

## FRANCHISE DISCLOSURE DOCUMENT



### Seniors Blue Book Franchising LLC

A Colorado limited liability company

12228 South 1840 East

Draper, Utah 84020

Telephone: (800) 201-9989

Facsimile: (888) 448-9842

Email: [oliver@seniorsbluebook.com](mailto:oliver@seniorsbluebook.com)

[www.seniorsbluebook.com](http://www.seniorsbluebook.com)

Seniors Blue Book businesses generate a senior resources publication and advertising directory that provides seniors, caregivers, and senior professionals with a comprehensive source of services, senior housing options, resources, and information within a specified geographic area ("Seniors Blue Book Business(es)"). We offer franchises for