. You are not required to purchase any particular software to operate your Area Representative franchise. If you do not already have such equipment, we estimate that the cost of obtaining a computer and printer will be no more than \$1,500, however, this cost may vary depending on what type of computer and printer you purchase.
12. You will need capital to support your on-going expenses like payroll, utilities and franchise sales advertising, to the extent that these costs are not covered by sales revenue. New businesses often generate a negative cash flow. We estimate that the amount shown will be sufficient to cover ongoing expenses for the start-up phase of the Franchised Business, which is three months. Our estimate is based on the cost of other similarly situated business owners engaged in the sale of unit franchises for a franchisor.
13. We encourage you to make a diligent investigation of the Area Representative franchise opportunity, and consult appropriate business advisors, like attorneys or accounts who are qualified to assist you in carefully evaluating these figures, before you make any decision to purchase an Area Representative franchise from us.
14. Except as expressly mentioned above, none of the fees above are refundable.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Approved Suppliers

You must purchase specified products and services relating to or for the operation of your Area Representative Business solely from suppliers (including distributors, manufacturers, and other sources) who have been approved in writing by us. You are not allowed to purchase any of these products or services

from an unapproved or alternate supplier. When selecting suppliers, we consider all relevant factors, including the quality of goods and services, service history, years in business, capacity of supplier, financial condition, terms and other requirements consistent with other supplier relationships. However, we do not have any specific written criteria for supplier selection and does not intend at this time to prepare one. Therefore, we will not furnish our criteria for supplier approval to you. We maintain written lists of required products (by brand name and/or by standards and specifications) and lists of approved suppliers for those items. All such products and approved vendors for our required products and services will be listed in the Manual for ARs, which must always be followed, even as modified and updated by us. Currently, we do not require our Area Representatives to purchase any products, supplies or equipment from us.

We, or our designated vendor, will be the required vendor for the franchise management software and social media and webpage marketing that we require our Franchisees to use as part of their Unit Franchises. None of our officers own an interest in any required third-party vendors.

Approval of Alternative Suppliers

We do not have any specific written criteria for alternative supplier selection and does not intend at this time to prepare one. Therefore, we will not furnish its criteria for supplier approval to Area Representatives. If you would like to purchase any items from any unapproved supplier, then you must submit to us a written request for approval of the proposed supplier. We will approve or disapprove your requested within 30 days. We have the right to inspect the proposed supplier's facilities, and require that product samples from the proposed supplier be delivered, at our option, either directly to us, or to any independent, certified laboratory that we may designate, for testing. We may charge you a supplier evaluation fee (not to exceed the actual cost of the inspection and the actual cost of the test) to make the evaluation. We reserve the right to periodically re-inspect the facilities and products of any approved supplier, and revoke our approval if the supplier does not continue to meet any of our criteria.

Specifications and Standards

In 2024, we received no revenue from franchisee required purchases from required vendors/suppliers.

We may receive revenue or other consideration from any other suppliers for goods and services that we require or advise you to purchase. In the event we enter agreements with any such suppliers, we anticipate that any revenue or other consideration received will include certain promotional allowances, rebates, volume discounts, and other payments, that may range from zero to ten percent (0-10%) of the amount of the goods or services you purchase from the supplier. We expect that at least some of these arrangements will generally allow us to obtain discounts from standard pricing, and that it may facilitate our ability to pass along a portion of the savings to you. The estimated cost of purchasing required products and services to meet our specifications will represent less than 1% of your total purchases in establishing your Area Representative Business and less than 1% of your total purchases during the operation of your Area Representative Business.

You must purchase certain products, supplies and equipment under specifications and standards that we periodically establish either in the ARA, Manual for ARs, or other notices we send to you from time to time. These specifications are established to provide standards for performance, durability, design and appearance. We will notify you whenever we establish or revise any of our standards or specifications, or if we designate approved suppliers for products, equipment or services.

Our Involvement with Suppliers

While we currently have received no revenue or other consideration from suppliers in consideration for other goods or services that we require or advise you to obtain from approved suppliers, we reserve the right to do so in the future. We anticipate that any revenue or other consideration received would probably

include promotional allowances, volume discounts, and other payments, and would probably be equal to zero to ten percent (0-10%) of the amount of the goods or services you purchase from the supplier. We expect that at least some of these arrangements will generally allow us to obtain discounts off standard pricing, and pass at least a portion of the savings on to you. We may negotiate price terms and other purchase arrangements with suppliers for some items that we require you to lease or purchase in developing and operating your Area Representative Business. There currently are no purchasing and distribution cooperatives.

Effects of Compliance and Noncompliance

You must comply with our requirements to purchase or lease real estate, goods, and services according to our specifications and/or from approved suppliers to be eligible to renew your franchise. Failure to comply with these requirements will render you ineligible for renewal, and may be a default allowing us to terminate your franchise.

Material Benefits, Negotiated Prices and Cooperatives.

We do not provide any other benefits to you because of your use of designated or approved services and products, or suppliers. We may choose to negotiate purchase agreements for certain equipment or supplies. You may purchase such equipment or supplies from such designated suppliers or from any approved supplier on such terms as you negotiate. The Manual for ARs contains details relating to such purchases. Currently, we do not require you to purchase any particular equipment or supplies to operate an Area Representative Business. There currently are no purchasing and distribution cooperatives.

Insurance Specifications

Before you begin operating your Area Representative Business, you must obtain Errors and Omissions insurance in the minimum amount of \$1,000,000, naming us as an additional insured. We may increase these limits or have new types of coverage added at any time after giving you notice. You must maintain this insurance coverage, as required by your ARA, from a responsible carrier. Our current insurance requirements are summarized in the Manual for ARs.

Advertising Specifications

You must obtain our approval before you use any advertising and promotional materials, signs, forms and stationary prior to their proposed use. We may require you to purchase certain advertising and promotional materials, brochures, fliers, forms, business cards and letterhead from approved vendors only. Further, you must not engage in any advertising of your Area Representative Business unless we have previously approved the medium, content and method.

Records and Reports

All of your bookkeeping and accounting records, financial statements, and all reports you submit to us must conform to the requirements set forth in Sections 6.11 and 6.12 of the ARA, as well as those contained in our Manual for ARs. You must submit weekly activity reports pertaining to the activity in your development area which will contain the following information: 1) number of contacts made (through all marketing methods), 2) number of appointments, 3) number of presentations, and 4) number of sales by the Monday after the week ending on the previous Friday evening. Your reporting obligations may be changed upon thirty (30) days written notice, and will be set forth in our Manual for ARs or other written directives.

Computer-Related Equipment and Software

As an Area Representative, you will not be required to purchase any particular software to operate your Area Representative franchise. If you do not already have them, you will also need a computer and printer. We currently charge a monthly Technology Fee of \$250 to cover the cost to access our computer system, including the BlueSage Intranet, CRM, LMS and franchise management system. The \$250 monthly fee is for the first 2 users, and each additional user is \$75. We reserve the right to increase this fee upon providing you 30 days' prior notice.

Disclosure Document for Unit Franchises

You must ensure that a copy of our FDD for Unit Franchises is disclosed (or re-disclosed, when there are updates or supplements) to each potential Franchisee. We will provide you with one copy of the FDD for Unit Franchises, although it is copyrighted, and you will not be licensed to reproduce it yourself without our prior written authorization.

ITEM 9

FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the Area Representative Agreement and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this Disclosure Document.

Obligations	Section in Area Representative Agreement	Disclosure Document Item
(a) Site selection and acquisition/lease	Sections 2.2, 5.3 and 5.9 of ARA	Item 11
(b) Pre-opening purchases/leases	Sections 6.5, and 7 of ARA	Items 5, 7 and 8
(c) Site development and other pre-opening requirements	No provision of ARA	Items 7, 8, and 11
(d) Initial and ongoing training	Sections 5.1 and 5.6 of ARA	Item 11
(e) Opening	Section 2.2 of ARA	Item 11
(f) Fees	Sections 2.1, 4.2, 5.1, 5.2, 5.4, 5.9, 6.5, 6.7, 6.12, 6.13, 7, 11.3, 13.4, 15.2 and 15.15 of ARA	Items 5, 6 and 7
(g) Compliance with standards and policies/operating manual	Sections 5.2 and 6 of ARA	Items 11 and 16
(h) Trademarks and proprietary information	Sections 9 and 10 of ARA; and Confidentiality Agreement (<u>Exhibit E</u>)	Items 13 and 14

Obligations	Section in Area Representative Agreement	Disclosure Document Item
(i) Restrictions on products/services offered	Section 5.2(a) of ARA	Item 16
(j) Warranty and Customer Service Requirements	Section 6.1 of ARA	None
(k) Territorial Development And Sales Quotas	Section 2.1 of ARA; Exhibit 2 of ARA	Item 12
(l) On-going product/services purchases	Sections 5.4, 5.8, and 6.5 of ARA	Item 8
(m) Maintenance, appearance and remodeling requirements	Section 5.6 of ARA	None
(n) Insurance	Sections 6.5 and 6.6 of ARA	Item 7
(o) Advertising	Sections 2.1(k), 5.8, 6.7, 6.8, and 6.9 of ARA	Items 6, 7, and 11
(p) Indemnification	Section 15.2 of ARA	Items 6, 13 and 17
(q) Owners Participation management/staffing	Section 6.14 of ARA	Items 11, 15 and 16
(r) Records/reports	Sections 2.1(d), 5.10, 6.10, 6.11 and 6.12 of ARA	Item 6
(s) Inspections/audits	Section 5.7 of ARA	Item 6
(t) Transfer	Section 11 of ARA	Items 6 and 17
(u) Renewal	Section 4 of ARA	Items 6 and 17
(v) Post-termination obligations	Sections 13.3 and 13.4 of ARA	Item 17
(w) Non-competition covenants	Section 12 of ARA	Item 17
(x) Dispute resolution	Sections 14, 15.7, and 15.8 of ARA	Item 17
(y) Guaranty	None	Item 15

ITEM 10

FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or obligation.

ITEM 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

Except as listed below, we are not required to provide you any assistance.

Before your Area Representative Business begins operations, we or our designee will:

1. We will provide the initial training program for Area Representative Businesses for up to three (3) attendees. Additional persons may attend initial Area Representative training for no additional fee if space is available in an already scheduled training session. You must pay for all travel, entertainment, salaries, and benefits expenses of your staff. (ARA – Section 5.1).

2. Grant you access to our Manual for Area Representatives (“Manual for ARs”), which contains our mandatory and suggested specifications, standards and procedures for operating Area Representative Businesses (ARA – Section 5.2). **Exhibit C** to this Disclosure Document sets forth the Table of Contents for our Manual for ARs, which is approximately 103 pages. We may modify the Manual for ARs periodically to reflect changes in System Standards, or as we deem appropriate.

We may modify the contents of the Manual for ARs periodically to reflect changes in System Standards, or send out other electronic communications to you about changes or updates to the System, the Manual for ARs, and our policies and procedures. You are required to be in compliance with the most current version of our Manual for ARs, as well as our most current policies and procedures. The Manual for ARs is confidential, and you may not copy, duplicate, record or otherwise reproduce any part of it. You may ask to view our Manual for ARs at our corporate headquarters before purchasing your Franchise, but must first sign our Non-Disclosure Agreement (**Exhibit E** of this Disclosure Document) promising not to reveal any of the information contained in the Manual without our permission.

3. Prepare and/or register any disclosure documents or other documentation that must be prepared, amended, or registered for you to fulfill your responsibilities to solicit, recruit, and screen prospective Franchisees (ARA – Section 5.4). Federal and state franchise or business opportunity laws govern the sale and offering of Unit Franchises, and may require the preparation, amendment, registration, or registration of all certain documentation and disclosures relating to the Blue Sage unit franchises offered in your Development Area (the “Documentation”) before you can solicit prospective Franchisees. While we will prepare and register all Documentation necessary for you to begin soliciting prospective Franchisees, you must provide us with any documentation or information we may need to prepare or register the Documentation, and will be responsible for all costs applicable to you. You must review and become fully familiar with all Documentation related to franchises sold in your Development Area. Before soliciting a prospective Franchisee, you must take reasonable steps to confirm that the information contained in the Documentation or other materials related to the offer or sale of Unit Franchises is true, correct, and not misleading, or in violation of applicable state law related to registration of the Documentation.

4. Review and approve or disapprove your advertising, marketing, and promotional and/or website materials (ARA – Sections 6.8 and 6.9). See the remainder of this Item 11 for additional information about our advertising-related requirements and approval process.

We will not approve or disapprove the site where you operate your Area Representative franchise.

Post-Opening Obligations:

After your Area Representative franchise opens for business, we or our designee will:

1. As we deem appropriate, provide you with additional or refresher training programs (ARA – Section 5.1). You will be required to participate in periodic webinars and sales calls scheduled by us for Area Representative Businesses. We may require you to attend up to two (2) additional or refresher training courses each year at our corporate offices, or another location we designate. You may also be required to attend a national business meeting or convention of up to three (3) days each year. We will determine the location, frequency, and instructors of these training programs. We may charge fees for any courses, conventions, webinars, sales calls, and programs. You must also pay for all travel, lodging, meal, and personal expenses related to your attendance and the attendance of your personnel.
2. Continue lending to you a copy of our Manual for ARs (ARA – Sections 5.2).
3. Provide you with general guidance through bulletins or other written materials (ARA – Sections 5.2 and 5.3).
4. If we agree to do so, provide you with additional or special guidance, training, or assistance that you request (ARA – Section 5.1). If we provide this training, you must pay all of our then-applicable charges, including all per-diem fees and travel, lodging, meal, and living expenses of our personnel.
5. As necessary, amend, maintain, or renew any Documentation and/or registrations necessary for you to continue to solicit prospective Franchisees (ARA – Section 5.4).
6. Approve or disapprove prospective Franchisees (the “Prospective Franchisees”) recommended by you, and their proposed site locations (ARA – Section 5.5). You must advertise for, solicit, recruit, and screen Prospective Franchisees to purchase Unit Franchises in your Development Area. You must investigate each Prospective Franchisee and its proposed Unit Franchise site to determine if they meet our standards and policies. After ensuring that a Prospective Franchisee meets our standards, you may recommend to us the approval of the Prospective Franchisee. You must provide us with all information that we may request to evaluate your recommendation. We may approve or reject a Prospective Franchisee for any reason. If we disapprove any Prospective Franchisee, we will notify you in writing of our reasons for the disapproval. If we approve the Prospective Franchisee, you must provide the Prospective Franchisee with a copy of our then-current Franchise Agreement for the Prospective Franchisee to sign.
7. Review and approve or disapprove your advertising, marketing, and promotional and/or website materials (ARA – Sections 6.8 and 6.9). See the remainder of this Item 11 for additional information about our advertising-related requirements and approval process.
8. Pay you the amount due under the ARA. Under the ARA, you will receive fifty percent (50%) of the initial franchise fee for each Unit Franchise that is sold minus any referral fees or sales commissions, 50% of any transfer or renewal fees, three percent (3%) of the royalty fees, along with special pricing on products and overrides on sales by Unit Franchises (ARA – Sections 8.1 – 8.4).
9. Allow you to continue using our Marks and confidential information in operating your Area Representative franchise (ARA – Sections 9 and 10).
10. Indemnify you against damages and expenses you incur in a trademark infringement proceeding disputing your authorized use of any Mark in compliance with the ARA (ARA – Section 9.5).
11. If we establish a local or regional advertising cooperative that covers all or any part of your Development Area, approve or disapprove any advertising, marketing, or promotional materials created by

the cooperative (ARA – Section 6/7). Though there currently are no local or regional cooperatives, we may create a cooperative to support the advertising and marketing needs of their respective members.

As an Area Representative, you must sell Unit Franchises only at the price we set, and may not change any of the fees we set for Unit Franchisees in your Development Area.

Advertising and Marketing

Advertising by You

You may develop, at your cost, advertising and promotional materials for your use, but may not use them until after we have approved them in writing. You must submit to us for our approval samples of all advertising and promotional materials not prepared or previously approved by us that you wish to use. We will not unreasonably withhold our approval. If you do not receive our written disapproval within 15 days from the date we receive the materials, the materials will be deemed to have been approved. Any materials submitted to us for approval will become our intellectual property. (ARA – Section 10).

We do not currently have any Area Representative advertising cooperatives but we reserve the right to create them in the future. If one is created, you will be required to join and participate in an Advertising Cooperative (“Co-op”), which is an association of Area Representatives who are located within a Designated Market Area (“DMA”). A DMA is a geographic area around a city in which the radio and television stations based in that city account for a greater proportion of the listening/viewing public than those based in the neighboring cities. One function of the Co-op is to establish a local advertising pool, of which the funds must be used for advertising only and for the mutual benefit of each Co-op member. We have the right to specify the manner in which any Co-ops are organized and governed, and require any and all Co-ops to be legal entities of the state where they are located. We may require Co-ops to be changed, dissolved or merged. Co-ops must operate according to written bylaws which have been approved by us. Co-ops must provide us with a copy of their organizational documents and bylaws prior to commencing any marketing or other activities. Currently, there are no Co-ops, however, if established, each Area Representative must contribute to a Co-op according to the Co-op’s rules and regulations, and bylaws, as determined by its members. The fees payable to Co-op members are determined by a vote of the Co-op members. Franchisor-owned outlets will have the same voting rights and franchisee-owned outlets in the Co-op. Amounts contributed to Co-ops may be considered as spent toward your Franchise Recruitment and Marketing Requirement under this Agreement, if appropriately documented and spent according to our defined criteria for advertising. The amount you contribute to a Co-op will not exceed your Franchise Recruitment Advertising and Marketing Requirement. There is no minimum Co-op fee that must be charged to Co-op members. We reserve the right to require each Co-op to prepare annual or periodic financial statements and to provide such statements to the Co-op members.

We estimate that you will spend between \$1,700 and \$5,000 each month to advertise the sale of Unit Franchises in your Development Area. The precise amount will be determined by the population of your Development Area after consultation with, and consent by, us. Advertising expenditures must be documented to us upon our request. This includes the cost of sales and marketing materials. You must spend no less than \$500 per month, or \$6,000 per year per Development Area (we may increase the required amount by up to 25% per year). This requirement is waived if you are meeting or exceeding your production requirement in Exhibit 2. You must also spend a minimum of \$299 per month on social media advertising through a vendor or supplier we designate or approve. We reserve the right to increase this fee up to \$399 per month in the future upon thirty (30) days written notice. The amount you spend on social media advertising will not count towards your minimum advertising requirement of \$500 per month.

Advertising by Us

We currently do not have an advertising fund ("Ad Fund") for our Area Representative Businesses, and do not intend to create one at this time. We do not have any advertising councils at this time, but

reserve the right to create them in the future and to establish the rules as to how members are selected, voting rights of the members, etc. In the event any advertising councils are created, we will have the right to change or dissolve the councils in our sole discretion. We have no obligation to spend any amount on advertising in your Development Area, or to perform any advertising for you or any of our Area Representatives.

Confidential Operations Manual

After you sign the ARA, we will grant you online access to our Manuals (in electronic format only), which we may amend from time to time upon written notice to you. A copy of the table of contents of the Manual for ARs is attached as **Exhibit C** to this Disclosure Document. The Manual for ARs contains approximately 23 pages. We consider the contents of our Manuals to be proprietary, and you must treat them as confidential.

Training

As of the date of this franchise disclosure document, we provide the following initial training for Area Developers:

Our initial training program is available to up to three (3) attendees, including the Area Representative's Owners. Additional persons may attend initial Area Representative training if space is available in an already scheduled training session. Before opening for business, the Area Representative Owners and any others that will be directly involved in the operation of the Area Representative Business must attend and complete the initial training program to our satisfaction. Most of our Area Representatives complete their training within 30 days of signing their ARA. In any event, your training must be completed within 90 days of signing your ARA, which is the opening deadline for your Area Representative Business. We provide this initial training free of charge to any attendees, however, you must pay the wages, food, lodging and travel expenses for all of your attendees. The initial training program will last for approximately three (3) days, and will be conducted by us or our designee at our corporate offices at 2659 East Gulf to Lake Highway, Ste. 301, Inverness, FL 34453, or another location we designate.

Our initial training program currently includes the following:

TRAINING PROGRAM			
SUBJECT	Hours of Classroom Training	Hours of On the Job Training	Location
Welcome and Introduction. Area Representative Responsibilities	1 hour	0 hours	Atlantic Beach, NY, or other designated location
Developing a Compliance System	.5 hours	1 hours	Atlantic Beach, NY, or other designated location
Franchise Marketing	1 hour	0 hours	Atlantic Beach, NY, or other designated location
Lead Generation	1 hour	0 hours	Atlantic Beach, NY, or other designated location
Franchise Sales Process	1 hour	0 hours	Atlantic Beach, NY, or other designated location

TRAINING PROGRAM			
SUBJECT	Hours of Classroom Training	Hours of On the Job Training	Location
Explaining the FDD to a Franchise Candidate	1 hour	0 hours	Atlantic Beach, NY, or other designated location
Business Brokers	1.5 hours	0 hours	Atlantic Beach, NY, or other designated location
Four-Step Development Process	1.5 hour	0 hours	Atlantic Beach, NY, or other designated location
Real Estate Selection Process	1 hour	1 hour	Atlantic Beach, NY, or other designated location
Sales Techniques / Building Relationships / Rapport	1 hour	1 hours	Atlantic Beach, NY, or other designated location
Local Marketing Coordination	1 hour	0 hours	Atlantic Beach, NY, or other designated location
Building and Maintaining a Strong Region	1 hour	1 hours	Atlantic Beach, NY, or other designated location
Operating Your Regional Office	2.5 hours	0 hours	Atlantic Beach, NY, or other designated location
Review and Questions	1 hour	0 hours	Atlantic Beach, NY, or other designated location
Total Hours:	16.0 hours	4.0 hours	

Explanatory Notes:

- (1) Most of these subjects are integrated throughout the approximately three-day training program (comprised of eighteen (18) hours of classroom training and on-the-job training, and may be offered via online training. We plan to be flexible in scheduling training. There currently are no fixed (i.e., monthly or bi-monthly) training schedules.
- (2) The Company also may offer additional or refresher training courses from time to time. Some of these courses may be mandatory, and some may be optional. These courses may be conducted at the Company's headquarters or at any other locations selected by the Company.
- (3) You will be responsible for all out-of-pocket expenses in connection with all training programs, including the transportation, lodging, meals, wages and employee benefits costs you incur for your training, and the training of management and employees that you have attend the training. The Company reserves the right to impose reasonable charges for training classes and materials in connection with such training courses. The Company will notify you of any additional charges before you or your designated employees enroll in a course. While there is no cost to take such training, we require you and your management staff to pass our training program to our satisfaction before you may begin operating your Unit Franchise.

(4) Although the individuals instructing the training program may vary, our instructors will include the persons listed in Item 2 or other Company representatives and/or contractors with relevant work experience in their designated subject area. We will utilize the materials in our Manual for ARs as part of our training. Each of our instructors have at least two (2) years' experience in the subject area that they will be teaching. The officer of franchisor in charge of training is Cathy Galligan, our Chief Operating Officer. Our trainers are listed below, along with the number of years of experience in the area that they will be covering in the training:

- Cathy L. Galligan - Developing a Compliance System and Insurance Req., FDD – 43 years
- Joe Freiburg – VP Sales & Marketing – Sales Process/Issues – 12 years

Website

You may not operate a website separate from our website. We shall have the right, but not the obligation, to designate one or more web page(s) to describe Area Representative. Such web pages(s) will most likely be located on our Website.

Computer System

As an Area Representative, you will be required to use the BlueSage Intranet, CRM, LMS and franchise management system as part of your Area Representative Business. Any Unit Franchises you operate must adhere to the same requirements established for Unit Franchises. If you do not already have them, you will also need a computer and printer. We estimate the cost of purchasing a computer system and related software will range from \$0 to \$1,500. We currently charge a monthly Technology Fee of \$229 to use the BlueSage Intranet, CRM, LMS and franchise management system as part of your Area Representative Business. The \$229 monthly fee is for the first 2 users, and each additional user is \$75. We reserve the right to increase the monthly Technology Fee upon providing you 30 days' prior written notice. We have no contractual obligation to maintain, repair, update or upgrade your Computer System. There are no limits on our access to the information that will be generated and stored on your Computer System, or on when or how we may access such information. There are no contractual limits on the frequency and/or your cost to maintain, upgrade and update your Computer System in conformance with our directives.

Periodic Review Inspections

You must operate your Area Representative franchise in accordance with the ARA and the Manual for ARs. We reserve the right to conduct period reviews or inspections of your Area Representative Business operations to ensure that you are in compliance with your ARA, Manual for ARs, and our other written directives and standards. We may terminate your ARA if you do not operate your business in compliance with the ARA or the Manual for ARs.

Time to Open

You must open your Area Representative franchise within 30 days after you receive your initial training from us, or 90 days after signing your Area Representative Agreement, whichever occurs first. We estimate that Area Representative franchises will typically open for business approximately 2-3 months after signing the Area Representative Agreement. Factors affecting this length of time include locating a site and signing a lease, if you choose to operate from a leased premise(s), construction or remodeling of the site, completing of required training, financing agreements, local ordinance and building code compliance, delivery and installation of equipment or supplies, and hiring and training of your staff.

ITEM 12

TERRITORY

Your ARA grants you an exclusive Development Area, that generally will be defined by county boundaries, or fixed geographical boundaries such as rivers, streets or highways. There is no specific minimum or maximum size of geographic area that we will grant you as your Development Area. In determining the size of the Development Area, we will consider many factors including, but not limited to, the demographics within that geographic area, your capacity and ability to recruit and provide services within that geographic area, and the number of Unit Franchises we believe can operate within the geographic area. We identify the Development Area, Development Schedule, and Development Fee before you sign the ARA. We will not approve or disapprove the location where you operate your Area Representative Business.

You must develop and operate a minimum of one (1) Unit Franchise and recruit Franchisees to develop and operate Unit Franchises within your Development Area according to a Development Schedule. You must remain in compliance with all signed franchise agreements for Unit Franchises you own to retain your protected Development Area rights. If you do not comply with the Development Schedule, or if any of your Unit Franchises are terminated for any reason, we will have the right to terminate your ARA. However, if we terminate your ARA, we will not terminate any of your Unit Franchises unless we have cause.

You have no options, rights of first refusal, or similar rights to acquire additional geographic area to increase your territory size under the ARA.

If you are in compliance with your ARA, then we and our affiliates will not operate, establish, grant, or operate in your Development Area another Area Representative Business that offers Unit Franchises, or any Unit Franchises not required to be developed under your ARA. However, we may assist in recruiting prospective Franchisees and in selling Unit Franchises in your Development Area. If we do, you will still earn your portion of the initial franchise fee for franchises that we sell in your Development Area as long as you comply with the requirements of your ARA. We will turn over to you all of the sales leads that we receive from prospects looking to acquire a Unit Franchise in your Development Area so that you can pre-qualify the candidate.

You may solicit prospective Franchisees residing outside your Development Area but interested in opening a franchise within your exclusive Development Area without having to pay any special compensation to us or any other Area Representative. You may use the internet and other channels of distribution to solicit Franchisees inside or outside of your Development Area. Likewise, Area Representative outlets owned by us, our affiliates (if applicable), or other Area Representatives may solicit prospective Franchisees residing in your Development Area but interested in opening a franchise in another Development Area without having to pay you any special compensation. You may not solicit prospective Franchisees for a Unit Franchise located outside of your exclusive Development Area. We will forward to you any leads or referrals that we receive for prospective Franchisees interested in purchasing a Unit Franchise in your Development Area, and you will be entitled to the compensation referred to in Item 11 only if these prospective Franchisees purchase a Unit Franchise in your Development Area.

Our Reserved Rights

(a) we expressly reserve (for us and any of our designees, which may include Area Representatives) the exclusive, unrestricted right to produce, sell, distribute and market at or through locations or channels that we establish through Chain and Institutional Relationships (defined below), whether inside or outside of your Development Area. "Chain and Institutional Relationships" are business relationships with chain-branded, institutional, or comparable large-scale business partners through which we directly contract (or have previously contracted) to establish on-premises locations at specialized properties or across multiple

locations or geographic markets, such as at or within hotels, gyms, airports, stadiums, other sports or entertainment venues, and theme parks;

(b) we expressly reserve the right to grant Unit Franchises and/or Area Representative Business rights to others as follows: (i) in our sole and absolute discretion with regard to the Marks, outside of your Development Area, (ii) in our sole and absolute discretion with regard to products or services unrelated to the Marks, outside of your Development Area;

(c) if we, through a merger or any other form of acquisition acquire the ownership rights to or the rights, as franchisor or licensor, to collect franchise fees or licensing fees from any business(es) that are located within your Development Area, and so long as such business(es) would not become converted to operate under the Marks; then such acquired business(es) shall not be deemed to violate the protected rights granted to you under the ARA, and you shall not be entitled to receive any revenue, royalty or other rights associated with such acquired business(es). However, if we convert such business(es) to operate under the Marks, then, for so long as such business(es) operate under the Marks, you must provide support services to such business(es) and you will receive from us fifty percent (50%) of any royalties that we actually collect from such converted business(es). Any such converted business(es) shall count toward your Minimum Development Obligation; and (d) the right to be acquired, directly or indirectly, in whole or in part, by a business and/or person providing products or services similar or dissimilar to those provided by or at Unit Franchises.

ITEM 13

TRADEMARKS

We grant you the right and license to use the Marks and the System solely in connection with your Area Representative Business. You may use our trademark BlueSage Longevity Labs™ and such other Marks as are designated in writing by us for your use. In addition, you may use them only in the manner authorized and permitted by us and you may not directly or indirectly contest our ownership of or rights in the Marks.

We have applied for registration of the following Marks with the U.S. Patent and Trademark Office (“USPTO”) on the Principal Register. At the appropriate times, we intend to renew the registrations and to file all appropriate affidavits.

Mark	Serial Number	Application Date	Registration Number	Registration Date	Register
BlueSage Longevity Labs™	98698812	August 14, 2024	Pending	Pending	Pending

There are no agreements currently in effect that significantly limit our right to use or license the use of the Marks in a manner material to the franchise. The logo is part of our Marks. With respect to the Marks, there are currently no effective material determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or court, or any pending infringement, opposition, or cancellation proceeding.

We do not have a federal registration for two of our principal trademarks. Therefore, our trademarks do not have many legal benefits and rights as a federally registered trademark. If our right to use a trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

We will indemnify against or reimburse for expenses you incur in defending claims of infringement or unfair competition arising out of your use of the Marks. You are required to notify us immediately when you become aware of the use, or claim of right to, a Proprietary Mark identical or confusingly similar to our Marks. If litigation involving the Marks is instituted or threatened against you, you must notify us promptly and cooperate fully with us in defending or settling the litigation. We, at our option, may defend and control the defense of any proceeding relating to any Marks.

We have no actual knowledge of either superior prior rights or infringing uses that could materially affect an Area Representative's or Franchisee's use of the Marks in any state.

If it becomes advisable at any time in our sole judgment for us to modify or discontinue the use of any Mark, or use one or more additional or substitute trade or service marks, including the Marks used in our business name, then you agree, at your sole expense, to comply with our directions to modify or otherwise discontinue the use of the Mark, or use one or more additional or substitute trade or service marks, within a reasonable time after our notice to you.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents Rights

We own no rights in or to any patents that are material to the franchise. We have no patent applications pending that are material to the franchise.

Copyrights

We claim a copyright and treat the information in the Manuals as confidential trade secrets, but you are permitted to use the material as part of your Area Representative Business.

Confidential Operations Manuals

Under the ARA, you must operate the Area Representative Business in accordance with the standards, methods, policies, and procedures specified in the Manual for ARs. You will be loaned a copy of the Manual for ARs and Manual for Unit Franchises for the term of the ARA, when you have completed the initial training program to our satisfaction. You must operate your Area Representative franchise strictly in accordance with the Manual for ARs, as it may be revised by us from time to time. You must at all times, treat the Manuals and the information in them, as well as any other materials created for or approved by use for the operation of your Area Representative Business, as confidential, as required by the ARA. You must use all reasonable efforts to maintain this information as secret and confidential. You must not copy, duplicate, record or otherwise make them available to any unauthorized person. The Manuals will remain our sole property and must be returned in the event that you cease to be an Area Representative franchise owner.

We may from time to time revise the contents of the Manual for ARs and Manual for Unit Franchises, and you must comply with each new or changed provision in the Manual for ARs. You must ensure that our Manuals are kept current at all times. In the event of any dispute as to the contents of the Manual for ARs, the terms of the master copies maintained by us at our corporate office will be controlling.

Confidential Information

The Area Representative Agreement requires you to maintain all Confidential Information of ours as confidential both during and after the term of the Agreement. "Confidential Information" includes all information, data, techniques and know-how designated or treated by us as confidential and includes the

Manuals. You may not at any time disclose, copy or use any Confidential Information except as specifically authorized by us.

Under the Agreement, you agree that all information, data, techniques and know-how developed or assembled by you or your employees or agents during the term of the ARA and relating to the System will be deemed a part of the Confidential Information protected under the ARA. If you, your employees, or Principal Owners develop any new concept, process or improvement in the operation or promotion of a BlueSage Longevity Labs™ Franchise (an “Improvement”), you agree to promptly notify us and provide us with all necessary related information, without compensation. Any Improvement shall become our sole property and we shall be the sole owner of all related patents, patent applications, and other intellectual property rights. Improvements will be considered “Confidential Information”. You and your Principal Owners agree to assist us in obtaining and enforcing the intellectual property rights to any Improvement in any and all countries and agree to execute and provide us with all necessary documentation for obtaining and enforcing such rights.

See Item 15 below concerning your obligation to obtain confidentiality and non-competition agreements from persons involved in the Franchise Business.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS

Each of the individuals who hold an ownership interest in the Area Representative Business (“Owner(s)”) must personally participate in the direct operation of the Area Representative Business. If as an Owner you do not personally participate in the direct operation of your Area Representative Business on a full-time basis, then you are obligated to have a fully trained Manager operate the franchise. While we do not require that your Manager have an equity interest in the franchise, we believe that only a person with an equity interest can adequately ensure that our standards of quality and competence are maintained. The ARA requires that the Owner(s) of the Area Representative Business be directly involved in the day-to-day operations and utilize your best efforts to promote and enhance the performance of the Area Representative Business. While in most cases an Owner(s) will seek additional assistance for the labor-intensive portions of the business, we have built our reputation on Owner(s) participation and believe it is crucial for continued success.

Any Manager you employ at the launching of your franchise operations must complete the initial management-training course required by us. All subsequent Managers must be trained fully according to our standards by either the Area Representative or us. However, we may charge a fee for this additional training.

Any persons who have or may have an operating interest in the Area Representative Business or Franchise must execute our Confidentiality Agreement (See **Exhibit E**). You must have each Manager or any other person who receives or has access to training and other Confidential Information under the System, including employees, sign our Brand Protection Agreement (See **Exhibit E**). The covenants must be in a form satisfactory to us, and must provide that we are a third-party beneficiary of, and have the independent right to enforce the covenants. You may not transfer any interest in the Area Representative Business, Franchise, or the ARA, without our prior written consent.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must operate the Area Representative Business in strict conformity with all prescribed methods, procedures, policies, standards, and specifications of the System, as set forth in the Manual for

ARs and in other writings by us from time to time. You must use your Area Representative franchise sales office only for the operation of the Area Representative Business and may not operate any other business at or from such office without our express prior written consent.

We require you to offer and sell only those goods and services that we have approved. We maintain a written list of approved goods and services in its Manual for ARs, which we may change from time to time.

You must offer all goods and services that we designate as required for all franchises. In addition, we may require you to comply with other requirements (such as state or local licenses, training, marketing, insurance) before we will allow you to offer certain optional services.

We reserve the right to designate additional required or optional services in the future and to withdraw any of our previous approvals. In that case, you must comply with the new requirements. There are no express limitations on our right to designate additional or operational services; however, such services will be reasonably related to our franchise system or model.

We do not currently have any restrictions or conditions that limit access to customers to whom the Franchisee may sell goods or services.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP		
This table lists important provisions of the Area Representative Agreement. You should read these provisions in the agreements attached to this Disclosure Document.		
Provision	Section in Area Representative Agreement	Summary
a. Length of the term of the franchise	Section 4	15 years.
b. Renewal or extension of the term	Section 4	Your renewal rights permit you to remain an Area Representative after the initial term of your Area Representative expires. If you wish to do so, and you satisfy the required pre-conditions to renewal, we will offer you the right to one (1) renewal term of 15 years (“the Renewal Term”).
c. Requirements for you to renew or extend	Section 4	You must: have substantially complied with ARA; given notice of intent to renew; sign new ARA in our then current form which may include terms and conditions materially different from those in the original ARA, including (e.g., no further renewals, higher royalty fees, etc.); sign general release of claims against us and related parties (in a form satisfactory to us); pay the applicable

THE FRANCHISE RELATIONSHIP

This table lists important provisions of the Area Representative Agreement. You should read these provisions in the agreements attached to this Disclosure Document.

Provision	Section in Area Representative Agreement	Summary
		renewal fee; cure any defaults; and pay all amounts owed to us. You may be asked to sign a new ARA with materially different terms and conditions than the original ARA.
d. Termination by you		You may terminate the ARA due to a material default by us on our obligations and any grounds available at law.
e. Termination by us without cause	No provision	Not applicable.
f. Termination by us with cause	Section 13.1	Only upon delivery of written notice to you.
g. "Cause" defined – curable defaults	Section 13.2	1) Except for certain specified types of defaults, you will have sixty (60) days after our written notice of default with which to remedy any default under the ARA; and 2) you shall have six (6) months to remedy your failure to comply with your Minimum Development Obligation under the ARA.
h. "Cause" defined – defaults which cannot be cured	Section 13.2	You 1) are adjudicated bankrupt or judicially determined to be insolvent; 2) you or any of your Owners allows a judgment against you or them in an amount of more than \$50,000, 3) your assets are seized, taken over or foreclosed; 4) a levy of execution or attachment has been made upon the franchise rights granted by this agreement and is not discharged within 11 days of your receipt of notice of such levy; 5) any judgment is entered against us or our subsidiaries or affiliated corporations arising out of or relating to your operation of your business; 6) you abandon your business; 7) you receive 3 or more written notices of default from us within any period of 12 consecutive months concerning any material breach by you whether or not such breaches shall have been cured; 8) you or any of your Owners participates in in-term competition; 9) you or any of your Owners, officers or directors is convicted of or pleads guilty, or nolo contendere to a felony or any other crime or offense that is likely, in our reasonable

THE FRANCHISE RELATIONSHIP

This table lists important provisions of the Area Representative Agreement. You should read these provisions in the agreements attached to this Disclosure Document.

Provision	Section in Area Representative Agreement	Summary
		business judgment, to adversely affect our reputation, the franchise system, the Marks or the goodwill of Marks; 10) you purport, threaten or take any action to make an assignment or transfer without our prior written consent; 11) you materially misuse the Marks; 12) your unauthorized use, disclosure, or duplication of the Confidential Information; or 13) you make any material misrepresentation in connection with the application for or performance under the ARA.
i. Your obligations on termination/non-renewal	Sections 13.3 and 13.4	You must: 1) cease to assist in the sale of BlueSage Longevity Labs™ franchises, cease to use the system and Marks in any form, cease to hold yourself out as an Area Representative of us and not use Marks in any business name; 2) pay all sums due to us; 3) submit such reports as we require; 4) return to us or to our designee the Manuals and any confidential or proprietary information; 5) surrender to us such stationery, printed matter, signs and advertising materials containing the Marks; 6) transfer, assign disconnect and forward the business telephone number, fax number, business Internet e-mail address and any other identifying information, listings or commercial holding out for your business to us or our designee; 7) transfer your “white” and “yellow” page telephone listings, references and advertisements and all trade and similar name registrations and business licenses and to cancel any interest which you may have in them; and 8) promptly take any action necessary to cancel any assumed name or equivalent registration that contain any of the Marks. You may also be required to pay a termination fee.
j. Assignment of contract by us	Section 11.1	Fully transferable by us.
k. “Transfer” by you - defined	Section 11.2(b)	Transfer includes: any voluntary, involuntary, direct or indirect assignment, sale, or gift of the franchise; transfer of

THE FRANCHISE RELATIONSHIP

This table lists important provisions of the Area Representative Agreement. You should read these provisions in the agreements attached to this Disclosure Document.

Provision	Section in Area Representative Agreement	Summary
		ownership, merger, exchange, issuance of additional ownership interests, redemption of ownership interests, or sale of exchange of voting interests in you (if you are a legal entity); transfer of interest in the ARA, you, the franchise, or its assets because of divorce, insolvency or dissolution, or operation of law; transfer because of the death of you or an owner of you; or any pledge of the ARA or ownership interest in you.
l. Franchisor approval of transfer by franchisee.	Section 11.2(b)	Any assignment or transfer without our approval is a breach of this Agreement and has no effect.
m. Conditions for our approval of transfer by you	Sections 11.3 and 11.4	You must pay all amounts owed to us; new owner assumes your obligations; new owner, its affiliates, and its owners do not have any interest in or work for a competitive business; new owner completes or agrees to complete initial training; new owners signs our then-current ARA and ancillary agreements; new owner has strictly complied with obligations to us and is not in default of those obligations; you pay us a transfer fee; you sign a transfer release (in a form satisfactory to us); you do not identify yourself as current or former Franchisee of ours, or use any Mark. You may transfer the franchise and its assets to a newly formed legal entity principally controlled by you and your principals if the new entity operates the franchise and complies with the ARA, and you provide information about the transfer to us and the entities owners.
n. Our right of first refusal to acquire your business	Section 11.6	We have 60 days to match any offer.
o. Our option to purchase your business	No provision	None
p. Your death or disability	Section 11.5	Executor, administrator, or other representative must transfer interest of Franchisee or owner within 9 months of your or an owner's death or disability. All

THE FRANCHISE RELATIONSHIP This table lists important provisions of the Area Representative Agreement. You should read these provisions in the agreements attached to this Disclosure Document.		
Provision	Section in Area Representative Agreement	Summary
		transfers are subject to provisions in ARA regulating transfers.
q. Non-competition covenants during the term of the franchise	Section 12.1	Neither you, your principals, nor any immediate family members of you or them may perform services for or have any interest in any competitive business.
r. Non-competition covenants after the franchise is terminated or expires	Section 12.2	Neither you, your principals, nor any immediate family members of you or them may perform services for or have any interest in any competitive business within the Development Area, the Development Area of any other Area Representative, or within 25 miles of any Unit Franchise, for 18 months.
s. Modification of the agreement	Section 15.11	No modifications unless you and we both sign; we may amend Manual for ARs at any time.
t. Integration/merger clause	Section 15.11	Subject to state law, the ARA supersedes all prior agreements, representations, and promises. However, nothing in the ARA will have the effect of modifying or limiting the representations made in this Disclosure Document or any of its attachments or addenda. No claim made in any Area Representative or Franchise Agreement is intended to disclaim the express representation made in this Franchise Disclosure Document.
u. Dispute resolution by litigation or mediation	Section 14	Except for certain claims, you and we must mediate and litigate all disputes in Nassau County, New York (subject to state law).
v. Choice of forum	Section 15.8	Nassau County, New York (subject to state law).
w. Choice of law	Section 15.7	New York law governs, except for matters regulated by the United States Trademark Act (subject to state law).

Additional Information

See **Exhibit G** for a list of state-specific disclosures and requirements.

ITEM 18

PUBLIC FIGURES

The Company does not use any public figure to promote its franchise.

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the Disclosure Document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about your future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Cathy Galligan, 2659 East Gulf to Lake Highway, Ste. 301, Inverness, FL 34453, (212) 799-1605, Email: cgalligan@bluesageinc.com, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

(Area Representative Businesses)

Table No. 1
Systemwide Outlet Summary
For Years 2022 to 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Company-Owned	2022	0	0	0
	2023	0	0	0
	2024	0	0	0

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Total Outlets	2022	0	0	0
	2023	0	0	0
	2024	0	0	0

Table No. 2
Transfers of Outlets from Franchisees to New Owners
(Other than the Franchisor)
For Years 2022 to 2024

State(s)	Year	Number of Transfers
All Regions	2022	0
	2023	0
	2024	0
Total	2022	0
	2023	0
	2024	0

/Table No. 3
Status of Franchised Outlets
For Years 2022 to 2024

State	Year	Outlets at Start of Year	Outlets Opened	Termination	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
All States	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Total	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0

Table No. 4
Status of Company-Owned Outlets For
For Years 2022 to 2024

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Re-Acquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
All States	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Total	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0

Table No. 5
Projected Openings as of December 31, 2024

State	Franchise Agreements Signed but Outlet Not Open	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Arizona	0	1	0
Nevada	0	1	0
Utah	0	1	0
Total	0	3	0

Exhibit F lists the names of all of our operating Area Representatives and their addresses and telephone numbers as of December 31, 2024. **Exhibit F** lists the Area Representatives who have signed Area Representative Agreements for development areas which were not yet operational as of December 31, 2024, and also lists the name, city and state, and business telephone number (or, if unknown, the last known home telephone number) of every Area Representative who had an outlet terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under an Area Representative Agreement during the most recently completed fiscal year, or who has not communicated with us within 10 weeks of the issuance date of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three fiscal years, no current or former Area Representative franchisees have signed confidentiality clauses that restrict them from discussing with you their experience as an Area Representative franchisee in our franchise system.

We have no advisory councils staffed by Area Representatives or no other independent Area Representative organizations that have asked to be included in this Disclosure Document.

ITEM 21

FINANCIAL STATEMENTS

Attached to this Disclosure Document as **Exhibit D** are our unaudited financials as of September 10, 2024. We have not been in business for three years or more, and cannot include all the financial statements required by the rule for its last three fiscal years.

ITEM 22

CONTRACTS

Exhibit B Area Representative Agreement and the following exhibits

Exhibit 1	Development Area
Exhibit 2	Minimum Development Obligations
Exhibit 3	Ownership Structure
Exhibit 4	State-Specific Addenda
Exhibit 5	Area Representative Questionnaire

Exhibit E Non-Disclosure Agreement
Confidentiality Agreement
Brand Protection Agreement

ITEM 23

RECEIPTS

Exhibit H includes Receipts acknowledging that you received this Disclosure Document. Please return one Receipt to us and retain the other for your records. If you are missing these Receipts, please contact us at this address or telephone number noted in Item 1.

EXHIBIT A

STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

Following is information about our agents for service of process, as well as state agencies and administrators whom you may wish to contact with questions about Blue Sage Franchising, Inc.:

Our agent for service of process in the State of Delaware is:

THE CORPORATION TRUST COMPANY
Corporation Trust Center
1209 Orange St.
Wilmington, DE 19801

We intend to register the franchises described in this Disclosure Document in some or all of the following states in accordance with applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the designated state offices or officials as our agents for service of process in those states:

State	State Agency	Agent for Service of Process
CALIFORNIA	Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation Suite 750 320 West 4 th Street Los Angeles, CA 90013 (866) 275-2677	Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation Suite 750 320 West 4 th Street Los Angeles, CA 90013
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96812 (808) 586-2727	Commissioner of Securities of the Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96812
ILLINOIS	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General Franchise Division 500 South Second Street Springfield, IL 62706
INDIANA	Indiana Secretary of State Securities Division Room E-1 11 302 West Washington Street Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State State Securities Division Room E-1 11 302 West Washington Street Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020

State	State Agency	Agent for Service of Process
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Franchise Section G. Mennen Williams Building 1st floor 525 W. Ottawa St. Lansing, MI 48933 517-335-7567	Michigan Department of Commerce, Corporations and Securities Bureau Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913
MINNESOTA	Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1600	Minnesota Commissioner of Commerce 85 7 th Place East Suite 280 St. Paul, MN 55101-2198
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty St. 21 st FL New York, NY 10005 (212) 416-8236	Secretary of State State of New York 99 Washington Avenue Albany, New York 12231
NORTH DAKOTA	Office of Securities Commissioner Fifth Floor 600 East Boulevard Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner Fifth Floor 600 East Boulevard Bismarck, ND 58505-0510
RHODE ISLAND	Department of Business Regulation Division of Securities 1511 Pontiac Avenue Cranston, RI 02920 (401) 462-9527	Director of Rhode Island Department of Business Regulation Floor Division of Securities 1511 Pontiac Avenue Cranston, RI 02920
SOUTH DAKOTA	Division of Insurance Securities Regulation 1Division of Securities 124 South Euclid Suite 104 Pierre, SD 57501 (605) 773-4823	Division of Insurance Securities Regulation Division of Securities 124 South Euclid Suite 104 Pierre, SD 57502 (605) 773-4823
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9 th Floor Richmond, VA 23219 (804) 371-9051	Clerk of State Corporation Commission 1300 East Main Street, 1 st Floor Richmond, VA 23219 And United Corporate Services, Inc. 700 East Main Street, Suite 1700 Richmond, VA 23218
WASHINGTON	Department of Financial Institutions Securities Division P.O. BOX 9033 Olympia, Washington 98507 (360) 902-8760	Director of Washington Financial Institutions Securities Division 150 Israel Road Tumwater, Washington 98501
WISCONSIN	Wisconsin Securities Commissioner Securities and Franchise Registration 345 W. Washington Avenue Madison, WI 53703 (608) 266-8559	Commissioner of Securities of Wisconsin Securities and Franchise Registration 345 W. Washington Avenue Madison, WI 53703 (608) 266-8559

EXHIBIT B

AREA REPRESENTATIVE AGREEMENT



AREA REPRESENTATIVE AGREEMENT

Date of Agreement

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BLUESAGE LONGEVITY LABS™

REPRESENTATIVE AGREEMENT

THIS AREA REPRESENTATIVE AGREEMENT (the “Agreement”) is made and entered into this ____ day of _____, 20_____, (the “Effective Date”), by and between **Blue Sage Franchising, Inc., a Delaware corporation** (“Company”, “we”, “us” or “our”), and _____ corporation/limited company/partnership (Circle One) (“Area Representative”), with reference to the following facts:

- A. We and our affiliates have designed and developed valuable and proprietary formats and systems for the development and operation of businesses operating single unit franchises (“Unit Franchise(s)” or “Franchise(s)”). Unit Franchises will operate and/or manage MedSpas as BlueSage Longevity Labs™ (as allowed by applicable law) that specialize in providing medical and healthcare services and products to the general public through licensed medical and healthcare professionals (referred to as “MedSpa(s)”).
- B. We have developed and use, promote and license certain trademarks, service marks and other commercial symbols in operating our Unit Franchises, including “BlueSage Longevity Labs™”, and we may create, use and license other trademarks, service marks and commercial symbols for use in operating our franchises (collectively, the “Marks”).
- C. We offer prospects persons or entities the right to own and operate a Unit Franchise that provides the general public with healthcare services and products focused on wellness solutions and aesthetic services using our business formats, methods, systems, procedures, signs, designs and layouts, standards, specifications and Marks, all of which we may improve, further develop and otherwise modify from time to time (collectively, the “System”).
- D. We seek an Area Representative who will open and operate, or solicit and assist the owners of Unit Franchises (referred to as a “Franchisee(s)”) in opening and operating numerous Unit Franchises within a specified geographic area described in Exhibit 1 (the “Development Area”).
- E. Area Representative desires to establish a business (an “Area Representative Business”) under which it will solicit, qualify, train and assist Franchisees to build and operate Unit Franchises within the Development Area, and we desire to grant to Area Representative the right to operate the Area Representative Business in accordance with the terms and upon the conditions contained in this Agreement.

WHEREFORE, IT IS AGREED

1. GRANT OF RIGHTS.

Subject to the terms of this Agreement, we hereby grant to Area Representative, and Area Representative hereby accepts, the rights during the Term to solicit, screen, qualify for final approval by us, train and assist Franchisees to open and operate, Unit Franchises in the Development Area.

2. AREA REPRESENTATIVE'S DEVELOPMENT OBLIGATION.

2.1 Minimum Development Obligation and Development Schedule.

Area Representative shall solicit, screen, qualify, train and assist Franchisees to construct, equip, open and operate, within the Development Area, the total number of Unit Franchises set forth in Exhibit 2 (the "Minimum Development Obligation"), in the manner and within each of the time periods specified therein (the "Development Schedule"). You must do so in accordance with the following:

(a) You shall market the Unit Franchises within the Development Area in accordance with all applicable laws (including without limitation all franchise laws pursuant to any Federal Trade Commission regulation and any registration states' laws). You may not use any advertising material which has not been either provided by us or approved by us in writing prior to its publication. Neither you nor any of your employees or representatives shall solicit prospective Franchisees until we have registered our current Franchise Disclosure Document ("FDD") in applicable jurisdictions and have provided you with the requisite documents or at any time when we notify you that its registration is not then in effect or its documents are not then in compliance with applicable laws. If your activities pursuant to this Agreement require the preparation, amendment, registration, or filing of information or any disclosure or other documents, all requisite franchise disclosure documents, ancillary documents, and registration applications shall be prepared and filed by us or our designee, and registration secured, before you may solicit prospective Franchisees. At your cost, you shall: (1) promptly provide all information we reasonably require to prepare all requisite disclosure documents and ancillary documents for the offering of franchises throughout your Development Area; and (2) execute all documents we require for the purpose of registering us and you to offer franchises throughout the Development Area. You agree to review all information pertaining to you prepared to comply with legal requirements for selling franchises in the Development and verify its accuracy if we so request. You acknowledge that we and our affiliates and designees shall not be liable to you for any errors, omissions, or delays which occur in the preparation of such materials. You shall be responsible for advertising, recruiting, screening, and interviewing prospective Franchisees within the Development Area. You shall provide prospective Franchisees with written information regarding a Unit Franchise approved by us or communicate information regarding Unit Franchises via the telephone, face-to-face meetings, or visits with other Unit Franchises within the Development Area. You shall submit each qualified prospective Franchisee to us for approval. You further agree that all prospective Franchisees submitted to us by you shall be individuals who are of good character, have adequate financial resources, and meet our criteria for Franchisees.

(b) Throughout the Term, you shall use your commercially-reasonable efforts to develop the Development Area.

(c) Subject to the possible suspension of the Minimum Development Obligation as set forth in Section 2.1(g)(iii) of this Agreement, you shall be responsible for satisfying the Minimum Development Obligation in connection with the Development Schedule that is set forth in Exhibit 2.

For purposes of this Agreement, "Minimum Development Obligation" shall mean: your requirements to achieve that number of Sales by the deadlines set forth in the Development Schedule (Exhibit 2) both with regard to (1) the minimum number of completed Sales that must be achieved each year of this Agreement, by the annual anniversary dates measured from the Effective Date of this Agreement; and (2) the cumulative minimum number of Unit Franchises that must be opened and operating within your Development Area by the annual anniversary dates measured from the Effective Date of this Agreement. "Cumulative" means the net sum of (a) Franchisees in your Development Area that became Sales in a previous year, (b) plus the Sales in your Development Area that took place in the applicable current year, (c) minus the number of Franchisees in your Development Area that were closed (due to non renewal of Franchise Agreement, abandonment, etc.) in the applicable current year. The number of Sales and deadlines shall be negotiated in good faith and mutually agreed upon by the parties.

For purposes of this Agreement, “Sale” or Sales” means: that moment when: (1) the Initial Franchise Fee has been collected, (2) a copy of the Franchise Agreement has been executed; and (3) we receive confirmation that the franchisee has successfully completed all of its training obligations (if such training is required). Only newly constructed Unit Franchises qualify as a completed Sale.

(d) For each proposed Franchisee, you shall submit to us a report which shall include a completed written application by such proposed Franchisee together with such additional information and comments, as specified by us and on forms provided by us.

(e) We may approve or disapprove each Franchisee candidate proposed by you, which such approval shall not be unreasonably withheld. Our good faith disapproval of any such candidate shall not excuse you from failing to meet the Minimum Development Obligation.

(f) If you are not in compliance with the Minimum Development Obligation, it is understood and agreed that we retain the right (either directly or through our designees) but not the obligation, throughout the Term, to market, negotiate and sell franchises for Franchisees within the Development Area.

(g) Relief from sales responsibilities:

(i) We may from time to time, as mutually agreed upon by the parties, relieve you from the duty to sell Unit Franchises in the Development Area. If we do so, we (or our designee) will exercise commercially-reasonable efforts to sell such Unit Franchises within the Development Area. However, neither we nor our designees make any promise or warranty that it will sell any number of Unit Franchises within the Development Area during this relief period, including any number lesser or greater than the Minimum Development Obligation.

(ii) With regard to the “commercially-reasonable efforts “obligation in Section 2.1(g)(i) above, it is understood that we (either directly or through our designee) will be responsible for all sales duties (prospective Franchisee calls, presentations, follow-up and closings), and your franchise sales duties will be limited to reasonable support of, and cooperation with, us and (as applicable) our designees.

(iii) For so long as we relieve you of the franchise sales responsibilities in your Development Area and you perform the required support and cooperation duties, you shall be fully relieved of the Minimum Development Obligation. However, if we later decide to relinquish and re-delegate back to you such franchise sales responsibilities in your Development Area, then you will be required, for the remainder of the Term, to satisfy the remainder of the Minimum Development Obligation. We will proportionately reduce the non-achieved portion of the Minimum Development Obligation for the time period that we handled sales from the total of your Minimum Development Obligation.

(iv) During any relief period, we shall pay to you a reduced commission of 25% of the Initial Franchise Fee we collect.

(h) If the opening of any Unit Franchise within the Development Area is delayed on account of an act of God, war, riot, natural disaster or fire which is beyond your reasonable control or if we are unable to provide you a registered Franchise Disclosure Document (as applicable, a “Delaying Event”), then the date by which you must have the required number of Unit Franchises open and operating will be extended for the time which we consider, in our business judgment following consultation with you, necessary to remedy the effects of the Delaying Event. If a Unit Franchise within the Development Area is destroyed or damaged such that the Unit Franchise cannot continue to operate, such destroyed or damaged Unit Franchise shall continue to count toward satisfaction of the Minimum Development Obligation (during the period until such Unit Franchise reopens at the same location or at a substitute location acceptable to us) but only if you or such Franchisee, as applicable, shall repair and restore such Unit Franchise to our

Then-Current standards and specifications within one hundred and twenty (120) days after the occurrence of such destruction or damage, subject to a further extension of time as a result of any Delaying Events.

(i) You shall not cause or allow any proposed Franchisee or any other person or entity to operate or acquire any Unit Franchise in the Development Area, except pursuant to a Franchise Agreement executed in accordance with the terms of this Agreement.

(j) Each Unit Franchise opened within the Development Area, whether owned by you or by an Franchisee procured by you, shall be the subject of a separate Franchise Agreement between the Franchisee and us on our then-current form at the time executed.

(k) Promptly following the Effective Date, and each year thereafter, you shall develop an annual business plan in the form designated by us which among other items shall specify an amount, acceptable to us, that you shall spend during the ensuing year on franchise recruitment advertising and franchise recruitment marketing costs which shall in no event be less than \$500 per month or \$6,000 per year per Development Area owned by you. You shall submit to us on quarterly basis copies of receipts confirming advertising and franchise recruitment marketing expenditures for the previous quarter. If you fail to do so, we shall have the right to deduct the unspent amount from your payments for commission on Royalty Fees and to spend such funds on your behalf for franchise solicitation advertising, provided that we have notified you of such failure and provide you thirty (30) days to cure. We reserve the right at any time to increase the amount of franchise recruitment advertising and franchise recruitment marketing costs that you must expend, but we shall not increase such costs greater than twenty-five percent (25%) per year.

(l) You shall not: (i) make any representation or promise to any prospective Franchisee which is inconsistent with or in addition to the representations or promises expressly authorized by us, or made in any applicable FDD provided to prospective Franchisees, or which is not in compliance with any applicable law; (ii) attempt or purport to bind us (or any affiliate of us) to any obligation or duty to any person, or entity, including any prospective Franchisee; (iii) attempt or purport to modify or amend any Franchise Agreement; or (iv) except as expressly permitted hereunder and by applicable law and with full disclosure thereof to us and with our prior written approval, receive, directly or indirectly, any fee or other consideration from any person, including without limitation, prospective or existing Franchisees or vendors to Unit Franchises.

2.2 Area Representative Sales Office and Opening. Area Representative shall establish and operate a franchise sales office ("Area Representative Sales Office" or "Sales Office") within the Development Area. We will not approve or disapprove the location of the Sales Office. You must open your Area Representative Business within 45 days after you receive your initial training from us, or 90 days after signing your Area Representative Agreement, whichever occurs first.

3. EXCLUSIVITY.

3.1 Territorial Rights. Except as provided in Section 3.2, as long as this Agreement is in effect, and you are in compliance with this Agreement, and meet the Minimum Development Obligation set forth in this Agreement, then neither we nor our affiliates will not operate, establish or grant in your Development Area another Area Representative Business offering Unit Franchises, or any Unit Franchises not required to be developed under this Agreement.

3.2 Rights Maintained by Company. We (and any affiliates that we might have from time to time) shall at all times have the right to engage in any activities we deem appropriate that are not expressly prohibited by this Agreement, whenever and wherever we desire, including, but not limited to:

(a) we expressly reserve (for us and any of our designees, which may include Area Representatives) the exclusive, unrestricted right to produce, sell, distribute and market at or through locations or channels that we establish through Chain and Institutional Relationships (defined below),

whether inside or outside of your Development Area. "Chain and Institutional Relationships" are business relationships with chain-branded, institutional, or comparable large-scale business partners through which we directly contract (or have previously contracted) to establish on-premises locations at specialized properties or across multiple locations or geographic markets, such as at or within hotels, gyms, airports, stadiums, or other venues;

(b) we expressly reserve the right to grant Unit Franchise and/or Area Representative Business rights to others as follows: (i) in our sole and absolute discretion with regard to the Marks, outside of your Development Area, (ii) in our sole and absolute discretion with regard to products or services unrelated to the Marks, outside of your Development Area;

(c) if we, through a merger or any other form of acquisition acquire the ownership rights to or the rights, as franchisor or licensor, to collect franchise fees or licensing fees from any business(es) that are located within your Development Area, and so long as such business(es) would not become converted to operate under the Marks; then such acquired business(es) shall not be deemed to violate the protected rights granted to you under the ARA, and you shall not be entitled to receive any revenue, royalty or other rights associated with such acquired business(es). However, if we convert such business(es) to operate under the Marks, then, for so long as such business(es) operate under the Marks, you must provide support services to such business(es) and you will receive from us fifty percent (50%) of any royalties that we actually collect from such converted business(es). Any such converted business(es) shall count toward your Minimum Development Obligation; and (d) the right to be acquired, directly or indirectly, in whole or in part, by a business and/or person providing products or services similar or dissimilar to those provided by or at Unit Franchises.

4. TERM AND RENEWAL.

4.1 Initial Term and Renewals. The term of this Agreement (the "Term") shall be for a period of fifteen (15) years commencing on the Effective Date, unless sooner terminated in accordance with the provisions of Section 13. Area Representative shall have the right to extend the Term for an additional period of fifteen (15) years on the conditions set forth in Section 4.2.

4.2 Conditions to Renew. As conditions to renew, you must:

a. Provide us with written notice ("Renewal Notice") of your intent to renew the Rights granted pursuant to this Agreement not less than twelve (12) months, nor more than eighteen (18) months prior to the end of the Term.

b. Pay a Renewal Fee equal to the greater of: a) 10% of the Royalties we actually receive and pay to you during the 12 consecutive months immediately the date of the Renewal Notice; or b) 25% of the original Development Fee set forth in Section 7.

c. Execute the Then Current form of Area Representative Agreement, except the fee amounts and the fee splits stated within this Agreement will not change to your detriment (e.g. royalty percentage), and all other documents or instruments required by us in connection therewith, including a new mutually agreed upon Development Schedule based on then existing population, demographics and other market conditions. Notwithstanding that such the current form of the renewal Area Representative Agreement may contain terms and conditions different from those contained in this Agreement.

d. Be in material compliance with this Agreement (including strict compliance with this Agreement's Minimum Development Obligation), the requirements as described in the Manuals, and all other agreements then in effect between us or our affiliates and any of our other policies.

e. Be current with all financial obligations owed to us and any third party, including your landlord and other vendors of products or services to your Area Representative Business.

f. Prior to the expiration of the Term, (and not applicable if we were to grant a written waiver of your requirement to own a Unit Franchise) upgrade, remodel and refurbish your Unit Franchise, both exterior and interior, to comply with our then current image, equipment, technology and other standards and specifications as described in any of our Manuals, unless your Unit Franchise's Franchise Agreement was renewed or the Unit Franchise has been upgraded as approved by us within one (1) year prior to the last day of this Agreement's Term.

g. Execute a mutual general release with us whereby all parties expressly reserve any and all rights to indemnification pursuant to Sections 15.2 hereof.

h. Submit to us in a form and at a time designated by us prior to renewal, a business plan for the contemplated renewal term and attend a renewal meeting at our Headquarters.

i. Consistent with Section 5, you and/or your general manager must successfully complete such "refresher" training at our current training center, or at other locations designated by us. The scope and content of such "refresher" training shall be determined by us. You shall be solely responsible for all travel expenses and related expenses in connection with such "refresher" course training.

5. ADDITIONAL OBLIGATIONS OF COMPANY AND AREA REPRESENTATIVE.

5.1 Area Representative Training. This training program may include classroom training and/or hands-on training and will be conducted at our corporate headquarters in Atlantic Beach, NY, and/or at any other location(s) we designate. Before opening for business, your Owners and any others that will be directly involved in the operation of the Area Representative Business, including a general manager, must attend and complete the initial training to our satisfaction and participate in all other activities we require before soliciting Franchisees in the Development Area. Although we provide this training at no additional cost to Area Representative, Area Representative must pay all travel and living expenses which it and its attendees incur.

If we determine that Area Representative cannot complete initial training to our satisfaction, we may, at our option, either (1) require Area Representative to attend additional training at Area Representative's expense (for which we may charge reasonable fees), or (2) terminate this Agreement.

Area Representative shall participate in periodic webinars and sales calls scheduled by us for Area Representative Businesses, and attend a national business meeting or convention of up to three days each year. We may also require Area Representative to attend up to two (2) additional or refresher training courses each year at our corporate offices, or another location we designate. We may charge reasonable fees for these courses, conventions, webinars, sales calls, and programs. Area Representative is responsible for all travel and living expenses.

5.2 Area Representative Manual.

(a) We shall loan to Area Representative one (1) copy of our Manual for Area Representative Businesses ("Manual for ARs"). Area Representative shall conduct all business activities in strict accordance with our standard operational methods and procedures as prescribed from time to time in the Manual for ARs. As used in the Agreement, the term "Manuals" shall be deemed to include the Manual for AR delivered to Area Representative, all amendments to the Manual for ARs, and all supplemental bulletins, notices, exhibits, and memoranda which prescribe standard methods or techniques of operation, and which we may from time to time deliver to Area Representative.

(b) We shall have the right to modify or supplement the Manuals. Such modifications and supplements shall be effective and binding on Area Representative fifteen (15) days after notice thereof is mailed or otherwise delivered to Area Representative. Area Representative acknowledges and agrees

that modifications of and supplements to the Manuals may obligate Area Representative to invest additional capital or incur higher operating costs.

(c) The Manuals are our property and may not be duplicated, copied, disclosed or disseminated in whole or in part in any manner except with our express prior written consent. Area Representative shall maintain the confidentiality of the Manuals. Upon the termination of this Agreement, Area Representative shall return to us all copies of the Manuals in its possession or control.

Note: Any persons who have or may have an operating interest in the Area Representative Business or Franchise must execute our form of Confidentiality Agreement. You must have each Manager or any other person who receives or has access to training and other Confidential Information under the System, including employees, sign our Brand Protection Agreement. The covenants must be in a form satisfactory to us, and must provide that we are a third-party beneficiary of, and have the independent right to enforce the covenants.

5.3 General Guidance and Site Approval.

(a) General. We will provide guidance to Area Representative in the Manuals and other bulletins or other written materials, by electronic media, and/or by telephone consultation. If Area Representative requests and we agree to provide additional or special guidance, assistance or training, Area Representative must pay our then applicable charges, including our personnel's per diem charges and any travel and living expenses.

(b) Site Approval. You must ensure that any Unit Franchisee's in your Development Area obtains our approval prior to operating their Unit Franchise out of a location other than their home office. We may disapprove any location that we believe may be detrimental to the BlueSage Longevity Labs™ Marks or the goodwill of the BlueSage Longevity Labs™ brand.

5.4 Franchise Registration and Disclosure. Neither Area Representative nor any representative of Area Representative shall solicit prospective Franchisees of Unit Franchises until we have registered our current Franchise Disclosure Document in applicable jurisdictions in the Development Area and have provided Area Representative with the requisite documents, or at any time when we notify Area Representative that our registration is not then in effect or our documents are not then in compliance with applicable law. If Area Representative's activities pursuant to this Agreement require the preparation, amendment, registration, or filing of information or any disclosure or other documents, then all requisite disclosure documents, ancillary documents, and registration applications shall be prepared and filed by us or our designee, and registration secured, before Area Representative may solicit prospective Franchisees for Unit Franchises. Costs of such registration applicable to Area Representative shall be borne by Area Representative. In particular, Area Representative shall:

(a) prepare and forward to us verified financial statements of Area Representative in such form and for such periods as shall be designated by us, including audited financial statements, if necessary and appropriate to comply with applicable legal disclosure, filing or other legal requirements;

(b) promptly provide all information reasonably required by us to prepare all requisite disclosure documents and ancillary documents for the offering of franchises throughout the Development Area; and

(c) execute all documents required by us for the purpose of registering Area Representative and us to offer franchises throughout the Development Area.

Area Representative agrees to review all information pertaining to Area Representative prepared to comply with legal requirements for selling franchises in the Development Area and verify its accuracy

if so requested by us. Area Representative acknowledges that we and our affiliates and designees shall not be liable to Area Representative for any errors, omissions or delays which occur in the preparation of such materials.

5.5 Investigation and Qualification of Prospective Franchisees.

(a) Each Unit Franchise opened by a Franchisee pursuant to this Agreement shall be the subject of a separate Franchise Agreement with us, upon our then current form. Area Representative shall have no right to modify or offer to modify any Franchise Agreement or other contract.

(b) Area Representative shall be responsible for disclosing (or re-disclosing, when there are updates or supplements) to prospects our most current form of the Franchise Disclosure Document.

(c) If we shall approve a Franchisee and a prospective franchise location, Area Representative shall transmit to such Franchisee for execution copies of our then-current Franchise Agreement pertaining to the approved site and providing for a protected territory surrounding said Unit Franchise, as determined by us.

(d) Area Representative shall investigate the qualifications of each prospective Franchisee and the suitability of each prospective franchise location in the Development Area in accordance with our standards, policies and procedures relating to qualification of Franchisees then in effect, and shall obtain all information required of prospective Franchisees by us.

(e) After Area Representative is satisfied that a prospective Franchisee meets the standards established by us, Area Representative may recommend to us the approval of such prospective Franchisee. Area Representative shall then furnish to us all information relating to the prospective Franchisee which shall be required by us in the form and manner customarily required by us.

(f) We may thereafter conduct or obtain such credit reports and background checks on prospective franchisees as we deem necessary or convenient. We may then approve or disapprove a prospective franchisee for any reason and may seek further information with respect to the prospective Franchisee. Area Representative shall cooperate with us in any further investigation of the prospective Franchisee. If we shall reject a prospective Franchisee, we shall provide Area Representative with a written explanation of the reasons therefor.

(g) Area Representative shall deliver to us a copy of all correspondence with Franchisees which is material to the franchise relationship, concurrently with its being sent or received by Area Representative.

5.6 Training and Support.

(a) Initial and Ongoing Assistance to Franchisees.

Unless we designate otherwise, you shall provide Franchisees with such initial and ongoing assistance, supervision, training and other services as we delegate to you as specified in the Manuals or other written directives to you, including the following responsibilities:

(i) In conjunction with corporate training and support, you shall provide initial and ongoing training to Franchisees within the Development Area pursuant to Section 5.6(b) below.

(ii) You shall comply with all aspects of our Opening Process as set forth in the Manuals and as prescribed by us from time to time.

(iii) You shall perform field support and coordination responsibilities for Franchisees within the Development Area and shall act as a liaison to facilitate communication between Franchisees and us.

(iv) You shall at all times employ a sufficient number of qualified staff, and shall maintain adequate office facilities to: (i) satisfy the Minimum Development Obligation and (ii) supervise, assist, train and provide services to Franchisees in the Development Area, as required by this Agreement and the Manuals.

(v) All Owners owning at least a thirty percent (30%) equity stake in you shall at your expense, attend such conferences and meetings as required by us from time to time, including, without limitation, each franchisee convention.

(vi) You shall assist us to collect from Franchisees within your Development Area the following: Royalty, National Marketing Fee, or any other fees due to us or any affiliate of us.

(vii) You shall assist us in the enforcement and compliance by each Franchisee within your Development Area as to the proper maintenance and submission of records and reports as set forth in the Franchise Agreement and the Manuals. You shall assist us to inspect and review each Franchisees' Unit Franchise located within your Development Area to achieve the Franchisees' compliance with our specifications and standards, systems, operation manuals and the terms of their Franchise Agreement.

(viii) You shall, in our determination, conduct or assist us with operational review of any Franchisees within your Development Area, as well as provide us with ongoing information, as requested from time to time by us, subject to your ability to obtain such information concerning any Unit Franchise within your Development Area.

(ix) You shall comply with the Manuals, Specifications and Standards, and our Systems provided from time to time by us describing your responsibilities pertaining to the sales, transfer or renewal of an Franchisee's Franchise Agreement for franchises within the Development Area.

(x) You shall conduct networking meetings, on-site visits, and provide ongoing communication to the Franchisees within your Development Area.

(xi) You shall provide coordination to Franchisees who do any of the following within your Development Area: (i) open a new Unit Franchises; (ii) remodel a Unit Franchise; (iii) relocate a Unit Franchise; (iv) convert a competitor into a Unit Franchise; and/or (v) conduct an upgrade to a Unit Franchise within your Development Area.

(xii) You shall provide the support and assistance to Franchisees in the Development Area as set forth in the Manuals, the Standards and Specifications, the Systems, this Agreement, or as otherwise communicated by us to you in writing from time to time.

(xiii) We may from time to time, as mutually agreed upon by the parties, relieve you from the duty to provide the initial and on-going support and coordination to Franchisees in the Development Area stated within this Section 5.6. You hereby agree that we do not have to pay you any portion of fees (including any fees stated in Sections 8.2 of this Agreement) that we actually collect from Franchisees in the Development Area during the relief period.

(b) Training Programs Provided to Franchisees.

(i) You shall provide training programs for Franchisees within the Development Area in accordance with the procedures set forth in this Agreement, the Franchise Agreement,

the Manuals, our Standards and Specifications, the Systems, and you shall distribute to the Franchisee the training and other materials made available by us to you.

(ii) You shall provide Franchisees in the Development Area with additional training as may be required by us from time to time and you shall be solely responsible for all expenses associated with such additional training.

(iii) You shall promote and facilitate cooperation between us and any Franchisee as required by the Manuals, including but not limited to the following:

A. Ensuring that Franchisees stay advised of activities conducted by us in support to the System;

B. Pursuant to the Manuals or as communicated to you by us in writing, scheduling and conducting meetings of Franchisees in the Development Area to distribute, review and explain materials provided by us to its franchisees and to provide a forum for Franchisees to share information and ideas; and

C. Ensuring that we are advised of any and all major issues or problems raised at any franchisee meetings or otherwise in the Development Area.

D. You shall notify us immediately of any Unit Franchise located within the Development Area that is operated by a person or contains individuals who have not successfully completed all training programs as required from time to time.

E. All training provided by you to Franchisees must be conducted by personnel that have successfully completed our applicable training.

5.7 Inspection of Unit Franchises and Operations. Area Representative shall conduct inspections of all of the Unit Franchises in the Development Area, and of its operations and the review of the operations of all Unit Franchises in the Development Area, in accordance with the standards from time to time established by us, upon such schedules and according to such procedures as shall be agreed upon by us and Area Representative, acting in good faith, but, in any event, at least once during each calendar quarter. Area Representative shall provide reports to us with respect to the findings of such inspections, in such form and at such time as we shall require. We reserve the right to conduct periodic reviews or inspections of your Area Representative Business operations to ensure that you are in compliance with this Agreement, the Manuals, standards, and any of our other written directives to you.

5.8 Marketing and Promotion. Area Representative shall participate in all promotion and marketing activities required by us of our Area Representatives, as required in the Franchise Agreements, or otherwise. In addition:

(a) You shall assist Franchisees to establish, support and remain members in good standing of the National Advertising Fund and any applicable Co-ops within the Development Area.

(b) You shall monitor the Franchisees' advertising within the Development Area for compliance with our standards and specifications, systems, operation manuals, or as otherwise specified in writing by us from time to time.

(c) You shall promote and support all national media advertising campaigns initiated by us and otherwise provide such assistance and support to Franchisees regarding the advertising and marketing of their Unit Franchises.

5.9 Operation of a Unit Franchise. You must sign a Franchise Agreement and own, operate and maintain at least one franchised Unit Franchise within your Development Area throughout the term of this Agreement. You must open your required Unit Franchise within 180 days of signing your Area Representative Agreement. Within 30 days of executing this Agreement, you must sign a Franchise Agreement for your required Unit Franchise. The following requirements will apply to such Unit Franchise: (a) the business must be located within your Development Area, unless we agree otherwise; and (b) you shall be required to remit the Royalty Fee, as that term is defined in your Franchise Agreement, and any other fees due to us or our affiliates pursuant to the terms of said agreement, and receive the reimbursement pursuant to the terms of this Agreement. The Initial Franchise Fee for the Unit Franchise you own and operate in the Development Area will be covered by the Initial Area Representative Fee paid to us pursuant to this Agreement. However, if you open a second or subsequent Unit Franchise you will be required to pay the Initial Franchise Fee for each of those Unit Franchises pursuant to the terms of our then-current Franchise Agreement.

5.10 Report of Material Franchisee Violations. If you receive notice, or are informed, of any material violation or breach by any Franchisee within your Development Area of the manuals, standards and specifications, systems, or applicable Franchise Agreement, you must promptly notify us in writing of the same.

6. OPERATING STANDARDS.

6.1 Standard of Service. Area Representative shall at all times give prompt, courteous and efficient service to Unit Franchises in the Development Area. Area Representative shall, in all dealings with Franchisees, prospective Franchisees and the public, adhere to the highest standards of honesty, integrity, fair dealings and ethical conduct.

6.2 Compliance with Laws and Good Business Practices. Area Representative shall secure and maintain in force all required licenses, permits and certificates relating to Area Representative's activities under this Agreement and operate in full compliance with all applicable laws, ordinances and regulations. Area Representative acknowledges being advised that many jurisdictions have enacted laws concerning the advertising, sale, renewal and termination of, and continuing relationship between parties to a franchise agreement, including, without limitation, laws concerning disclosure requirements. Area Representative agrees promptly to become aware of and to comply with all such laws and legal requirements in force in the Development Area and to utilize only disclosure documents that we have approved for use in the applicable jurisdiction.

6.3 Accuracy of Information. Before it solicits any prospective franchisee, Area Representative shall each time take reasonable steps to confirm that the information contained in any written materials, agreements and other documents related to the offer or sale of franchises is true, correct and not misleading at the time of such offer or sale and that the offer or sale of such franchise will not at that time be contrary to or in violation of any applicable state law related to the registration of the franchise offering. We shall provide Area Representative with any changes to our disclosure documents and other agreements on a timely basis and, upon request, provide Area Representative with confirmation that the information contained in any written materials, agreements or documents being used by Area Representative is true, correct and not misleading, except for information specifically relating to disclosures regarding Area Representative. If the Area Representative notifies us of an error in any information in our documents, we shall have a reasonable period of time to attempt to correct any deficiencies, misrepresentations or omissions in such information.

6.4 Notification of Litigation. Area Representative shall notify us in writing within five (5) days after the commencement of any action, suit, arbitration, proceeding, or investigation, or the issuance of any order, writ, injunction, award and decree, by any court agency or other governmental instrumentality,

which names Area Representative or any of its Owners or otherwise concerns the operation or financial condition of Area Representative, the Area Representative Business or any Franchisee.

6.5 Insurance. Area Representative shall at all times during the term of this Agreement maintain in force, at Area Representative's sole expense, insurance written on an occurrence basis for the Area Representative Business of the types, in the amounts and with such terms and conditions as we may from time to time prescribe in the Manuals or otherwise. All of the required insurance policies shall name us and affiliates designated by use as additional insured, contain a waiver of the insurance company's right of subrogation against us and the designated affiliates, and provide that we will receive thirty (30) days' prior written notice of termination, expiration, cancellation or modification of any such policy. You are responsible for any and all claims, losses or damages, including to third persons, originating from, in connection with, or caused by your failure to name us as an additional insured on each insurance policy. You agree to defend, indemnify and hold us harmless of, from, and with respect to any such claims, loss or damage arising out of your failure to name us as additional insured, which indemnity shall survive the termination or expiration and non-renewal of this Agreement.

Notwithstanding the existence of such insurance, you are and will be responsible for all loss or damage and contractual liability to third persons originating from or in connection with the operation of the Area Representative franchise, and for all claims or demands for damages to property or for injury, illness or death of persons directly or indirectly resulting therefrom; and you agree to defend, indemnify and hold us harmless of, from, and with respect to any such claims, loss or damage, which indemnity shall survive the termination or expiration and non-renewal of this Agreement. In addition to the requirements of the foregoing paragraphs of this Paragraph 6.5, you must maintain any and all insurance coverage in such amounts and under such terms and conditions as may be required in connection with your lease or purchase of any premises used to operate your Area Representative franchise.

Your obligation to maintain insurance coverage as described in this Agreement will not be reduced in any manner by reason of any separate insurance we maintain on our own behalf, nor will our maintenance of that insurance relieve you of any obligations under this Agreement.

If you fail to pay the premiums for insurance required to operate your franchise, we may obtain insurance for you and you will be required to reimburse us within ten (10) days of receipt of a demand for reimbursement from us. We will have the right to debit your account the amounts owed to us for such premiums if you fail to pay us within ten (10) days of our request for reimbursement.

6.6 Proof of Insurance Coverage. Area Representative will provide proof of insurance to us before beginning operations of its Area Representative Business. This proof will show that the insurer has been authorized to inform us in the event any policies lapse or are cancelled or modified. We have the right to change the types, amount and terms of insurance that Area Representative is required to maintain by giving Area Representative prior reasonable notice. Noncompliance with these insurance provisions shall be deemed a material breach of this Agreement, and in the event of any lapse in insurance coverage, we shall have the right, in addition to all other remedies, to demand that Area Representative cease operations of its Area Representative Business until coverage is reinstated or, in the alternative, to pay any delinquencies in premium payments and charge the same back to Area Representative.

6.7 Advertising Requirement and Cooperatives. You must meet the minimum advertising requirement we establish for your Area Representative Business ("Minimum Advertisement Requirement"). We will establish the Minimum Advertising Requirement at the time you sign this Agreement. However, your Minimum Advertising Requirement will be no event be less than \$500 per month, or \$,000 per year per Development Area owned by you. You may be required to provide receipts to show you are meeting this requirement. We reserve the right to increase the Minimum Advertisement Requirement for your Area Representative Business if we determine that it is necessary for you to meet your Minimum Development Obligation.

If one is created, you will be required to join and participate in an Advertising Cooperative (“Co-op”), which is an association of Area Representatives who are located within a Designated Market Area (“DMA”). A DMA is a geographic area around a city in which the radio and television stations based in that city account for a greater proportion of the listening/viewing public than those based in the neighboring cities. One function of the Co-op is to establish a local advertising pool, of which the funds must be used for advertising only and for the mutual benefit of each Co-op member. We have the right to specify the manner in which any Co-ops are organized and governed, and require any and all Co-ops to be legal entities of the state where they are located. Co-ops must operate according to written bylaws which have been approved by us. Co-ops must provide us a copy of their organizational documents and bylaws prior to commencing any marketing or other activities. Currently, there are no Co-ops, however, if established, each Area Representative must contribute to a Co-op according to the Co-op’s rules and regulations, and bylaws, as determined by its members. Amounts contributed to Co-ops may be considered as spent toward your Minimum Advertising Requirement under this Agreement, if appropriately documented and spent according to our defined criteria for advertising.

You must also spend a minimum of \$299 per month on social media advertising through a vendor or supplier we designate or approve. We reserve the right to increase this fee up to \$399 per month in the future upon thirty (30) days written notice. The amount you spend on social media advertising will not count towards your minimum advertising requirement of \$500 per month.

6.8 Approval of Advertising. Prior to their use by Area Representative, samples of all advertising and promotional materials not prepared or previously approved by us shall be submitted to us for approval, which approval shall not be unreasonably withheld. Area Representative shall not use any advertising or promotional materials that we have not approved or have disapproved. Area Representative acknowledges and understands that certain states require the filing of franchise sales advertising materials with the appropriate state agency prior to dissemination. Area Representative agrees fully and timely to comply with such filing requirements at Area Representative’s own expense unless such advertising has been previously filed with the state by us. We may charge Area Representative for the costs incurred by us in printing large quantities of advertising and marketing materials supplied by us to Area Representative at Area Representative’s request.

6.9 Websites. As used in this Agreement, the term “Website” means an interactive electronic document contained in a network of computers linked by communications software that refers to Unit Franchises, Area Representatives, the System, or the Marks. The term “Website” includes, but is not limited to, Internet and World Wide Web pages. In connection with any Website, Area Representative agrees to the following: Area Representative shall not operate or establish a Website separate from our Website. All franchise leads should be directed to **www.bluesageinc.com**. We shall have the right, but not the obligation, to designate one or more web page(s) to describe Area Representative. Such web pages(s) will most likely be located on our Website.

6.10 Accounting, Bookkeeping and Records. Area Representative shall maintain at its business premises in the Development Area all original invoices, receipts, checks, contracts, licenses, acknowledgement of receipt forms, and bookkeeping and business records we require from time to time. Area Representative shall furnish to us, within one hundred twenty (120) days after the end of Area Representative’s fiscal year, a balance sheet and profit and loss statement (audited by a CPA, if requested by us) for the Area Representative Business for such year (or a monthly or quarterly statement if required by us, in which case such statements also shall reflect year-to-date information). In addition, upon our request, within ten (10) days after such returns are filed, exact copies of federal and state income, sales and any other tax returns and such other forms, records, books and other information as we periodically require regarding Area Representative’s Business, shall be furnished to us. Area Representative shall maintain all records and report of the business conducted pursuant to this Agreement for at least two (2) years after the date of termination or expiration of this Agreement.

6.11 Reports and Annual Business Plan.

(a) Reports. Area Representative shall, as often as required by us, deliver to us a written report of the Area Representative Business' activities in such form and detail as we may from time to time specify, including information about efforts to solicit prospective Franchisees, the status of pending transactions and the status of Unit Franchises. Such reports must include the following information: 1) number of contacts made (through all marketing methods), 2) number of appointments, 3) number of presentations, and 4) number of sales by the Monday after the week ending on the previous Friday evening. Your reporting obligations may be changed upon thirty (30) days written notice, and will be set forth in our Manual for ARs or other written directives.

(b) Annual Business Plan. On or before the one-hundred and twentieth (120th) day following each calendar year (or fiscal year, if you are on a non-calendar fiscal year) during the Term, you shall submit an annual business plan in the form designated by us. If you have a business plan on file with us, an update of such business plan, in the form designated by us will satisfy this requirement

6.12 Computer Systems. You are not required to purchase any particular computer system, operating software or hardware to operate your Area Representative Business, however, you will be required to use a computer and printer to operate your Area Representative Business. You are required to use certain required software for your franchise operations (the "Company Software"), which you will be required to install onto the Computer System and use in the operation of your Area Representative Business. You are required to pay all monthly fees associated with such software, to the Company, or its designated vendors, as applicable. Currently, we collect a monthly technology fee of \$229, but we reserve the right to increase this fee upon providing you 30 days' prior written notice. You understand that this fee will be automatically debited from your bank account on a monthly basis, or deducted from any amounts we owe you. We reserve the right to use any technology fees we collect to cover costs related to technical maintenance and/or development of our proprietary software, our website and social media pages, your microsite/web and social media pages, file storage, and all information technology associated costs. In addition, we may, at any time and from time to time, contract with one or more software providers, business service providers, or other third parties (individually, a "Service Provider") to develop, license, or otherwise provide to or for the use and benefit of you and other Company franchises certain software, software applications, and software maintenance and support services related to the Computer System that you must or may use in accordance with our instructions with respect to your Computer System. You understand that you must pay all technology and computer fees associated with your Unit Franchise.

6.13 Management of Business. You must personally participate in the direct operation of your Area Representative Business. If you do not personally participate in the direct operation of your Area Representative Business on a full-time basis, then you are obligated to have a fully trained Manager operate the franchise. We believe that only a person with an equity interest can adequately ensure that our standards of quality and competence are maintained. We required that you be directly involved in the day-to-day operations and utilize your best efforts to promote and enhance the performance of the Area Representative Business.

Any Manager you employ at the launching of your franchise operations must complete the initial management-training course required by the Company. All subsequent Managers must be trained fully according to our standards by either the franchise owner or the Company. However, the Company may charge a fee for this additional training.

7. DEVELOPMENT FEE.

Area Representative shall pay to us a non-refundable "Development Fee" of _____ Dollars (\$ _____), payable upon execution of this Agreement by wire transfer or other

mutually agreed upon payment method. Unless we agree otherwise, one (1) Unit Franchise is included as part of your Development Fee. You are not obligated to pay us a Franchise Fee for this Unit Franchise.

8. PAYMENTS TO AREA REPRESENTATIVE.

8.1 Initial Fee Commission and Conditions of Payment. During the term of this Agreement, Area Representative shall be paid a commission, as set forth in this Section, paid from the initial franchise fees paid by Franchisees and/or Area Representative for the purchase of Unit Franchises to be located within the Development Area (the “Initial Fee Commission”), subject to fulfillment of the following conditions: (a) the Franchisee (or Area Representative) executes a Franchise Agreement with us and an initial franchise fee has been paid to and actually received by us (we shall not be deemed to have received any fees paid into escrow, if applicable, until such fees actually have been remitted to us); and (b) Area Representative has complied with all of its other obligations under this Agreement with respect to such sale and has verified the same to us in writing in a form prescribed by us. The Initial Fee Commission shall be fifty percent (50%) of the initial franchise fee for each Unit Franchise that is sold pursuant to this Agreement minus any referral fees or sales commissions, if any, and will be payable to Area Representative within twenty (20) days after the conditions of this Section 8.1 have been fulfilled. In addition, Area Representative shall be entitled to a commission of 50% of any transfer and/or renewal fees Company collects from Unit Franchises within the Development Area.

If we and you mutually agree for us to relieve you of your franchise sales responsibilities and if we (or our designees) undertake said responsibility in originating and closing the sales lead which results in a sale of a Unit Franchise located in the Development Area, then we shall pay to you a commission equal to twenty-five percent (25%) of the initial franchise fee we actually collect. If we decide to offer initial Franchisees a limited time promotional discount of the initial franchise fee, then you hereby agree to your share of any such reduced fee shall also be reduced proportionately.

In the event that we refund the initial fee for any reason, you will be required to disgorge your share of the commission to us.

8.2 Commissions on Royalty Fees. We shall pay to Area Representative, on the 10th day of the month three percent (3%) of the royalty fees (which excludes advertising and marketing fees) actually received by us from each Unit Franchise located in the Development Area during the applicable period pursuant to their Franchise Agreement (“Royalty Fees”). Notwithstanding the foregoing, if Area Representative has failed to conduct the periodic inspections described in Section 5.7 and failed to perform in any material respect, with respect to one (1) or more Franchisees located in the Development Area, the other services described in Section 5 to be provided to Franchisees located in the Development Area during any applicable month, then Area Representative shall not be entitled to receive commissions on Royalty Fees with respect to such Franchisees for the period during which reports or services were not provided.

8.3 Special Prices on Products Sold by Your Unit Franchise. As an Area Representative you are entitled to special pricing on Products and Services offered to customers by any Unit Franchise you operate. A list of the discounted prices for Products and Services is set forth in our Manuals. These discounted prices are subject to change upon thirty (30) days’ notice.

8.4 Overrides on Sales by Unit Franchises. As an Area Representative, you are entitled to an override on the sale of Products and Services by the Unit Franchises that you recruit with your Development Area. A list of the overrides you will receive is set forth in our Manuals, and is subject to change upon thirty (30) days’ notice.

8.5 Other Products. From time to time we may introduce other Products and Services for sale by Unit Franchises. We will offer you special pricing on such other Products and Services, and you shall receive an override for such other Products and Services sold by Unit Franchises that you recruit. We will

notify you of the amount of the special pricing and overrides by written notification. We may require you to attend additional training in connection with newly introduced Products and Services.

8.6 Commissions After Termination. All payments under this Section 8 shall immediately and permanently cease after the expiration or termination of this Agreement, although Area Representative shall receive all amounts which have accrued to Area Representative as of the effective date of expiration or termination.

8.7 Application of Payments. Our payments to Area Representative shall be based on amounts actually collected from Franchisees, not on payments accrued, due or owing. In the event of termination of a Franchise Agreement for a Unit Franchise within the Development Area, we shall apply any payments received from a Franchisee to pay past due indebtedness of that Franchisee for Royalty Fees, advertising contributions, purchases from us or our affiliates, interest or any other indebtedness on that Franchisee to us or our affiliates. To the extent that such payments are applied to a Franchisee's overdue Royalty Fee payments, Area Representative shall be entitled to its pro rata share of such payments, less its pro rata share of the costs of collection paid to third parties.

8.8 Setoffs. Area Representative shall not be allowed to set off amounts owed to use for fees or other amounts due under this Agreement against any monies owed to Area Representative by us, which right to set off is hereby expressly waived by Area Representative. We shall be allowed to set off against amounts owed to Area Representative for commissions, Royalty Fees or other amounts due under this Agreement any monies owed to us by Area Representative.

9. MARKS.

9.1 Ownership and Goodwill of Marks. Area Representative's right to use the Marks is derived only from this Agreement and is limited to Area Representative's operation of its Area Representative Business. Area Representative's unauthorized use of the Marks is a breach of this Agreement and infringes our rights in the Marks. Area Representative acknowledges and agrees that Area Representative's use of the Marks and any goodwill established by that use are for our exclusive benefit and that this Agreement does not confer any goodwill or other interests in the Marks upon Area Representative (other than the right to operate an Area Representative Business under this Agreement). All provisions of this Agreement relating to the Marks apply to any additional and substitute trademarks and service marks we authorize Area Representative to use.

9.2 Limitations on Area Representative's Use of Marks. Area Representative may not use any Mark: (1) as part of any corporate or legal business name; (2) with any prefix, suffix or other modifying words, terms, designs, symbols other than logos we have licensed to Area Representative; (3) in selling any unauthorized services or products; (4) as part of any domain name, electronic address or search engine, without our consent; or (5) in any other manner we have not expressly authorized in writing. Area Representative may not use any Mark in advertising the transfer, sale or other disposition of Area Representative's business under this Agreement or an ownership interest in Area Representative (if a corporation, partnership, limited liability company or another business entity holds the franchise at any time during this Agreement's term) without our prior written consent.

9.3 Notification of Infringements and Claims. Area Representative agrees to notify us immediately of any apparent infringement of or challenge to Area Representative's use of any Mark, or of any person's claim of any rights in any Mark, and not to communicate with any person other than us and our attorneys and Area Representative's attorneys regarding any infringement, challenge or claim. We may take action we deem appropriate (including no action) and control exclusively any litigation, U.S. Patent and Trademark Office proceeding or other administrative proceeding arising from any infringement, challenge or claim or otherwise concerning any Mark. Area Representative agrees to sign any documents and take any actions that, in the opinion of our attorneys, are necessary or advisable to protect and maintain

our interests in any litigation or Patent and Trademark Office or other proceeding or otherwise to protect and maintain our interests in the Marks.

9.4 Discontinuance of Use of Marks. If we believe at any time that it is advisable for us and/or Area Representative to modify or discontinue using any Mark and/or use one or more additional or substitute trademarks or service marks, Area Representative agrees to comply with our directions within a reasonable time after receiving noticed. We need not reimburse Area Representative for Area Representative's expenses in complying with these directions, for any loss of revenue due to any modified or discontinued Mark, or for Area Representative's expenses of promoting a modified or substitute trademark or service mark.

9.5 Indemnification for Use of Marks. We agree to indemnify and reimburse Area Representative against and for all damages for which Area Representative is held liable in any trademark infringement proceeding arising out of Area Representative's authorized use of any Mark pursuant to and in compliance with this Agreement, and for all costs Area Representative reasonably incurs in the defense of any such claim in which Area Representative is named as a party, so long as Area Representative has timely notified us of the claim, and have otherwise complied with this Agreement. At our option, we may defend and control the defense of any proceeding relating to any Mark.

10. CONFIDENTIAL INFORMATION.

We possess (and may continue to develop and acquire) certain confidential information relating to the development and operation of Unit Franchises and Area Representative Businesses (the "Confidential Information"), which includes (without limitation):

- (1) site selection criteria;
- (2) methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge and experience used in developing and operating Unit Franchises and Area Representative Businesses;
- (3) marketing research and promotional, marketing and advertising programs for Unit Franchises and Area Representative Businesses;
- (4) knowledge of specifications for and suppliers or, and methods of ordering, certain operating assets and products that Unit Franchises and Area Representative Businesses use;
- (5) knowledge of the operating results and financial performance of Unit Franchises and Area Representative Businesses;
- (6) customer communication and retention programs, along with data used or generated in connection with those programs; graphic designs and related intellectual property;
- (7) information generated by or used or developed in the operation of Unit Franchises and Area Representative Businesses, including customer names, addresses, telephone numbers and related information; and
- (8) any other information designated confidential or proprietary by us.

Area Representative acknowledges and agrees that by entering into this Agreement, Area Representative will not acquire any interest in Confidential Information, other than the right to use certain Confidential Information in accordance with this Agreement, and that Area Representative's use of any Confidential Information in any other business would constitute an unfair method of competition with us

and our franchisees. Area Representative further acknowledges and agrees that the Confidential Information is proprietary, includes our trade secrets, and is disclosed to Area Representative only on the condition that Area Representative agrees, and it does agree, that Area Representative:

- (1) will not use any Confidential Information in any other business or capacity;
- (2) will keep the Confidential Information absolutely confidential during and after this Agreement's term;
- (3) will not make unauthorized copies of any Confidential Information disclosure via electronic medium or in written or other tangible form;
- (4) will adopt and implement all reasonable procedures that we periodically prescribe to prevent unauthorized use or disclosure of Confidential Information, including, without limitation: (i) restricting its disclosure to Area Representative's personnel and Franchisees needing to know such Confidential Information in order to develop and operate the Unit Franchises; and (ii) requiring those having access to Confidential Information to sign confidentiality and non-disclosure agreements. We have the right to regulate the form of agreement that Area Representative uses and to be a third party beneficiary of that agreement with independent enforcement rights; and
- (5) will not sell, trade or otherwise profit in any way from the Confidential Information, except using methods approved by us.

All ideas, concepts, techniques or materials relating to a Unit Franchise or Area Representative Business, whether or not protectable intellectual property and whether created by or for Area Representative or its employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property and works made-for-hire for us. To the extent any item does not qualify as a "work made-for-hire" for us, by this paragraph, Area Representative assigns ownership of that item, and all related rights to that item, to us and agrees to sign whatever assignment or other documents we request to evidence our ownership or to help us obtain intellectual property rights in the item.

"Confidential Information" does not include information, knowledge or know-how which is or becomes generally known in business consulting industry or which Area Representative knew from previous business experience before we provided it to Area Representative (directly or indirectly) or before Area Representative attended our initial training program. If we include any matter in Confidential Information, anyone who claims that it is not Confidential Information must prove that the exclusion in this paragraph is fulfilled.

11. ASSIGNABILITY.

11.1 Assignability by Company.

(a) We shall have the right, but not the obligation, to cause a subsidiary or affiliate of ours to perform any or all of our obligations and exercise any or all of our rights under this Agreement and under any Franchise Agreement, and to require Area Representative to perform any or all of its obligations hereunder, in favor or such subsidiary or affiliate, by delivery of written notice thereof to Area Representative.

(b) We shall have the right to assign this Agreement, or any of our rights and privileges under this Agreement to any other person, firm or corporation, other than a subsidiary or affiliate of ours, without Area Representative's prior consent, and we shall not be liable for any obligations accruing under this Agreement after the effective date of such assignment; provided the

assignee shall expressly assume and agree to perform our obligations under this Agreement and is reasonably capable of performing them.

11.2 Assignments by Area Representative.

(a) We have entered into this Agreement in reliance upon and in consideration of the singular personal skills, character, aptitude, business ability, financial capacity and qualifications of Area Representative and the trust and confidence reposed in Area Representative or, in the case of a business entity Area Representative, its owners (individually, an "Owner"). Therefore, neither Area Representative's interest in this Agreement nor any of its rights or privileges hereunder shall be assigned or transferred, voluntarily or involuntarily, in whole or in part, by operation of law or otherwise, in any manner, without our prior written approval.

(b) Any assignment or transfer without our approval is a breach of this Agreement and has no effect. In this Agreement, the term "transfer" includes any voluntary, involuntary, direct or indirect assignment, sale, gift or other disposition and includes the following events:

(1) transfer of record or beneficial ownership of capital stock in Area Representative (if Area Representative is a corporation), a partnership or membership interest (if Area Representative is a partnership or limited liability company), or any other ownership interest or right to receive all or a portion of Area Representative's profits or losses;

(2) a merger, consolidation or exchange of shares or other ownership interests, or issuance of additional ownership interest or securities representing or potentially representing shares or other ownership interests, or a redemption of shares or other ownership interests;

(3) any sale or exchange of voting interests or securities convertible to voting interests, or any agreement granting the right to exercise or control the exercise of the voting rights of any owner or to control Area Representative's operations or affairs;

(4) transfer of an interest in Area Representative, this Agreement, or Area Representative Business or its assets (or any right to receive all or a portion of Area Representative's or the Regional Development Business' profits or losses or any capital appreciation relating to the Regional Development Business) in a divorce, insolvency or entity dissolution proceeding, or otherwise by operation of law;

(5) if Area Representative or an Owner (if Area Representative is a business entity) dies, transfer of an interest in Area Representative, this Agreement, or the Regional Development Business or its assets (or any right to receive all or a portion of Area Representative's or the Regional Development Business' profits or losses or any capital appreciation relating to the Regional Development business) by will, declaration or transfer in trust, or under the law of intestate succession; or

(6) pledge of this Agreement (to someone other than us) or of an ownership interest in Area Representative (if Area Representative is a business entity) as security, foreclosure upon the development area franchises, or Area Representative's transfer, surrender or loss of the area development franchise possession, control or management.

11.3 Conditions for Approval of Assignment or Transfer. We may impose any reasonable condition(s) to the granting of our consent to such assignments. Without limiting the generality of the foregoing, the imposition by us of any or all of the following conditions to our consent to any such assignment shall be deemed to be reasonable:

(a) that the assignee (or the principal officers, shareholders, directors or general partners of the assignee in the case of a business entity assignee) demonstrates that it has the skill, qualifications and economic resources necessary, in our judgment, reasonably exercised, to own and operate the Area Representative Business;

(b) that Area Representative has paid all amounts owed to us;

(c) that the assignee shall expressly assume in writing for our benefit all of the obligations of Area Representative under this Agreement and any other agreements proposed to be assigned to such assignee;

(d) that neither the assignee nor its owners or affiliates operates, has an ownership interest in or performs services for a Competitive Business (defined in Section 12.2);

(e) that the assignee shall have completed (or agreed to complete) our training program;

(f) that the assignee signs our then current form of Area Representative Agreement, the provisions of which may differ materially from any and all of those contained in this Agreement, and the term of which shall be the remaining term of this Agreement;

(g) that as of the date of any such assignment, the assignor shall have strictly complied with all of its obligations to us, whether under this Agreement or any other agreement, arrangement or understanding with us;

(h) that the assignee is not then in default of any of the obligation to us under any agreement between such assignee and us;

(i) that the assignor shall pay to us a transfer fee of Ten Thousand Dollars (\$10,000) per transfer, except for transfers pursuant to Section 11.4 below;

(j) that the assignor and the assignor's spouse (if any) shall sign a general release, in a form satisfactory to us, of any and all claims against us and our affiliates and our and their respective shareholders, officers, directors, employees, representatives, agents, successors and assigns; and

(k) that assignor will not directly or indirectly at any time or in any manner identify himself, herself or itself or any business as a current or former Franchise or as one of our Franchisees or Area Representatives, use any Mark, any colorable imitation of a Mark, or other indicia of a Unit Franchise or Area Representative Business in any manner or for any purpose, or utilize for any purpose any trade name, trademark, service mark or other commercial symbol that suggests or indicates a connection or association with us.

Area Representative shall not in any event have the right to pledge, encumber, charge, hypothecate or otherwise give any third party a security interest in this Agreement in any manner whatsoever without our express prior written permission, which permission may be withheld for any reason whatsoever in our sole subjective judgment.

11.4 Assignment to Entity Principally Controlled by You. The Area Representative franchise business and its assets and liabilities may be assigned to a newly-formed corporation or other legal entity that conducts no business other than the operation of the franchise and in which you and any of your principals own and control in the aggregate not less than ninety percent (90%) of the equity and voting power of all outstanding capital stock or ownership interest, provided as follows:

- (a) that the proposed transferee complies with the provisions of this Agreement; and
- (b) that you are empowered to act for said corporation or other legal entity; and
- (c) that you shall submit to us documentation that we may reasonably request to effectuate the transfer, including the approving and acknowledging execution of this Agreement; and
- (d) that you shall submit to us a true and complete list of the shareholders, members or partners, showing number of shares or interests owned, and a list of the officers and directors if a corporation or managers if a limited liability company, or managing partners if a partnership. We shall be promptly notified of any changes in said lists; and
- (e) that all certificates of shares or interests issued by transferee at any time shall be endorsed thereon the appropriate legend to conform with state law, referring to this Agreement by date and name of parties hereto and stating "Transfer to This Certificate is Limited by the Terms and Conditions of a Regional Development Agreement dated _____;" and
- (f) that a copy of this Agreement shall be given to every shareholder, member or partner; and
- (g) that a copy of the organizational documents and any corporate resolutions and a Certificate of Good Standing will be furnished to us at our reasonable request, and prompt notification in writing of any amendments thereto will be provided to us; and
- (h) that the number of shares or interests issued or outstanding in the transferee will not be increased or decreased without prior written notice to us, which notice will in its terms guarantee compliance with this Agreement. In addition, new shareholders, members or partners must be approved by use and agree to be bound by this entire Agreement. Shareholders, members or partners may make a separate agreement among them providing for purchase by the survivors amount them of the shares of any shareholders or interests of any members or partners upon death, or other agreements affecting ownership or voting rights, so long as voting control and a majority representation of the board of directors or members or partners remains with those individuals who initially applied for and were approved as Franchisees under this Agreement. Shareholders, members or partners must notify us in writing of any such agreement which affects control of the transferee.

11.5 Death or Disability.

- (a) Upon the death or disability of Area Representative or an Owner, the executor, administrator, conservator, guardian or other personal representative must assign, sell, or transfer Area Representative's interest in this Agreement, the Area Representative Business and its assets, or the Owner's ownership interest in Area Representative, to a third party approved by us. That transfer (including, without limitation, transfer by bequest or inheritance) must occur, subject to our rights, within a reasonable time, not to exceed nine (9) months from the date of death or disability, and is subject to all of the terms and conditions in this Section 11. A failure to transfer such interest within this time period is a breach of this Agreement. The term "disability" means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent Area Representative from supervising the Development Area management and operation for ninety (90) or more consecutive days.
- (b) If, upon the death or disability of Area Representative or an Owner, a trained manager who we approve is not managing the day-to-day operations, then the executor, administrator, conservator, guardian or other personal representative must, within a reasonable time not to exceed thirty (30) days from the date of death or disability, appoint a manager that we must approve to operate the Area

Representative Business. The manager must, at Area Representative's or the Owner's estate's expense, satisfactorily complete the training we designate with the specified time period.

11.6 Company's Right of First Refusal. If Area Representative at any time determines to sell or transfer an interest in this Agreement or the Area Representative Business, or if Owner determines to sell or transfer a controlling ownership interest in Area Representative, then Area Representative or the Owner, as applicable (the "Seller") must obtain from a responsible and fully disclosed buyer, and send us a true and complete copy of a bona fide, executed written offer relating exclusively to an interest in Area Representative or this Agreement and the Area Representative Business. The offer must include details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price. To be a valid, bona fide offer, the proposed purchase price must be in a fixed dollar amount and without any contingent payments of purchase price (such as earn-out payments).

We may, by delivering written notice to the Seller within sixty (60) days after we receive both an exact copy of the offer and all other information requested, elect to purchase the interest for the price and on the terms and conditions contained in the offer, provided that: 1) we may substitute cash for any form or payment proposed in the offer; (2) our credit will be deemed equal to the credit of any proposed buyer; (3) the closing will be not less than sixty (60) days after notifying the Seller of our election to purchase or, if later, the closing date proposed in the offer; and (4) we must receive, and the Seller agrees to make, all customary representations and warranties, given by the seller of the assets of a business or ownership interests in a legal entity, as applicable, including, without limitation, representations and warranties regarding ownership and condition of, and title to, assets and (if applicable) ownership interests and validity of contracts and the liabilities, contingent on otherwise, relating to the assets or ownership interests being purchased. If we exercise our right of first refusal, the Seller agrees that, for two (2) years beginning on the closing date, the Seller and members of its immediate family will be bound by the non-competition covenant contained in Section 12.2 below.

If we do not exercise our right of first refusal, the Seller may complete the sale to the proposed buyer on the original offer's terms, subject to our approval of the transfer as provided above. If the Seller does not complete the sale to the proposed buyer within sixty (60) days after we notify the Seller that we do not intend to exercise our right of first refusal, or if there is a material change in the terms of the sale (which the Seller must let us know promptly), we will have an additional right of first refusal during the sixty (60) day period following either the expiration of the sixty (60) day period or receipt of notice of the material change(s) in the sale's terms, either on the terms originally offered or the modified terms, at our option.

11.7 Ownership Structure. Area Representative represents and warrants that all persons holding direct or indirect, legal or beneficial ownership interests in Area Representative (collectively, the "Owners") are listed in Exhibit 3 and that its ownership structure is as set forth on Exhibit 3. Area Representative shall not change its ownership structure without complying with all of the terms and conditions of this Section 11. Within ten (10) days of any change in Area Representative's ownership structure, Area Representative shall submit a revised Exhibit 3 to us showing the new ownership structure.

12. NON-COMPETITION AND NON-SOLICITATION.

12.1 In Term. During the term of this Agreement, neither Area Representative, any of the Principals, nor any member of Area Representative's or a Principal's immediate family will have any direct or indirect interest (e.g., through a spouse) as a disclosed or beneficial owner, investor, partner, director, officer, controlling shareholder, employee, consultant, representative or agent, or in any other capacity, in a Competitive Business (defined below), whether located within or outside the Development Area, unless we shall first consent thereto in writing.

12.2 Post-Term. For a eighteen (18) month period following the assignment, expiration or termination of this Agreement, for any reason, neither Area Representative, any Owner, nor any member of Area Representative's or an Owner's immediate family will have any direct or indirect interest (e.g., through a spouse) as a disclosed or beneficial owner, investor, partner, director, officer, employee, consultant, representative or agent, or in any other capacity, in any Competitive Business located or operating: (a) within the Development Area; (b) within the development area of any of our other Area Representatives, (c) within twenty-five (25) miles of any Unit Franchise or Area Representative franchise or in operation or development on the date of assignment, expiration or termination; or (d) within any unsold development areas. The term "Competitive Business" means any business which derives more than Fifty-Thousand Dollars (\$50,000) of revenue per year from the performance of providing the general public with healthcare services and products focused on wellness solutions and aesthetic services, or any business which grants franchises or licenses to others to operate such a business, other than a Unit Franchise operated under a franchise agreement with us.

12.3 You further agree that for a period of two (2) years after the expiration or termination of this Agreement, neither you, nor any Owner, nor any member of your or an Owner's immediate family will directly or indirectly: (a) induce, canvas, solicit, or request or advise any employees of Franchisor, the Franchise, or any BlueSage Longevity Labs franchise to accept employment with any person, firm, or business that competes with any business of Franchisor, the Franchise, or any BlueSage Longevity Labs franchise; or (b) induce, request, or advise any employee of Franchisor, the Franchise, or any BlueSage Longevity Labs franchise to terminate such employee's relationship with Franchisor, the Franchise, or any BlueSage Longevity Labs franchise; or (c) disclose to any other person, firm, partnership, corporation or other entity, the names, addresses or telephone numbers of any of the employees of Franchisor, the Franchise, or any BlueSage Longevity Labs franchise, except as required by law.

12.4 You also agree that for a period of two (2) years after the expiration or the termination of this Agreement, neither you, nor any Owner, nor any member of your or an Owner's immediate family will directly or indirectly: (a) induce, canvas, solicit, or request or advise any customers of Franchisor, the Franchise, or any BlueSage Longevity Labs franchise to become customers of any person, firm, or business that competes with any business of Franchisor, the Franchise, or any BlueSage Longevity Labs franchise; or (b) induce, request or advise any customer of Franchisor, the Franchise, or any BlueSage Longevity Labs franchise to terminate or decrease such customer's relationship with Franchisor, the Franchise, or any BlueSage Longevity Labs franchise; or (c) disclose to any other person, firm, partnership, corporation or other entity, the names, addresses or telephone numbers of any of the customers of Franchisor, the Franchise, or any BlueSage Longevity Labs franchise, except as required by law.

13. TERMINATION.

13.1 Termination by You.

You may terminate this Agreement due to a material default by our obligations hereunder, which default is not cured by us within sixty (60) days after our receipt of prompt written notice by you to us detailing the alleged default with specificity. Failure to give such notice promptly and within thirty (30) days of having actual or constructive knowledge of the alleged default shall constitute a waiver by you of any such alleged default. If you terminate this Agreement pursuant to this Section 10.1, you shall comply with all of this Agreement's post termination covenants, terms and conditions. So long as we have performed our obligations as stated within this Agreement, you hereby agree and irrevocably waive any rights you may possess under this Agreement or any applicable law to terminate or rescind this Agreement.

13.2 Termination by Company.

(a) With Notice and Opportunity to Cure.

(i) Except for any default under Section 13.2(a)(ii), Section 13.2(b) or by applicable law, you shall have sixty (60) days after our written notice of default with which to remedy any default under this Agreement, and to provide evidence of such remedy to us. If any such default is not cured within that time period, or such longer time period as applicable law may require or as we may specify in the notice of default, this Agreement and all rights granted by it shall thereupon automatically terminate without further notice or opportunity to cure.

(ii) If you do not strictly comply with the Minimum Development Obligation at any time during the term of this Agreement (except during such time when we shall have relieved you of your sales responsibilities in accordance with Section 2.1(g)), then it shall be your sole responsibility to incorporate within your annual business plan (required under Section 6.11(b)) an action plan for curing your default of the Minimum Development Obligation. Your failure to fully cure a default of the Minimum Development Obligation within six (6) months of such default shall cause an immediate termination of this Agreement, without any further opportunity to cure.

(b) Without Opportunity to Cure.

Subject to any controlling applicable laws to the contrary, you shall be deemed to be in material default and we may, at our option, terminate this Agreement and all rights granted hereunder, without affording you any opportunity to cure the default, effective immediately upon delivery or attempted delivery to you of notice by us of the occurrence of any of the following events:

(i) You are adjudicated bankrupt or judicially determined to be insolvent (subject to any contrary provisions of any applicable state or federal laws), or fail to meet your financial obligations as they become due, or make a disposition for the benefit of your creditors.

(ii) You or any of your Owners allows a judgment against you or them in an amount of more than \$50,000 arising out of your duties under this Agreement that remains unsatisfied for a period of more than thirty (30) days (unless an appeal bond has been filed).

(iii) Your assets are seized, taken over or foreclosed by a government official in the exercise of its duties, or seized, taken over, or foreclosed by a creditor or lien holder provided that a final judgment against you remains unsatisfied for thirty (30) days (unless an appeal bond has been filed).

(iv) A levy of execution or attachment has been made upon the franchise rights granted by this Agreement or upon any property used in your business, and it is not discharged within eleven (11) days of your receipt of notice of such levy or attachment.

(v) If any judgment is entered against us or our subsidiaries or affiliated corporations, arising out of or relating to your operation of your business and if you are obligated to indemnify us pursuant to Section 15.2 and such judgment is not satisfied or stayed pending appeal by us or by our subsidiaries or affiliated companies.

(vi) You abandon your business. Abandonment in this context means any action or omission that demonstrates your intention to permanently relinquish and renounce your rights and duties under this Agreement.

(vii) You receive three (3) or more written notices of default from us, within any period of twelve (12) consecutive months, concerning any material breach by you, whether or not such

breaches shall have been cured, such repeated course of conduct shall itself be grounds for termination of this Agreement without further notice or opportunity to cure.

(viii) You (or any of your owners) participate in in-term competition contrary to Section 12.1.

(ix) You or any of your Owners, officers or directors is convicted of or pleads guilty or nolo contendere to a felony or any other crime or offense that is likely, in our reasonable business judgment, to adversely affect our reputation, the franchise system, the Marks or the goodwill associated therewith, or our interest therein.

(x) You purport, threaten, or take any action to make an assignment or transfer without our prior written consent or otherwise that will violate Section 11 of this Agreement.

(xi) You materially misuse or make any unauthorized use of the Marks or otherwise materially impair the goodwill associated therewith or our rights therein, or take any action that reflects materially and unfavorably upon the operation and reputation of the Company or the Company's network generally.

(xii) Your unauthorized use, disclosure, or duplication of the Confidential Information, excluding independent acts of employees or others if you have exercised commercially-reasonable efforts to prevent such disclosures or use.

(xiii) You make any material misrepresentations in connection with the application for, execution of, or performance under this Agreement.

13.3 Rights and Obligations Upon Termination or Expiration.

(a) Except to the extent that you have rights (if any) granted under an Franchise Agreement that has not terminated or expired, upon expiration or termination of this Agreement, you shall immediately take such action as we may require to accomplish the following:

(i) Cease to assist in the sale of BlueSage Longevity Labs™ franchises, cease to use the system and Marks in any form, cease to hold yourself out as an Area Representative of us and you shall not use or identify in any business name, any of the words "BlueSage Longevity Labs™" or any combination of such Marks or words, in any combination, form or fashion.

(ii) Pay all sums due to us, including but not limited to all obligations, trade accounts, promissory notes, financing agreements and equipment leases owing to us.

(iii) Submit such reports as we require, including but not limited to profit and loss statements for the two (2) year period preceding the date of termination or expiration.

(iv) Return to us or to our designee the Manuals, Confidential Information, proprietary hardware, software, computer disks and all other trade secrets, trade dress, and other information and instructions delivered to you and all copies thereof.

(v) Surrender to us such stationery, printed matter, signs and advertising materials containing the name "BlueSage Longevity Labs™" or similar names and/or Marks.

(vi) Transfer, assign, disconnect and forward the business telephone number, fax number, business Internet e-mail address and any other identifying information, listings or commercial holding out for your business to us or our designee. You shall not be required to transfer and assign to us any home or personal telephone number, fax number or e-mail address.

(vii) Transfer your “white” and “yellow” page telephone listings, references and advertisements and all trade and similar name registrations and business licenses and to cancel any interest which you may have in the same.

(viii) Promptly take any action necessary to cancel any assumed name or equivalent registration that contains the mark “BlueSage Longevity Labs™” or any of our other Marks, and submit to us proof of compliance with this obligation.

(b) Upon termination or expiration of this Agreement, all monies earned or payable to us on account of Franchisees within the Development Area shall belong solely to us and you hereby forfeit any and all rights to the same upon the termination or expiration of the Agreement. Such monies shall not include unpaid obligations of us to you, which monies will be paid by us to you after we have first deducted any monies owed by you to us.

(c) In the event of termination or expiration of this Agreement, you hereby authorize and appoint us or our designee to act as special agent or attorney-in-fact for you to transfer any listed telephone and fax numbers, transfer “white” pages and “yellow” pages listings, e-mail address, Internet presence and any other identifying information, listings or commercial holding out relating to your business and to enforce the conditional assignment of same to you or to our designee.

(d) In the event of termination or expiration of this Agreement, you hereby authorize us to notify Franchisees, your customers, vendors, suppliers, landlord, banks, local advertisers and any other appropriate third-party that this Agreement has been terminated.

(e) In the event of a termination or expiration of this Agreement, you hereby authorize and acknowledge that we will disclose your name, your address, your phone number, and other applicable information pursuant to any applicable law in all future Franchise Disclosure Documents.

13.4 Termination Fee. In the event Area Representative terminates this Agreement or ceases to do business, or Company terminates this Agreement pursuant to Paragraph 13.1 of this Agreement, the Area Representative shall pay Company a termination fee equal to one-half of our highest then-current development fee for Area Representative franchises, plus our attorneys’ fees and costs incurred in connection with the early termination.

13.5 General Provisions. Notwithstanding anything to the contrary contained in this Section 13, in the event any valid applicable law of a competent Governmental Authority having jurisdiction over this Agreement and the parties hereto shall limit our rights of termination hereunder or shall require longer notice or cure periods than those set forth above, this Agreement shall be deemed amended to conform to the minimum notice or cure periods or restrictions upon termination required by such laws and regulations. The parties shall not, however, be precluded from contesting the validity, enforceability or application of such laws or regulations in any action, hearing or dispute relating to this Agreement or the termination thereof. Our rights as stated in this Section 13 shall be without prejudice to any other rights or remedies provided by law or under this Agreement which include, but are not limited to, injunctive relief, damages or specific performance. Our failure to terminate this Agreement upon the occurrence of one or more of the above events shall not constitute a waiver or otherwise affect our right to terminate this Agreement because of any other occurrence of one or more of the events set forth above.

14. MEDIATION AND LITIGATION.

14.1 Mediation. During the term of this Agreement certain disputes may arise that you and we are unable to resolve, but that may be resolvable through mediation. To facilitate such resolution, you and we agree to submit any claim, controversy or dispute between us or any of our affiliates (and their respective owners, officers, directors, agents, representatives and/or employees) and you (and your owners, agents, officers, directors, representatives and/or employees) arising out of or related to (a) this Agreement or any

other agreement between us and you, (b) our relationship with you, or (c) the validity of this Agreement or any other agreement between us and you, to mediation before either of us may file a lawsuit under Section 14.2 as it relates to any claim, controversy or dispute.

(a) The mediation shall be conducted in Nassau County, New York, or as we and you otherwise agree. The costs and expenses of the mediation, including the mediator's compensation and expenses (but excluding attorneys' fees incurred by either party), will be paid by the Party (you or us) who seeks resolution of the dispute with the first Five Thousand Dollars be paid to the Mediation Service by the Party seeking resolution of a dispute, and the remaining amount, if any, being paid equally by both Parties.

(b) Notwithstanding the foregoing provisions of this Section 14.1, your and our agreement to mediate shall not apply to any controversies, disputes or claims related to or based on the Marks or the Confidential Information. Moreover, regardless of your and our agreement to mediate, you and we each have the right to seek temporary restraining orders and temporary or preliminary injunctive relief if warranted by the circumstances of the dispute.

14.2 Litigation. With respect to any controversies, disputes or claims which are not finally resolved through mediation as provided in subsection (a) above, the parties irrevocably submit themselves to the jurisdiction of the state courts of Nassau County, New York and the U.S. District Court for the District of New York and hereby waive all questions of personal jurisdiction for the purpose of carrying out this provision. You and we agree that service of process may be made upon them in any proceeding relating to or arising out of this agreement or the relationship created by this agreement by any means allowed by New York or federal law. You and we further agree that the venue for any proceeding relating to or arising out of this agreement shall be Nassau County, New York.

15. GENERAL CONDITIONS AND PROVISIONS.

15.1 Relationship of Area Representative to Company. It is expressly agreed that the parties intend by this Agreement to establish between us and Area Representative the relationship of franchisor and franchisee. Except as expressly provided herein, it is further agreed that Area Representative has no authority to create or assume in our name or on our behalf, any obligation, express or implied, or to act or purport to act as agent or representative on our behalf for any purpose whatsoever. In no event shall either party be deemed to be fiduciaries of the other. Neither we nor Area Representative is the employer, employee, agent, partner or co-venturer of or with the other, each being independent contractors. Area Representative agrees that it will not hold himself out as the agent, employee, partner or co-venturer of ours, or as having any of the aforesaid authority. All Employees hired by or working for Area Representative shall be the employees of Area Representative and shall not, for any purpose, be deemed employees of us or subject to our control.

15.2 Indemnification. To the fullest extent permitted by law, Area Representative agrees to indemnify, defend and hold harmless us, our affiliates, and our and their respective shareholders, directors, officers, employees, agents, representatives, successors and assigns (the "Indemnified Parties") from and against, and to reimburse any one or more of the Indemnified Parties for any and all claims, obligations and damages directly or indirectly arising out of: (1) the Area Representative Business conducted by Area Representative pursuant to this Agreement, (2) Area Representative's breach of this Agreement, or (3) Area Representative's non-compliance or alleged non-compliance with any law, ordinance, rule or regulation. For purposes of this indemnification, "claims" include all obligations, damages (actual, consequential, punitive or otherwise) and costs that any Indemnified Party reasonably incurs in defending any claim against it, including, without limitation, reasonable accountants', arbitrators', attorneys' and expert witness' fees, costs of investigation and proof of facts, court costs, travel and living expenses and other expenses of litigation, arbitration or alternative dispute resolution, regardless of whether litigation or alternative dispute resolution is commenced. Each Indemnified Party may defend and control the defense of any claim against it which is subject to this indemnification at Area Representative's expense, and Area Representative may not settle any claim or take any other remedial, corrective or other actions relating to any claim without our

consent. This indemnity will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination. An Indemnified Party need not seek recovery from an insurer or other third party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim against Area Representative. Area Representative agrees that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover from Area Representative.

15.3 Waiver and Delay. Except as otherwise expressly provided to the contrary, no waiver by us of any breach or series of breaches or defaults in performance by the Area Representative, and no failure, refusal or neglect of or by us to exercise any right, power or option given to us under this Agreement or under any other agreement between us and Area Representative, whether entered into before, after or contemporaneously with the execution of this Agreement (and whether or not related to this Agreement) or to insist upon strict compliance with or performance of the Area Representative's obligations under this Agreement or any other agreement between us and Area Representative, whether entered into before, after or contemporaneously with the execution of this Agreement (and whether or not related to this Agreement), shall constitute a novation, or a waiver of the provisions of this Agreement with respect to any subsequent breach thereof or a waiver of our right at any time thereafter to require exact and strict compliance with the provisions thereof.

15.4 Survival of Covenants. The covenants contained in this Agreement which, by their terms, require performance by the parties after the expiration or termination of this Agreement or ancillary agreements, shall be enforceable notwithstanding said expiration or other termination of this Agreement for any reason whatsoever.

15.5 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the legal representatives, successors and assigns of us and Area Representative.

15.6 Joint and Several Liability. If either party consists of more than one person or entity, or a combination thereof, the obligations and liabilities of each such person or entity to the other under this Agreement are joint and several.

15.7 Governing Law. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§ 1051 et seq.), this Agreement and the Area Representative franchise will be governed by the internal laws of the State of New York (without reference to its choice of law and conflict of law rules), except that the provisions of New York law relating to the offer and sale of business opportunities or franchises or governing the relationship of a franchisor and its franchisees will not apply unless their jurisdictional requirements are met independently without reference to this Paragraph. You agree that we may institute any action against you arising out of or relating to this Agreement (which is not required to be mediated hereunder or as to which mediation is waived) in any state or federal court of general jurisdiction in Nassau County, New York, and you irrevocably submit to the jurisdiction of such courts and waive any objection you may have to either the jurisdiction or venue of such court.

15.8 Consent to Jurisdiction. Subject to Section 14 and the provisions below, Area Representative and its owners agree that all actions arising under this Agreement or otherwise as a result of the relationship between Area Representative and us must be commenced in the State of New York, and in the state or federal court of general jurisdiction closest to where our principal business address then is located, and Area Representative (and its Owners) irrevocably submits to the jurisdiction of those courts and waives any objection Area Representative (or its owners) might have with either the jurisdiction of or venue in those courts. Nonetheless, Area Representative and any of its Owners agree that we may enforce this Agreement and any arbitration orders and awards in the courts of the state or states in which Area Representative or its Owners are domiciled.

15.9 Waiver of Punitive Damages and Jury Trial. Except for Area Representative's obligation to indemnify us under Section 15.2 above and except where authorized by federal statute, we and Area

Representative and its Owners waive to the fullest extent permitted by law any right to or claim for any punitive or exemplary damages against the other and agree that, in the event of a dispute between us and Area Representative, the party making a claim will be limited to equitable relief and to recovery of any actual damages it sustains. We and Area Representative irrevocably waive trial by jury in any action, proceeding or counterclaim, whether at law or in equity, brought by either party.

15.10 Limitation of Claims. Any and all claims arising out of or relating to this Agreement or our relationship with Area Representative, except for claims for indemnification under Section 15.2 above, will be barred unless a judicial proceeding is commenced within one (1) year from the date on which the party asserting the claim knew or should have known of the facts giving rise to the claims.

15.11 Entire Agreement. This Agreement and the Exhibits incorporated in the Agreement contain all of the terms and conditions agreed upon by the parties to this Agreement with reference to the subject matter of this Agreement. No other agreements, and all prior agreements, understanding and representations are merged in this Agreement and superseded by this Agreement. Each party represents to the other that there are no contemporaneous agreements or understandings between the parties relating to the subject matter of this Agreement that are not contained in this Agreement. This Agreement cannot be modified or changed except by written instrument signed by all of the parties to this Agreement, provided that we may modify or amend the Manuals at any time without notice to, or approval of, Area Representative or any other person. Nothing in this Agreement shall have the effect of disclaiming any of the information in the Franchise Disclosure Document or its attachments or addenda.

15.12 Title for Convenience. Article and Section titles used in this Agreement are for convenience only and shall not be deemed to affect the meaning or construction of any of the terms, provisions, covenants or conditions of this Agreement.

15.13 Gender. All terms used in any one number or gender shall extend to mean and include any other number and gender as the facts, context or sense of this Agreement or any section or paragraph hereof may require.

15.14 Severability. Except as expressly provided to the contrary in this Agreement, each Section, paragraph, term and provision of this Agreement is severable, and if, for any reason, any part thereof, to be invalid or contrary to or in conflict with any applicable present or future law and regulation in a final, unappealable ruling issued by any court, agency or tribunal with competent jurisdiction, that ruling will not impair the operation or, or otherwise affect, any other portions of this Agreement, which will continue to have full force and effect and bind the parties. If any covenant which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, and/or length of time, but would be enforceable if modified, we and Area Representative agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity. If any applicable and binding law or rule of any jurisdiction requires more notice than this Agreement requires of this Agreement's termination or of our refusal to enter into a successor agreement, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement is invalid or unenforceable or unlawful, the notice and/or other action required by the law or rule will be substituted for the comparable provisions of this Agreement, and we may modify the invalid or unenforceable provisions to the extent required to be valid and enforceable or delete the unlawful provision in its entirety. Area Representative agrees to be bound by any promise or covenant imposing the maximum duty the law permits which is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement.

15.15 Fees and Expenses. Should any party to this Agreement commence any action or proceeding for the purpose of enforcing, or preventing the breach of, any provision of this Agreement, whether by arbitration, judicial or quasi-judicial action or otherwise, or for damages for any alleged breach of any provision of this Agreement, or for a declaration of such party's rights or obligations under this

Agreement, then the prevailing party shall be reimbursed by the losing party for all costs and expenses incurred in connection therewith, including, but not limited to, reasonable attorneys' fees for the services rendered to such prevailing party.

15.16 Notices. All written notices, reports and payments permitted or required under this Agreement or by the Manuals will be deemed delivered: (a) at the time delivered by hand; (b) one (1) business day after transmission by telecopy, facsimile or other electronic system; (c) one (1) business day after being placed in the hands of a reputable commercial courier service for next business day delivery; or (d) three (3) business days after placed in the U.S. mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid; and addressed to the party to be notified or paid at its most current principal business address of which the notifying party has been advised, or to any other place designated by either party. Any required notice, payment or report which we do not actually receive during regular business hours on the date due (or postmarked by postal authorities at least two (2) days before it is due) will be deemed delinquent.

15.17 Time of Essence. Time shall be of the essence for all purposes of this Agreement.

15.18 Lien and Security Interest. To secure your performance under this Agreement and indebtedness for all sums due us or our affiliates, we shall have a lien upon, and you hereby grant us a security interest in, the following collateral and any and all additions, accessions, and substitutions to or for it and the proceeds from all of the same: (a) all inventory now owned or after-acquired by you and the Area Representative Business, including but not limited to all inventory and supplies transferred to or acquired by you in connection with this Agreement; (b) all accounts of you and/or the Area Representative Business now existing or subsequently arising, together with all interest in you and/or the Area Representative Business, now existing or subsequently arising, together with all chattel paper, documents, and instruments relating to such accounts; (c) all contract rights of you and/or the Area Representative Business, now existing or subsequently arising; and (d) all general intangibles of you and/or the Area Representative Business, now owned or existing, or after-acquired or subsequently arising. You agree to execute such financing statements, instruments, and other documents, in a form satisfactory to us, that we deem necessary so that we may establish and maintain a valid security interest in and to these assets.

16. SUBMISSION OF AGREEMENT.

This Agreement shall not be binding upon us unless and until it shall have been submitted to and signed by our Chief Executive, and the date of said signing as set forth on the first page of this Agreement shall be the effective date of this Agreement.

17. ACKNOWLEDGMENTS.

To induce us to sign this Agreement and grant Area Representative the rights hereunder, Area Representative acknowledges:

(a) That Area Representative has independently investigated the Area Representative Business franchise opportunity and recognizes that, like any other business, the nature of the Area Representative Business may, and probably will, evolve and change over time.

(b) That an investment in an Area Representative Business involves business risks.

(c) That Area Representative's business abilities and efforts are vital to the Area Representative's success.

(d) That performing Area Representative's obligations will require a high level of customer service and strict adherence to the System.

(e) That Area Representative has not received or relied upon, and we expressly disclaim making any representation, warranty or guaranty, express or implied, as to the revenues, profits or success of an Area Representative Business.

(f) That any information Area Representative has acquired from Franchisees or other area representatives regarding their sales, profits or cash flows is not information obtained from us, and we make no representation about that information's accuracy.

(g) That Area Representative has no knowledge of any representations made about the Area Representative franchise opportunity by us, our subsidiaries or affiliates or any of their respective officers, directors, shareholders or agents that are contrary to the statements made in our Franchise Disclosure Document or to the terms and conditions of this Agreement.

(h) That in all of their dealing with Area Representative, our officers, directors, employees and agents act only in a representative, and not in an individual capacity and that business dealings between Area Representative and them as a result of this Agreement are only between Area Representative and us.

(i) That Area Representative has represented to us, to induce us to enter into this Agreement, that all statements Area Representative has made and all materials Area Representative has given to us in acquiring the franchise are accurate and complete and that Area Representative has made no misrepresentations or material omissions in obtaining the franchise.

(j) That Area Representative has read this Agreement and our Franchise Disclosure Document and understands and accepts that the terms and covenants in this Agreement are reasonably necessary for us to maintain our high standards of quality and service, as well as the uniformity of those standards at each Area Representative Business and Unit Franchise, and to protect and preserve the goodwill of the Marks.

IN WITNESS WHEREOF, the parties to this Agreement have caused this Agreement to be executed as of the first date set forth above.

COMPANY:

BLUE SAGE FRANCHISING, INC.
a Delaware corporation

By: _____

Print Name: _____

Its: _____

AREA REPRESENTATIVE:

By: _____

Print Name: _____

Its: _____

EXHIBIT 1

DEVELOPMENT AREA

The Development Area referred to in Recital D of this Agreement shall be the following geographic area: _____

EXHIBIT 2

MINIMUM DEVELOPMENT OBLIGATION

DEVELOPMENT SCHEDULE

Your Minimum Development Obligation for the Development Area shall be as follows:

At the dates set forth below, you must have completed a Sale of a Unit Franchise within the Development Area as defined within the Agreement for the following number of Unit Franchises indicated (the “Minimum Development Schedule”):

Development Period	Date Development Period Begins	Date Development Period Ends	Minimum Sales during Development Period	Cumulative Unit Franchises at End of Development Period
Year 1	Effective Date			
Year 2				
Year 3				
Year 4				
Year 5				
Year 6				
Year 7				
Year 8				
Year 9				
Year 10				

EXHIBIT 3
OWNERSHIP STRUCTURE

Owner Name and Address	Number of Shares	Percentage of Ownership
_____	_____	_____

_____	_____	_____

_____	_____	_____

_____	_____	100%

EXHIBIT 4

STATE-SPECIFIC ADDENDA

TO AREA REPRESENTATIVE AGREEMENT

CALIFORNIA ADDENDUM TO AREA REPRESENTATIVE AGREEMENT

1. California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise. If the Area Representative Agreement contains a provision that is inconsistent with the law, the law will control.

2. The Area Representative Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

3. The Area Representative Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

4. The Area Representative Agreement requires arbitration. The arbitration will occur in Nassau County, State of New York.

Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of an Area Representative Agreement restricting venue to a forum outside the State of California.

5. The Agreement requires the application of laws of New York. This requirement may be unenforceable under California law.

6. You must sign a general release if you renew or transfer your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this California Addendum to the Area Representative Agreement on the same date as the Area Representative Agreement was executed.

BLUE SAGE FRANCHISING, INC.
a Delaware corporation

By: _____

Print Name: _____

Title: _____

AREA REPRESENTATIVE

By: _____

Title: _____

HAWAII ADDENDUM TO AREA REPRESENTATIVE AGREEMENT

1. The Area Representative Agreements contain a provision requiring a general release as a condition of renewal and transfer of the franchise. Such release will exclude claims arising under the Hawaii Franchise Investment Law.

2. Any provisions of the Area Representative Agreement that relate to non-renewal, termination, and transfer are only applicable if they are not inconsistent with the Hawaii Franchise Investment Law. Otherwise, the Hawaii Franchise Investment Law will control.

3. The Area Representative Agreement permits us to terminate the Agreement on the bankruptcy of you and/or your affiliates. This provision may not be enforceable under federal bankruptcy law. (11 U.S.C. § 101, *et seq.*).

4. Each provision of this Addendum will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Hawaii Franchise Investment Law are met independently without reference to this Addendum.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Hawaii Addendum to the Area Representative Agreement on the same date as the Area Representative Agreement was executed.

BLUE SAGE FRANCHISING, INC.
a Delaware corporation

By: _____

Print Name: _____

Title: _____

AREA REPRESENTATIVE

By: _____

Title: _____

By: _____

Title: _____

ILLINOIS ADDENDUM TO AREA REPRESENTATIVE AGREEMENT

Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Illinois Franchise Disclosure Act provides that any provisions in a franchise agreement that designates jurisdiction or venue outside the state of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Your rights upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

ILLINOIS PROHIBITS THE CORPORATE PRACTICE OF MEDICINE UNLICENSED INDIVIDUALS AND ENTITIES ARE PROHIBITED FROM OWNING, OPERATING AND MAINTAINING AN ESTABLISHMENT FOR THE STUDY, DIAGNOSIS AND TREATMENT OF HUMAN AILMENTS AND INJURIES, WHETHER PHYSICAL OR MENTAL. See Medical Corporation Act, 805 ILCS 15/2, 5 (West 2018) and Medical Practice Act of 1987, 225 ILCS 60/(West 2018).

IF YOU ARE NOT LICENSED/CERTIFIED IN ILLINOIS TO PROVIDE SERVICES OF THE NATURE DESCRIBED IN THIS DISCLOSURE DOCUMENT, YOU MUST NEGOTIATE THE TERMS OF A MANAGEMENT AGREEMENT WITH LICENSED PROFESSIONALS WHO WILL PROVIDE THE SERVICES THAT YOUR FRANCHISED BUSINESS OFFERS. RETAIN AN EXPERIENCED ATTORNEY WHO WILL LOOK OUT FOR YOUR BEST INTERESTS IN THIS BUSINESS VENTURE.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Illinois Addendum to the Area Representative Agreement on the same date as the Area Representative Agreement was executed.

BLUE SAGE FRANCHISING, INC.
a Delaware corporation

By: _____

Print Name: _____

Title: _____

AREA REPRESENTATIVE

By: _____

By: _____

Title: _____

Title: _____

INDIANA ADDENDUM TO AREA REPRESENTATIVE AGREEMENT

1. Area Representative Agreement contains a provision requiring a general release as a condition of renewal and transfer of the franchise. Such provision is inapplicable under the Indiana Deceptive Franchise Practices Law, IC 23-2-2.7 § 1(5).

2. Under the Area Representative Agreement, you will not be required to indemnify us for any liability imposed on us as a result of your reliance on or use of procedures or products which were required by us, if such procedures were utilized by you in the manner required by us.

3. The Area Representative Agreement is amended to provide that arbitration between you and us will be conducted at a mutually agreed-on location.

4. The Area Representative Agreement is amended to provide that in the event of a conflict of law, the Indiana Franchise Disclosure Law, I.C. 23-2-2.5, and the Indiana Deceptive Franchise Practices Law, I.C. 23-2-2.7, will prevail.

5. Nothing in the Agreement will abrogate or reduce any rights you have under Indiana law.

6. Each provision of this Addendum will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Indiana Franchise Disclosure Law, Indiana Code §§ 23-2-2.5-1 to 23-2-2.5-51, and the Indiana Deceptive Franchise Practices Act, Indiana Code §§ 23-2-2.7-1 to 23-2-2.7-10, are met independently without reference to this Addendum.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Indiana Addendum to the Area Representative Agreement on the same date as the Area Representative Agreement was executed.

BLUE SAGE FRANCHISING, INC.
a Delaware corporation

By: _____

Print Name: _____

Title: _____

AREA REPRESENTATIVE

By: _____

Title: _____

By: _____

Title: _____

MARYLAND ADDENDUM TO AREA REPRESENTATIVE AGREEMENT

Notwithstanding anything to the contrary set forth in the Area Representative Agreement, the following provisions will supersede and apply to all residents of and franchises to be operated in the State of Maryland:

a. The provision in the Area Representative Agreement which provide for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

2. The Area Representative Agreement is amended to provide that the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. The Area Representative Agreement is amended to provide that limitation on the period of time litigation claims may be brought shall not act to reduce the 3-year statute of limitations afforded a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law.

4. The Area Representative Agreement is amended to provide that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

5. A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

6. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

BLUE SAGE FRANCHISING, INC. a Delaware corporation

By: _____

Print Name: _____

Title: _____

AREA REPRESENTATIVE

By: _____

Title: _____

By: _____

Title: _____

MINNESOTA ADDENDUM TO AREA REPRESENTATIVE AGREEMENT

1. The Area Representative Agreement is amended to add the following:

“We will protect your right to use the Marks and/or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Marks.”

2. The Area Representative Agreement contains a provision requiring a general release as a condition of renewal and transfer of the franchise. Such release will exclude claims arising under the Minnesota Franchise Law.

3. The Area Representative Agreement is amended to add the following:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C. 14, Subds, 3, 4 and 5, which require, except in certain specified cases, that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for nonrenewal of the Area Representative Agreement.

4. The Area Representative Agreement is amended as follows:

Pursuant to Minn. Stat. § 80C.17, Subd. 5, the parties agree that no civil action pertaining to a violation of a franchise rule or statute can be commenced more than three years after the cause of action accrues.

5. The Area Representative Agreement is amended to add the following:

Minn. Stat. Sec. 80C.2 1 and Minn. Rule 2860.4400J prohibit us from requiring litigation or arbitration to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Area Representative Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

6. The Area Representative Agreement is amended to add the following:

Minn. Rule Part 2860.4400J prohibits us from requiring you to waive your rights to a jury trial or waive your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes.

7. Each provision of this Agreement will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchises Law or the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce are met independently without reference to this Addendum to the Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Minnesota Addendum to the Area Representative Agreement on the same day as the Area Representative Agreement was executed.

BLUE SAGE FRANCHISING, INC.
a Delaware corporation

By: _____
Print Name: _____
Title: _____

AREA REPRESENTATIVE

By: _____
Title: _____

NEW YORK ADDENDUM TO AREA REPRESENTATIVE AGREEMENT

1. The Area Representative Agreement is amended to add the following:

However, we will not make any such transfer or assignment except to a person who, in our good faith judgment, is willing and able to assume our obligations under this Agreement, and all rights enjoyed by you and any causes of action arising in its favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder will remain in force, it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

2. The Area Representative Agreement is amended to add the following:

However, all rights enjoyed by you and any causes of action arising in its favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder will remain in force, it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

3. The Area Representative Agreement is amended to add the following:

However, you will not be required to hold harmless or indemnify us for any claim arising out of a breach of this Agreement by us or any other civil wrong of us.

4. The Area Representative Agreement is amended to add the following:

No amendment or modification of any provision of this Agreement, however, will impose any new or different requirement which unreasonably increases your obligations or places an excessive economic burden on your operations.

5. Each provision of this Addendum will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the General Business Law of the State of New York are met independently without reference to this Addendum.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this New York Addendum to the Area Representative Agreement on the same date as the Area Representative Agreement was executed.

BLUE SAGE FRANCHISING, INC.
a Delaware corporation

By: _____
Print Name: _____
Title: _____

AREA REPRESENTATIVE

By: _____
Title: _____

NORTH DAKOTA ADDENDUM TO AREA REPRESENTATIVE AGREEMENT

1. The Area Representative Agreement contains a provision requiring a general release as a condition of renewal or transfer of the franchise. Such release is subject to and will exclude claims arising under the North Dakota Franchise Investment Law.
2. The Area Representative Agreement will be amended to state that arbitration involving a franchise purchased in North Dakota must be held in a location mutually agreed on prior to the arbitration, or if the parties cannot agree on a location, at a location to be determined by the arbitrator.
3. The Area Representative Agreement is amended to add that covenants not to compete on termination or expiration of an Area Representative Agreement are generally not enforceable in the State of North Dakota except in limited circumstances provided by North Dakota law.
4. The Area Representative Agreement is amended to add that any claim or right arising under the North Dakota Franchise Investment Law may be brought in the appropriate state or federal court in North Dakota, subject to the arbitration provision of the Agreement.
5. The Area Representative Agreement is amended to state that, in the event of a conflict of law, to the extent required by the North Dakota Franchise Investment Law, North Dakota law will prevail.
6. The Area Representative Agreement requires the franchisee to waive a trial by jury, as well as exemplary and punitive damages. These requirements are not enforceable in North Dakota pursuant to Section 51-19-09 of the North Dakota Franchise Investment Law, and are therefore not part of the Area Representative Agreement.
7. The Area Representative Agreement requirement that the franchise consent to a limitation of claims period of one year is not consistent with North Dakota law. The limitation of claims period under the Area Representative Agreement shall therefore be governed by North Dakota law.
8. Each provision of this Addendum will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the North Dakota Franchise Investment Law, N.D. Cent. Code §§ 51-19-01 through 51-19-17, are met independently without reference to this Addendum.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this North Dakota Addendum to the Area Representative Agreement on the same day as the Area Representative Agreement was executed.

BLUE SAGE FRANCHISING, INC.
a Delaware corporation

By: _____
Print Name: _____
Title: _____

AREA REPRESENTATIVE

By: _____
Title: _____

RHODE ISLAND ADDENDUM TO AREA REPRESENTATIVE AGREEMENT

1. The Area Representative Agreement contains a provision requiring a general release as a condition of renewal and transfer of the franchise. Such release will exclude claims arising under the Rhode Island Franchise Investment Act.

2. This Agreement requires that it be governed by New York law. To the extent that such law conflicts with Rhode Island Franchise Investment Act, it is void under Sec. 19-28.1-14.

3. The Area Representative Agreement is amended by the addition of the following, which will be considered an integral part of this Agreement:

“§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in an Area Representative Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

4. Each provision of this Addendum will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of Rhode Island Franchise Investment Act, §§ 19- 28-1.1 through 19-28.1-34, are met independently without reference to this Addendum.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Rhode Island Addendum to the Area Representative Agreement on the same date as the Area Representative Agreement was executed.

BLUE SAGE FRANCHISING, INC.
a Delaware corporation

By: _____

Print Name: _____

Title: _____

AREA REPRESENTATIVE

By: _____

Title: _____

By: _____

Title: _____

SOUTH DAKOTA ADDENDUM TO AREA REPRESENTATIVE AGREEMENT

The following provision supersedes any inconsistent provisions in the Disclosure Document and Area Representative Agreement and apply to all franchises offered and sold in the State of South Dakota.

BLUE SAGE FRANCHISING, INC.
a Delaware corporation

By: _____

Print Name: _____

Title: _____

FRANCHISEE

By: _____

Title: _____

By: _____

Title: _____

VIRGINIA ADDENDUM TO AREA REPRESENTATIVE AGREEMENT

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Virginia Addendum to the Area Representative Agreement on the same date as the Area Representative Agreement was executed.

BLUE SAGE FRANCHISING, INC.
a Delaware corporation

By: _____

Print Name: _____

Title: _____

AREA REPRESENTATIVE

By: _____

Title: _____

By: _____

Title: _____

WASHINGTON ADDENDUM TO AREA REPRESENTATIVE AGREEMENT

This Addendum amends the Area Representative Agreement and Related Agreements:

1. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

2. RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

3. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

5. Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

6. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

7. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

8. Section 15.2 of the Area Representative Agreement is hereby amended to provide that the Franchisee's indemnification obligation does not extend to liabilities caused by the Franchisor's acts or omissions amounting to gross negligence, willful misconduct, strict liability, or fraudulent conduct.

9. Section 15.10 is hereby deleted from the Franchise Agreement. The time limitation for Franchisee to commence any action arising out of the Franchise Agreement shall be governed by Washington law.

10. The following paragraphs are hereby deleted from Section 17 of the Area Representative Agreement:

“(e) That Area Representative has not received or relied upon, and we expressly disclaim making any representation, warranty or guaranty, express or implied, as to the revenues, profits or success of an Area Representative Business.

(f) That any information Area Representative has acquired from Franchisees or other area representatives regarding their sales, profits or cash flows is not information obtained from us, and we make no representation about that information’s accuracy.

(g) That Area Representative has no knowledge of any representations made about the Area Representative franchise opportunity by us, our subsidiaries or affiliates or any of their respective officers, directors, shareholders or agents that are contrary to the statements made in our Franchise Disclosure Document or to the terms and conditions of this Agreement.”

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Washington Addendum to the Area Representative Agreement on the same date as the Area Representative Agreement was executed.

BLUE SAGE FRANCHISING, INC.
a Delaware corporation

By: _____

Print Name: _____

Title: _____

AREA REPRESENTATIVE

By: _____

Title: _____

By: _____

Title: _____

EXHIBIT 5

AREA REPRESENTATIVE COMPLIANCE QUESTIONNAIRE

(This franchisee acknowledgment is not applicable to and shall not be used as to any franchise offer and/or sale involving any California resident and/or franchisee as the compliance certificate violates California corporations code sections 31512 and 31512.1)

(Do not sign this Questionnaire if you are a resident of Maryland or the business is to be operated in Maryland)

(Washington Franchisees Should Not Sign This Questionnaire)

BLUE SAGE FRANCHISING, INC. (the “Franchisor”) and you are preparing to enter into an Area Representative Agreement. The purpose of this Questionnaire is to determine whether any statements or promises were made to you that the Franchisor has not authorized and that may be untrue, inaccurate or misleading. Please understand that your responses to these questions are important to us and that we will rely on them. Please review each of the following questions and statements carefully and provide honest and complete responses to each. By signing this Questionnaire, you are representing that you have responded truthfully to the following questions.

1. I had my first face-to-face meeting with a representative of the Franchisor on _____.
2. I received and personally reviewed the Franchisor’s Franchise Disclosure Document (“FDD”) that was provided to me.

Yes _____ No _____

3. Did you sign a receipt or acknowledge through electronic means a receipt for the FDD indicating the date you received it?

Yes _____ No _____

4. Do you understand all of the information in the FDD and any state-specific Addendum to the FDD?

Yes _____ No _____

If no, what parts of the FDD and/or Addendum do you not understand? (Attach additional pages, if necessary.)

5. Have you received and personally reviewed the Area Representative Agreement and each Addendum and related agreement attached to it?

Yes _____ No _____

6. Do you understand all of the information in the Area Representative Agreement, each Addendum and related agreement provided to you?

Yes _____ No _____

If no, what parts of the Area Representative Agreement, Addendum, and/or related agreement do you not understand? (Attach additional pages, if necessary.)

7. Have you entered into any binding agreement with the Franchisor for the purchase of this Area Representative Business before being provided a copy of the FDD for fourteen (14) calendar days?

Yes _____ No _____

8. Have you paid any money to the Franchisor for the purchase of this Area Representative Business before being provided a copy of the FDD for fourteen (14) calendar days?

Yes _____ No _____

9. Have you discussed the benefits and risks of establishing and operating an Area Representative Business with your counsel or advisor?

Yes _____ No _____

If no, do you wish to have more time to do so?

Yes _____ No _____

10. Do you understand that the success or failure of your Area Representative Business depends in large part on your skills and abilities, competition from other businesses, interest rates, inflation labor and supply costs, lease terms and other economic and business factors?

Yes _____ No _____

Except as disclosed in Item 19 of its Franchise Disclosure Document, the Franchisor does not make information available to prospective Area Representatives concerning actual, average, projected or forecasted sales, profits or earnings for an Area Representative Business. The Franchisor does not furnish, or authorize its salespersons to furnish, any oral or written information concerning the actual, average, projected, forecasted sales, costs, income or profits of an Area Representative Business. Franchisor specifically instructs its sales personnel, agents, employees and other officers that they are not permitted to make any claims or statements as to the earnings, sales, or profits, or prospects, or chances of success, nor are they authorized to represent or estimate dollar figures as to an Area Representative's Business' operations. Actual results vary and are dependent on a variety of internal and external factors, some of which neither Area Representative, nor Franchisor can estimate. To ensure that Franchisor's policies have been followed, please answer the following questions:

11. Has any employee, or other person speaking for the Franchisor, made any statement or promise to you regarding the total revenues an Area Representative Business will generate that is contrary to the information in the FDD?

Yes _____ No _____

12. Has any employee, or other person speaking for the Franchisor, made any statement or promise of the amount of money or profit you may earn in operating an Area Representative Business that is contrary to the information in the FDD?

Yes _____ No _____

13. Has any employee, or other person speaking for the Franchisor, promised you that you will be successful in operating an Area Representative Business?

Yes _____ No _____

14. Has any employee, or other person speaking for the Franchisor, made any statement, promise or verbal agreement of about advertising, marketing, training, support service or other assistance that the Franchisor will furnish to you that is contrary to, or different from, the information in the FDD?

Yes _____ No _____

15. If you have answered "Yes" to any one of questions 11-14, please provide a full explanation of each "yes" answer. (Attach additional pages, if necessary, and refer to them below.) If you have answered "no" to each of questions 11-14, please leave the following lines blank.

16. I agree that I have not relied on anything other than the information in the FDD and its exhibits, in making my decision to execute the Area Representative Agreement and any accompanying Addenda.

17. I signed the Area Representative Agreement and Addendum (if any) on _____ and acknowledge that no Agreement or Addendum is effective until signed and dated by the Franchisor.

Note: All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law. In addition, this Questionnaire does not waive any liability the franchisor may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

I certify that my answers to the foregoing questions are true, correct and complete. These acknowledgments are not intended to act, nor shall they act, as a release, estoppel or waiver of any liability incurred under any applicable state's franchise registration or disclosure law.

AREA REPRESENTATIVE ("you")

By: _____

Title: _____

Date Received: _____

Date Signed: _____

EXHIBIT C

TABLE OF CONTENTS OF AREA REPRESENTATIVE MANUAL

TABLE OF CONTENTS
MANUAL FOR AREA REPRESENTATIVE BUSINESSES

Subject **Pages Devoted to Subject (Approx.)**

1. Introduction to Franchise Owners	2
2. Roles & Responsibilities of Area Representatives	29
3. Franchise Sales Process	37
4. Operational Support for Franchisees	2
5. Quality Control & Brand Standards	19
6. Marketing & Local Area Development	1
7. Financial Management	2
8. Policies & Procedures	1
9. Performance Metrics & Reporting	1
10. Legal & Compliance	1
11. Tools & Resources for Area Representatives	1
12. Key Metrics to Track	1
13. Summary	1

Total Pages (Approximate) – 103

EXHIBIT D

FINANCIAL STATEMENTS

Blue Sage Franchising, LLC

**Independent Auditor's Report
And
Financial Statements
December 31, 2024**

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Statement of Operations	6
Statement of Members' Equity	7
Statement of Cash Flows	8
Notes To Financial Statements	9

Metwally CPA PLLC

CERTIFIED PUBLIC ACCOUNTANT

1312 Norwood Dr STE 100, Bedford, Texas 76022

Cell: 214-200-5434 (Mohamed Metwally) Mmetwally@metwallycpa.com

Independent Auditor's Report

To the Members of
Blue Sage Franchising, LLC

Opinion

We have audited the accompanying financial statements of Blue Sage Franchising, LLC (the Company), which comprise the balance sheet as of December 31, 2024 and the related statements of operations, members' equity, and cash flows for the period from February 01, 2024 to December 31, 2024, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Blue Sage Franchising, LLC as of December 31, 2024, and the results of its operations and its cash flows for the period from February 01, 2024 to December 31, 2024 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Blue Sage Franchising, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in note 4 to the financial statements, the Company has extensive transactions and relationships with its affiliates. Accordingly, the accompanying financial statements may not be indicative of the results of operations that would have been achieved if the Company had operated without such affiliations. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Blue Sage Franchising, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal

control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Blue Sage Franchising, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Blue Sage Franchising, LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Metwally CPA PLLC

Metwally CPA PLLC
Bedford, Texas
February 25, 2025

Blue Sage Franchising, LLC
Balance Sheet
December 31, 2024

	2024
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 39,597
Due from related parties	39,300
Prepaid expenses	1,600
Total Current Assets	80,497
Total Assets	\$ 80,497
LIABILITIES AND MEMBERS' EQUITY	
Current Liabilities	
Due to related parties	\$ 38,183
Total Current Liabilities	38,183
Total Liabilities	38,183
Members' Equity	
Members' equity	42,315
Total Members' Equity	42,315
Total Liabilities and Members' Equity	\$ 80,497

The accompanying notes are an integral part of the financial statements.

Blue Sage Franchising, LLC
Statement of Operations
Period From February 1, 2024 to December 31, 2024

	<u>2024</u>
Revenues	
Total Revenues	<u>\$ -</u>
Operating Expenses	
Legal and professional	47,003
Marketing and advertising	9,706
General and administrative	2,577
Total Operating Expenses	<u>59,286</u>
Net Income / (Loss)	<u>\$ (59,286)</u>

The accompanying notes are an integral part of the financial statements.

Blue Sage Franchising, LLC
Statement of Members' Equity
Period From February 1, 2024 to December 31, 2024

Members' Equity At February 1, 2024	\$ -
Net income / (loss)	(59,286)
Members' contribution	101,601
Members' Equity At December 31, 2024	\$ 42,315

The accompanying notes are an integral part of the financial statements.

Blue Sage Franchising, LLC
Statement of Cash Flows
Period From February 1, 2024 to December 31, 2024

	<u>2024</u>
Cash Flows From Operating Activities	
Net income / (loss)	\$ (59,286)
Adjustments to reconcile net income to net cash provided by operating activities	
Change in assets and liabilities	
Due from related parties	(39,300)
Prepaid expenses	(1,600)
Due to related parties	38,183
Net Cash Flows Provided By (Used In) Operating Activities	<u>(62,004)</u>
Cash Flows From Investing Activities	-
Net Cash Flows Provided By (Used In) Investing Activities	<u>-</u>
Cash Flows From Financing Activities	
Members' contribution	101,601
Net Cash Flows Provided By (Used In) Financing Activities	<u>101,601</u>
Net Change In Cash And Cash Equivalent During The Period	<u>39,597</u>
Cash and cash equivalents - beginning of the Period	-
Cash And Cash Equivalent - End of The Period	<u>\$ 39,597</u>

The accompanying notes are an integral part of the financial statements.

Blue Sage Franchising, LLC
December 31, 2024
Notes To Financial Statements

1. COMPANY AND NATURE OF OPERATIONS

Blue Sage Franchising, LLC (the Company) was established in the state of Delaware as a limited liability Company on February 1, 2024, for the purpose of offering franchise opportunities to entrepreneurs who want to own their own business as a franchise. The Company provide the qualified individual the right to operate a franchise unit that specialize in providing the general public with healthcare services and products focused on wellness solutions and aesthetic services at a specific location under "Blue Sage Longevity Labs" mark.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is presented to assist the reader in understanding and evaluating the Company's financial statements. The financial statements and notes are representations of the Company's management, which is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of financial statements.

A. Basis of Accounting

The Company's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP").

B. Cash and Cash Equivalents

For purposes of the Statement of cash flows, cash equivalents include bank accounts and cash in transit for bank deposits with maturities of three months or less to be cash equivalents.

C. Federal Income Taxes

The Company is organized as a limited liability company and is a disregarded entity for income tax purposes. The Company's accounts are included in the tax return of its members, and all taxes are assessed and paid at the individual member level. Therefore, no income tax liability for federal or state taxes has been recorded in the financial statement.

D. Concentration of Credit Risk

The Company maintains cash and cash equivalents with major financial institutions. At various times during the year, the total amount on deposit might exceed the \$250,000 limit insured by the Federal Deposit Insurance Corporation (FDIC). The Company believes that it mitigates credit risk by depositing cash with financial institutions having high credit ratings.

E. Use of Estimates

The preparation of our Company's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of our financial statements and the reported amounts of revenues, costs, and expenses during the reporting period. Actual results could differ significantly from those estimates. It is at least reasonably possible that a change in the estimates will occur in the near term.

F. Marketing and Advertising

Marketing and advertising costs are charged to operations in the year incurred.

G. Revenue Recognition

Revenue is recognized in accordance with ASC Topic 606, Revenue from Contracts with Customers. The Company adopted ASU 2021-02 Franchisors - Revenue from Contracts with Customers (Subtopic 952-606) effective with the application of ASC Topic 606. The ASU provides a practical expedient to ASU2014-09 Revenue from contracts with Customers (Topic 606). The new guidance allows franchisors to simplify the application of the guidance about identifying performance obligations for franchisors that perform pre-opening services by allowing a franchisor to account for pre-opening services as distinct if they are consistent with those included in a predefined list of pre-opening services.

Franchise Fees

The franchise arrangement between the Company and each franchise owner is documented in the form of a franchise agreement and, in select cases, a development agreement. The franchise arrangement requires the Company as franchisor to perform various activities to support the brand and does not involve the direct transfer of goods and services to the franchise owner as a customer. Activities performed by the Company before opening are distinguished from the franchise license. Therefore, the Company recognizes franchise fees as two performance obligations. The nature of the Company's promise in granting the franchise license is to provide the franchise owner with access to the brand's intellectual property over the term of the franchise arrangement.

The transaction price in a standard franchise arrangement consists of (a) franchise/development fees; (b) Marketing, brand development and royalties Fees and (c) IT Fees; (d) Annual Conference Fees. The Company utilize ASC 606 five-steps revenue recognition model as follows:

- Identify the contract with the customer.
- Identify the performance obligation in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations.
- Recognize revenue when (or as) each performance obligation is satisfied.

The terms of the Company's franchise agreement will be as follows:

- The Company will grant the right to use the Company name, trademark and system in the franchisee's franchise development business.
- The franchisee is obligated to pay a non-refundable initial franchise fee.
- The franchisee is obligated to pay a daily royalty, marketing, IT, and annual conference fees. Certain other fees are also outlined in the agreement.

Franchise revenues are recognized by the Company from the following different sources: The Company recognizes franchise fees as two (2) performance obligations. The first, pre-opening services, including access to manuals, assistance in site selection, and initial training, have been determined to be distinct services offered to franchisees. Pre-opening services are earned over a period using an input method of completion based on costs incurred for each franchisee at the end of each year.

The second, access to the franchise license, has been determined to be distinct. The amount allocated to the franchise license is earned over time as performance obligations are satisfied due to the continuous transfer of control to the franchisee. Franchise and development fees are paid in advance of the franchise opening, typically when entering into a new franchise or development agreement. Fees allocated to the franchise license are recognized as revenue on a straight-line basis over the term of each respective franchise agreement. Initial franchise agreement terms are typically 10 years while successive agreement terms are typically 10 years.

Variable Considerations

Franchise agreements contain variable considerations in the form of royalty fees and brand development (advertising). These fees are based on franchisee sales and are recorded as revenue and recognized as these services are delivered because the variable payment relates specifically to the performance obligation of using the license. The Company collects funds from franchisees to manage the brand level advertising, marketing, and development program. The fee is based on a percentage of the gross sales, less any amount paid towards sales tax, payable daily.

Contracts Assets and Liabilities Balances

The Company incurs costs that are directly attributable to obtaining a contract, for example, commission fees, broker fees, and referral fees. Under ASC 606, costs that are directly associated with obtaining a contract are to be capitalized and recognized over the term of the agreement. Capitalized costs are included in deferred expenses on the accompanying balance sheet. As such, direct franchise license costs are recognized over the franchise and renewal term, which is the performance obligation, and is typically the franchise agreement's term. If a customer is terminated, the remaining deferred expense will be recognized to expenses.

Deferred revenue consists of the remaining initial franchise fees to be amortized over the life of the franchise agreements. Deferred revenue is a result of the collection of the initial franchise fee at the time of the signing of the franchise agreement and will fluctuate each year based on the number of franchise agreements signed.

The Company didn't generate any revenue as of the balance sheet date but will be implementing ASC 606 to recognize its revenue once a sale has been made.

H. Recent Accounting Pronouncements

FASB ASU No. 2016-02 – Leases (Topic 842) is effective for the calendar year 2022. The standard requires lessees to recognize right-of-use assets and liabilities for most leases with terms longer than twelve months. The Company has evaluated the impact of this standard on its financial statements and determined that it doesn't have any lease that meets the requirement to recognize a right-of-use asset and liability because the Company doesn't have any long-term leases.

3. CASH AND CASH EQUIVALENTS

The Company maintains its cash balance in U.S. noninterest-bearing transaction accounts which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. On December 31, 2024, the Company's cash balance didn't exceed the FDIC insurance limit.

The Company considers all cash in the bank and investments in highly liquid debt instruments with maturities of three months or less to be cash equivalents. As of December 31, 2024, the Company had approximately \$ 39,597 in cash in its bank accounts.

4. RELATED PARTY TRANSACTIONS

Global Business Advisory Inc. shares common ownership with the Company. As of December 31, 2024, the Company has a \$39,300 balance from to this related party for expenses paid on behalf of the related party.

As of December 31, 2024 the Company had a \$38,183 balance due to its members which represent expenses paid on behalf of the Company.

5. MARKETING AND ADVERTISING

Marketing and advertising costs for the period from February 1, 2024 to December 31, 2024 were \$9,706. These costs were expensed as incurred.

6. SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 25, 2025, which is the date the financial statements were available to be issued. The Company did not have any material recognizable subsequent events that would require adjustment to, or disclosure in, the financial statements.

EXHIBIT E

**NON-DISCLOSURE AGREEMENT, CONFIDENTIALITY AGREEMENT
AND BRAND PROTECTION AGREEMENT**

NONDISCLOSURE AGREEMENT

THIS AGREEMENT, made and entered into this _____ day of _____, 20____, by and between **Blue Sage Franchising, Inc.**, a Delaware corporation, (hereinafter referred to as “the Company”) and _____, whose address is _____ (hereinafter referred to as “Prospective Area Representative”).

WITNESSETH THAT:

WHEREAS, Prospective Area Representative desires to obtain certain confidential and proprietary information from the Company for the sole purpose of inspecting and analyzing said information in an effort to determine whether to purchase a franchise from the Company; and

WHEREAS, the Company is willing to provide such information to Prospective Area Representative for the limited purpose and under the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and promises herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the parties hereto agree as follows:

1. **DEFINITION.** “Confidential Information” is used herein to mean all information, documentation and devices disclosed to or made available to Prospective Area Representative by the Company, whether orally or in writing, as well as any information, documentation or devices heretofore or hereafter produced by Prospective Area Representative in response to or in reliance on said information, documentation and devices made available by the Company.

2. **TERM.** The parties hereto agree that the restrictions and obligations of Paragraph 3 of this Agreement shall be deemed to have been in effect from the commencement on the _____ day of _____, 20____, of the ongoing negotiations between Prospective Area Representative and the Company and continue in perpetuity until disclosed by the Company.

3. **TRADE SECRET ACKNOWLEDGEMENT.** Prospective Area Representative acknowledges and agrees the Confidential Information is a valuable trade secret of the Company and that any disclosure or unauthorized use thereof will cause irreparable harm and loss to the Company.

4. **TREATMENT OF CONFIDENTIAL INFORMATION.** In consideration of the disclosure to Prospective Area Representative of Confidential Information, Prospective Area Representative agrees to treat Confidential Information in confidence and to undertake the following additional obligations with respect thereto:

(a) To use Confidential Information for the sole purpose of inspecting and analyzing the information in an effort to determine whether to purchase a franchise from the Company and solely in its operation of the Company Franchise;

(b) Not to disclose Confidential Information to any third party;

(c) To limit dissemination of Confidential Information to only those of Prospective Area Representative’s officers, directors and employees who have a need to know to perform the limited tasks set forth in Item 4 (a) above; and who have agreed to the terms and obligations of this Agreement by affixing their signatures hereto;

(d) Not to copy Confidential Information or any portions thereof; and

(e) To return Confidential Information and all documents, notes or physical evidence thereof, to the Company upon a determination that Prospective Area Representative no longer has a need therefore, or a request therefore, from the Company, whichever occurs first.

5. SURVIVAL OF OBLIGATIONS. The restrictions and obligations of this Agreement shall survive any expiration, termination or cancellation of this Agreement and shall continue to bind Prospective Area Representative, his heirs, successors and assigns in perpetuity.

6. NEGATION OF LICENSES. Except as expressly set forth herein, no rights to licenses, expressed or implied, are hereby granted to Prospective Area Representative as a result of or related to this Agreement.

7. APPLICABLE LAW. This Agreement shall be construed and enforced in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed.

BLUE SAGE FRANCHISING, INC.

BY: _____

ITS: _____

(Signature of Prospective Area Representative)

Print Name of Prospective Area Representative

CONFIDENTIALITY AGREEMENT

This Agreement (this “Agreement”) is entered into by the undersigned (“you”) in favor of Blue Sage Franchising, Inc., a Delaware corporation, and its successors and assigns (“us” or “BlueSage Longevity Labs”), upon the terms and conditions set forth in this Agreement.

1. Definitions. For purposes of this Agreement, the following terms have the meanings given to them below:

“*Copyrights*” means all works and materials for which we or our affiliate has secured common law or registered copyright protection and that we allow BlueSage Longevity Labs Area Representatives to use, sell or display in connection with the marketing and/or operation of a BlueSage Longevity Labs Unit Franchise, whether now in existence or created in the future.

“*Area Representative*” means the BlueSage Longevity Labs Area Representative Business or franchise for whom you are an employee, director, officer, member, partner or independent contractor.

“*Intellectual Property*” means, collectively or individually, our Marks, Copyrights, Know-how and System.

“*Know-how*” means all of our trade secrets and other proprietary information relating to the development, construction, marketing and/or operation of a BlueSage Longevity Labs Unit Franchise, including, but not limited to, methods, techniques, specifications, procedures, policies, marketing strategies and information comprising the System and the Manuals.

“*Manuals*” means our confidential specifications and operational manuals for the establishment and operation of a BlueSage Longevity Labs Unit Franchise.

“*Marks*” means the logotypes, service marks, trademarks and trade dress now or hereafter involved in the operation of a BlueSage Longevity Labs Unit Franchise, including “BlueSage Longevity Labs.”

“*System*” means our system for the operation of a BlueSage Longevity Labs Unit Franchise, the distinctive characteristics of which include logo, trade secrets, concept, style, trade dress, confidential operations manuals and operating system.

2. Background. You are an employee, director, officer, member, partner or independent contractor of Area Representative. As a result of this association, you may gain knowledge of our System and Know-how. You understand that protecting the Intellectual Property is vital to our success and that of our Area Representatives and franchisees, and that you could seriously jeopardize our entire franchise system if you were to unfairly compete with us. In order to avoid such damage, you agree to comply with the terms of this Agreement.

3. Know-How and Intellectual Property. You agree: (i) you will not use the Know-how in any business or capacity other than the BlueSage Longevity Labs Unit Franchise operated by Area Representative; (ii) you will maintain the confidentiality of the Know-how at all times; (iii) you will not make unauthorized copies of documents containing any Know-how; (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Know-how; and (v) you will stop using the Know-how immediately if you are no longer an employee, director, officer, member, partner or independent contractor of Area Representative. You further agree that you will not use the Intellectual Property for any purpose other than the performance of your duties for Area Representative and within the scope of your employment or other engagement with Area Representative.

4. Immediate Family Members. You acknowledge that you could circumvent the purpose of this Agreement by disclosing Know-how to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). You also acknowledge that it would be difficult for us to prove whether you disclosed the Know-how to family members. Therefore, you agree that you will be presumed to have violated the terms of this Agreement if any member of your immediate family uses or discloses the Know-how.

However, you may rebut this presumption by furnishing evidence conclusively showing that you did not disclose the Know-how to the family member.

5. Covenants Reasonable. You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE OR OTHERWISE UNENFORCEABLE.

6. Breach. You agree that failure to comply with the terms of this Agreement will cause substantial and irreparable damage to us and/or other BlueSage Longevity Labs Area Representatives for which there is no adequate remedy at law. Therefore, you agree that any violation of the terms of this Agreement will entitle us to injunctive relief. You agree that we may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed \$1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages. Any claim, defense or cause of action that you may have against us or against Area Representative, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

7. Miscellaneous.

(a) If we hire an attorney or file suit against you because you have breached this Agreement and prevail against you, you agree to pay our reasonable attorneys' fees and costs in doing so.

(b) This Agreement will be governed by, construed and enforced under the laws of the State of New York and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.

(c) Each section of this Agreement, including each subsection and portion thereof, is severable. In the event that any section, subsection or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms enforceable.

This Confidentiality Agreement is executed as of the date set forth below.

RESTRICTED PARTY

By: _____ Name: _____ Date: _____

By signing below, I hereby affirm that I witnessed the person named above execute this Agreement on the dateset forth below his or her name.

WITNESS

By: _____ Name: _____ Date: _____

BRAND PROTECTION AGREEMENT

This Agreement (this “Agreement”) is entered into by the undersigned (“you”) in favor of Blue Sage Franchising, Inc., a Delaware corporation, and its successors and assigns (“us” or “BlueSage Longevity Labs”), upon the terms and conditions set forth in this Agreement.

1. Definitions. For purposes of this Agreement, the following terms have the meanings given to them below:

“*Competitive Business*” means any business that provides healthcare services and products focused on wellness solutions and aesthetic services.

“*Copyrights*” means all works and materials for which we or our affiliate has secured common law or registered copyright protection and that we allow BlueSage Longevity Labs Area Representatives to use, sell or display in connection with the marketing and/or operation of a BlueSage Longevity Labs Unit Franchise, whether now in existence or created in the future.

“*Area Representative*” means the BlueSage Longevity Labs Area Representative or franchise for whom you are a general manager, manager or employee.

“*Intellectual Property*” means, collectively or individually, our Marks, Copyrights, Know-how and System.

“*Know-how*” means all of our trade secrets and other proprietary information relating to the development, construction, marketing and/or operation of a BlueSage Longevity Labs Unit Franchise, including, but not limited to, methods, techniques, specifications, procedures, policies, marketing strategies and information comprising the System and the Manuals.

“*Manuals*” means our confidential specifications and operational manuals for the establishment and operation of a BlueSage Longevity Labs Unit Franchise.

“*Marks*” means the logotypes, service marks, trademarks and trade dress now or hereafter involved in the operation of a BlueSage Longevity Labs Unit Franchise, including “BlueSage Longevity Labs.”

“*Prohibited Activities*” means any or all of the following: (i) owning, operating or having any other interest (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative, agent or in any similar capacity) in a Competitive Business (other than owning an interest of five percent (5%) or less in a publicly traded company that is a Competitive Business); (ii) diverting or attempting to divert any business from us (or one of our affiliates or Area Representatives); and/or (iii) inducing any customer of ours (or of one of our affiliates or Area Representatives) to transfer their business to you or to any other person that is not then a Area Representative of ours.

“*Restricted Period*” means the period of time that you are a general manager or manager of Area Representative and for a period of two (2) years thereafter; provided, however, that if a court of competent jurisdiction determines that this period of time is too long to be enforceable, then the “Restricted Period” means the period of time that you are a general manager or manager of Area Representative and for a period of one (1) year thereafter.

“*Restricted Territory*” means the geographic area (a) within fifty (50) miles of the Area Representative’s current location(s); or (b) within fifty (50) miles of any BlueSage Longevity Labs franchise in operation or development on the date that you cease to be a general manager or manager of Area Representative; however, if a court of competent jurisdiction determines that fifty (50) miles is too large to be enforceable, then the “Restricted Territory” means that area shall mean twenty-five (25) miles, or such other period that the court deems reasonable.

“*System*” means our system for the operation of a BlueSage Longevity Labs Unit Franchise, the distinctive characteristics of which include logo, trade secrets, concept, style, trade dress, confidential operations manuals and operating system.

2. Background. You are employed by Area Representative as a general manager or manager. As a result of this association, you may gain knowledge of our System and Know-how. You understand that protecting the Intellectual Property is vital to our success and that of our Area Representatives and that you could seriously jeopardize our entire franchise system if you were to unfairly compete with us. In order to avoid such damage, you agree to comply with the terms of this Agreement.

(iii) **Intellectual Property.** You agree: (i) you will not use the Know-how in any business or capacity other than the BlueSage Longevity Labs Unit Franchise operated by Area Representative; (ii) you will maintain the confidentiality of the Know-how at all times; (iii) you will not make unauthorized copies of documents containing any Know-how; you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Know-how; and (v) you will stop using the Know-how immediately if you are no longer a general manager or manager of Area Representative. You further agree that you will not use the Intellectual Property for any purpose other than the performance of your duties for Area Representative and within the scope of your employment with Area Representative.

3. Unfair Competition During Relationship. You agree not to unfairly compete with us at any time while you are an employee of Area Representative by engaging in any Prohibited Activities.

4. Unfair Competition After Relationship. You agree not to unfairly compete with us during the Restricted Period by engaging in any Prohibited Activities; provided, however, that the Prohibited Activity relating to having an interest in a Competitive Business will only apply with respect to a Competitive Business that is located within the Restricted Territory. If you engage in any Prohibited Activities during the Restricted Period, then you agree that your Restricted Period will be extended by the period of time during which you were engaging in the prohibited activity.

5. Immediate Family Members. You acknowledge that you could circumvent the purpose of this Agreement by disclosing Know-how to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). You also acknowledge that it would be difficult for us to prove whether you disclosed the Know-how to family members. Therefore, you agree that you will be presumed to have violated the terms of this Agreement if any member of your immediate family (i) engages in any Prohibited Activities during any period of time during which you are prohibited from engaging in the Prohibited Activities or (ii) uses or discloses the Know-how. However, you may rebut this presumption by furnishing evidence conclusively showing that you did not disclose the Know-how to the family member.

6. Covenants Reasonable. You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE OR OTHERWISE UNENFORCEABLE.

7. Breach. You agree that failure to comply with the terms of this Agreement will cause substantial and irreparable damage to us and/or other BlueSage Longevity Labs Area Representatives for which there is no adequate remedy at law. Therefore, you agree that any violation of the terms of this Agreement will entitle us to injunctive relief. You agree that we may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed \$1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages. Any claim, defense or cause of action that you may have

against us or against Area Representative, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

8. Miscellaneous.

(a) If we hire an attorney or file suit against you because you have breached this Agreement and prevail against you, you agree to pay our reasonable attorneys' fees and costs in doing so.

(b) This Agreement will be governed by, construed and enforced under the laws of the State of New York and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.

(c) Each section of this Agreement, including each subsection and portion thereof, is severable. In the event that any section, subsection or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration and geographic area.

(d) You and we both believe that the covenants in this Agreement are reasonable in terms of scope, duration and geographic area. However, we may at any time unilaterally modify the terms of this Agreement upon written notice to you by limiting the scope of the Prohibited Activities, narrowing the definition of a Competitive Business, shortening the duration of the Restricted Period, reducing the geographic scope of the Restricted Territory and/or reducing the scope of any other covenant imposed upon you under this Agreement to ensure that the terms and covenants in this Agreement are enforceable under applicable law.

This Brand Protection Agreement is executed as of the date or dates set forth below.

RESTRICTED PARTY

By: _____ Name: _____ Date: _____

By signing below, I hereby affirm that I witnessed the person named above execute this Agreement on the date set forth below his or her name.

WITNESS

By: _____ Name: _____ Date: _____

CONFIDENTIALITY/NONDISCLOSURE AGREEMENT

THIS AGREEMENT, made and entered into this _____ day of _____, 20____, by and between Blue Sage Franchising, Inc., a Delaware corporation, (hereinafter referred to as "the Company") and _____, whose address is _____ (hereinafter referred to as "Prospective Area Representative").

WITNESSETH THAT:

WHEREAS, Prospective Area Representative desires to obtain certain confidential and proprietary information from the Company for the sole purpose of inspecting and analyzing said information in an effort to determine whether to purchase a franchise from the Company; and

WHEREAS, the Company is willing to provide such information to Prospective Area Representative for the limited purpose and under the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and promises herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the parties hereto agree as follows:

1. DEFINITION. "Confidential Information" is used herein to mean all information, documentation and devices disclosed to or made available to Prospective Area Representative by the Company, whether orally or in writing, as well as any information, documentation or devices heretofore or hereafter produced by Prospective Area Representative in response to or in reliance on said information, documentation and devices made available by the Company.

2. TERM. The parties hereto agree that the restrictions and obligations of Paragraph 3 of this Agreement shall be deemed to have been in effect from the commencement on the _____ day of _____, 20____, of the ongoing negotiations between Prospective Area Representative and the Company and continue in perpetuity until disclosed by the Company.

3. TRADE SECRET ACKNOWLEDGEMENT. Prospective Area Representative acknowledges and agrees the Confidential Information is a valuable trade secret of the Company and that any disclosure or unauthorized use thereof will cause irreparable harm and loss to the Company.

4. TREATMENT OF CONFIDENTIAL INFORMATION. In consideration of the disclosure to Prospective Area Representative of Confidential Information, Prospective Area Representative agrees to treat Confidential Information in confidence and to undertake the following additional obligations with respect thereto:

(a) To use Confidential Information for the sole purpose of inspecting and analyzing the information in an effort to determine whether to purchase a franchise from the Company and solely in its operation of the Company Franchise;

(b) Not to disclose Confidential Information to any third party;

(c) To limit dissemination of Confidential Information to only those of Prospective Area Representative's officers, directors and employees who have a need to know to perform the limited tasks set forth in Item 4 (a) above; and who have agreed to the terms and obligations of this Agreement by affixing their signatures hereto;

(d) Not to copy Confidential Information or any portions thereof; and

e) To return Confidential Information and all documents, notes or physical evidence thereof, to the Company upon a determination that Prospective Area Representative no longer has a need therefore, or a request therefore, from the Company, whichever occurs first.

5. SURVIVAL OF OBLIGATIONS. The restrictions and obligations of this Agreement shall survive any expiration, termination or cancellation of this Agreement and shall continue to bind Prospective Area Representative, his heirs, successors and assigns in perpetuity.

6. NEGATION OF LICENSES. Except as expressly set forth herein, no rights to licenses, expressed or implied, are hereby granted to Prospective Area Representative as a result of or related to this Agreement.

7. APPLICABLE LAW. This Agreement shall be construed and enforced in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed.

BLUE SAGE FRANCHISING, INC.
a Delaware corporation,

BY: _____

ITS: _____

(Signature of Prospective Area Representative)

Print Name of Prospective Area Representative

EXHIBIT F

LIST OF AREA REPRESENTATIVES

List of Area Representative Businesses opened as of December 31, 2024:

None

List of Area Representative Businesses – Signed But Not Opened as of December 31, 2024:

None

The following lists the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of Area Representatives Businesses who had an Area Representative Agreement terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Area Representative Agreement with us during our most recently completed fiscal year or who had not communicated with us within 10 weeks of the issuance date of this Disclosure Document:

None

EXHIBIT G

STATE-SPECIFIC DISCLOSURES

REQUIRED BY THE STATE OF CALIFORNIA

CALIFORNIA CORPORATIONS CODE SECTION 31125 REQUIRES THAT THE FRANCHISOR GIVE THE FRANCHISEE A DISCLOSURE DOCUMENT APPROVED BY THE DEPARTMENT OF CORPORATIONS PRIOR TO A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

Neither we nor any person or franchise broker identified in Item 2 is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a *et seq.*, suspending or expelling such persons from membership in that association or exchange.

Item 5 of the Disclosure Document is modified to include the following paragraph:

We apply the initial Area Representative fee to our general operating revenues, which we use, among other purposes, to cover the costs of marketing to prospective Area Representative franchisees, training new Area Representative franchisees and assisting new Area Representative franchisees in opening their businesses.

The California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination and non-renewal of a franchise. If the Area Representative Agreement contains a provision that is inconsistent with the law, the law will control. We may not terminate your Area Representative franchise except for good cause, and we must give you a notice of default and a reasonable opportunity to cure the defects (except for certain defects specified in the statute, for which no opportunity to cure is required by law). The statute also requires that we give you notice of any intention not to renew your Area Representative franchise at least 180 days before expiration of the Area Representative Agreement.

You must sign a general release if you renew or transfer your Area Representative franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).

The Area Representative Agreement contains a covenant not to compete which extends beyond the termination of your Area Representative franchise. This provision may not be enforceable under California law.

THE AREA REPRESENTATIVE AGREEMENT REQUIRES APPLICATION OF THE LAW OF NEW YORK. THIS PROVISION MAY NOT BE ENFORCEABLE UNDER CALIFORNIA LAW. To the extent permitted by law, you and we waive any right to or claim for any punitive or exemplary damages against each other and agree that in the event of a dispute between us, each will be limited to the recovery of actual damages only (except in limited circumstances). Each party further waives trial by jury and, to the extent permitted by law, all claims arising out of or relating to the Area Representative Agreement must be brought within one year from the date on which you or we knew or should have known of the facts giving rise to such claims (except for claims relating to nonpayment or underpayment of amounts you owe us).

The Area Representative Agreement requires binding arbitration. The arbitration will occur at the office of the American Arbitration Office closest to our principal executive offices. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

OUR WEBSITE (**WWW.BLUESAGEINC.COM**) HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION at www.dfpi.ca.gov.

REQUIRED BY THE STATE OF HAWAII

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

Item 20 of this Disclosure Document will be amended by the addition of the following paragraph:

This franchise offering is or will be effective in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Washington and Wisconsin. No states have refused, by order or otherwise, to register these franchises. No states have revoked or suspended the right to offer these franchises. The proposed registration of these franchises has not been involuntarily withdrawn in any state.

REQUIRED BY THE STATE OF ILLINOIS

Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Illinois Franchise Disclosure Act provides that any provisions in a franchise agreement that designates jurisdiction or venue outside the state of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Your rights upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

ILLINOIS PROHIBITS THE CORPORATE PRACTICE OF MEDICINE UNLICENSED INDIVIDUALS AND ENTITIES ARE PROHIBITED FROM OWNING, OPERATING AND MAINTAINING AN ESTABLISHMENT FOR THE STUDY, DIAGNOSIS AND TREATMENT OF HUMAN AILMENTS AND INJURIES, WHETHER PHYSICAL OR MENTAL. See Medical Corporation Act, 805 ILCS 15/2, 5 (West 2018) and Medical Practice Act of 1987, 225 ILCS 60/(West 2018).

IF YOU ARE NOT LICENSED/CERTIFIED IN ILLINOIS TO PROVIDE SERVICES OF THE NATURE DESCRIBED IN THIS DISCLOSURE DOCUMENT, YOU MUST NEGOTIATE THE TERMS OF A MANAGEMENT AGREEMENT WITH LICENSED PROFESSIONALS WHO WILL PROVIDE THE SERVICES THAT YOUR FRANCHISED BUSINESS OFFERS. RETAIN AN EXPERIENCED ATTORNEY WHO WILL LOOK OUT FOR YOUR BEST INTERESTS IN THIS BUSINESS VENTURE.

REQUIRED BY THE STATE OF INDIANA

The Area Representative Agreement contains a covenant not to compete that extends beyond the termination of your Area Representative franchise. This provision may not be enforceable under Indiana law.

Indiana law makes unilateral termination of your Area Representative franchise unlawful unless there is a material violation of the Area Representative Agreement and the termination is not done in bad faith.

If Indiana law requires the Area Representative Agreement and all related documents to be governed by Indiana law, then nothing in the Area Representative Agreement or related documents referring to New York law will abrogate or reduce any of your rights as provided for under Indiana law.

Indiana law prohibits a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Law.

Although the Area Representative Agreement requires arbitration to be held at the office of the American Arbitration Association closest to our principal executive offices, arbitration held pursuant to the Area Representative Agreement must take place in Indiana if you so request. If you choose Indiana, we have the right to select the location in Indiana.

REQUIRED BY THE STATE OF MARYLAND

Item 17 of the Franchise Disclosure Document is amended to provide that the provisions in the Franchise Agreement relating to the general release that is required as a condition of renewal, sale and assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Item 17 of the Franchise Disclosure Document is amended to provide that any claims arising under the Maryland Franchise Registration and Law must be brought within 3 years after the grant of the franchise to you.

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

REQUIRED BY THE STATE OF MINNESOTA

We will protect your right to use the Marks and/or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Marks.

Minn. Rule 2860.4400D prohibits us from requiring you to assent to a general release. Any release you sign as a condition of renewal or transfer will not apply to any claims you may have under the Minnesota Franchise Law.

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C. 14, subds, 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for nonrenewal of the Area Representative Agreement.

Minn. Stat. § 80C.17, Subd. 5, states that no civil action pertaining to a violation of a franchise rule or statute can be commenced more than three years after the cause of action accrues

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in this Disclosure Document or the Area Representative Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

Minn. Rule Part 2860.4400J prohibits us from requiring you to waive your rights to a jury trial or waive your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes.

REQUIRED BY STATE OF NEW JERSEY

Liquidated damages are void if unreasonable under the totality of the circumstances, including whether a statute governs the relationship and concerns liquidated damages clauses; and the common practice in the industry.

REQUIRED BY THE STATE OF NEW YORK

The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK, 10271. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THE DISCLOSURE DOCUMENT.

The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

- A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony; a violation of a franchise, antitrust or securities law; fraud, embezzlement, fraudulent conversion, misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations.
- B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and size, nature or financial condition of the franchise system or its business operations.
- C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud, embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.
- D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership

in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

The following is added to the end of the “Summary” sections of Item 17(c), titled “**Requirements for franchisee to renew or extend**,” and Item 17(m), entitled “**Conditions for franchisor approval of transfer**”:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of the General Business Law Sections 687.4 and 687.5 be satisfied.

The following language replaces the “Summary” section of Item 17(d), titled “**Termination by Franchisee**”:

You may terminate the agreement on any grounds available by law.

The following is added to the end of the “Summary” section of Item 17(j), titled “**Assignment of contract by franchisor**”:

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor’s obligations under the Franchise Agreement.

The following is added to the end of the “Summary” sections of Item 17(v), titled “**Choice of Forum**”, and Item 17(w), title “**Choice of Law**”:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

REQUIRED BY THE STATE OF NORTH DAKOTA

The Area Representative Agreement contains a covenant not to compete which extends beyond the termination of your Area Representative franchise. This provision may not be enforceable under North Dakota law.

Although the Area Representative Agreement provides that the place of arbitration will be located at the office of the American Arbitration Association closest to our principal executive offices, we agree that the place of arbitration will be a location that is in close proximity to the site of your Area Representative Business.

The Area Representative Agreement requires that you consent to the jurisdiction of a court in close proximity to our principal executive offices. This provision may not be enforceable under North Dakota law because North Dakota law precludes you from consenting to jurisdiction of any court outside of North Dakota.

Although the Area Representative Agreement provides that it will be governed by and construed in accordance with the laws of the State of New York, we agree that the laws of the State of North Dakota will govern the construction and interpretation of the Area Representative Agreement.

A contractual requirement that you sign a general release may be unenforceable under the laws of North Dakota.

Although the Area Representative Agreement requires the franchisee to consent to a waiver of trial by jury, the Commissioner has determined that a requirement requiring the waiver of a trial by jury to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. This provision is not enforceable in North Dakota.

Although the Area Representative Agreement requires the franchisee to consent to a waiver of exemplary and punitive damages, the Commissioner had determined these types of provisions to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. This provision is not enforceable in North Dakota.

Although the Area Representative Agreement requires the franchisee to consent to a limitation of claims period within one year, the Commissioner had determined this to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The limitation of claims period is therefore governed by North Dakota law.

To the extent any provision of the Area Representative Agreement requires you to consent to a waiver of exemplary or punitive damages, the provision will be deemed null and void.

REQUIRED BY THE STATE OF RHODE ISLAND

Even though our Area Representative Agreement says the laws of New York apply, § 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

REQUIRED BY THE STATE OF WASHINGTON

The state of Washington has a statute, RCW 19.100.180 which may supersede the Area Representative Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Area Representative Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

These requirements must be included in an addendum to the Area Representative Agreement you sign for the State of Washington.

EXHIBIT H

STATE EFFECTIVE DATES

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Not Registered
Hawaii	Not Registered
Illinois	Not Registered
Indiana	Not Registered
Maryland	Not Registered
Michigan	Not Registered
Minnesota	Not Registered
New York	Not Registered
North Dakota	Not Registered
Rhode Island	Not Registered
South Dakota	Not Registered
Virginia	Not Registered
Washington	Not Registered
Wisconsin	Not Registered

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT I

RECEIPTS

RECEIPT

(YOUR COPY – RETAIN FOR YOUR FILES)

This Disclosure Document summarizes certain provisions of the Area Representative Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Blue Sage Franchising, Inc. offers you a franchise, it must provide this Disclosure Document to you fourteen (14) calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable law.

New York requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise agreement or other agreement or the payment of any consideration, whichever occurs first.

If Blue Sage Franchising, Inc. does not deliver this Disclosure Document on time, or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the applicable state agency listed in Exhibit A.

The franchisor is Blue Sage Franchising, Inc. located at 2659 East Gulf to Lake Highway, Ste. 301, Inverness, FL 34453. Its telephone number is (212) 799-1605.

The following franchise seller(s) will represent us in connection with the sale of our franchises: Cathy Galligan, COO, Joe Freiberg, VP of Sales and Marketing, and Elle Provencher, VP of Training and Brand Dev, at 2659 East Gulf to Lake Highway, Ste. 301, Inverness, FL 34453 and (212) 799-1605; and (Name) _____
(Address) _____ Phone) _____.

Date of Issuance: April 29, 2025

See Exhibit A for our registered agents authorized to receive service of process.

I have received a Franchise Disclosure Document dated April 29, 2025. This Disclosure Document included the following Exhibits:

- A. State Administrators /Agents for Service of Process
- B. Area Representative Agreement and Related Agreements
- C. Table of Contents of Manuals
- D. Financial Statements
- E. Confidentiality/Non-Disclosure Agreement/Brand Protection Agreement
- F. List of Area Representatives
- G. State-Specific Disclosures
- H. State Effective Dates
- I. Receipts

Date

Signature of Prospective Area Representative

Print Name: _____

You may return the signed receipt either by signing, dating, and mailing it to us at Blue Sage Franchising, Inc. at 2659 East Gulf to Lake Highway, Ste. 301, Inverness, FL 34453, or by sending a copy by email to: cgalligan@bluesageinc.com.

RECEIPT

(OUR COPY – SIGN, DATE AND RETURN TO US)

This Disclosure Document summarizes certain provisions of the Area Representative Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Blue Sage Franchising, Inc. offers you a franchise, it must provide this Disclosure Document to you fourteen (14) calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable law.

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- I. Receipts

Date

Signature of Prospective Area Representative

Print Name: _____

You may return the signed receipt either by signing, dating, and mailing it to us at Blue Sage Franchising, Inc. at 2659 East Gulf to Lake Highway, Ste. 301, Inverness, FL 34453, or by sending a copy by email to: cgalligan@bluesageinc.com.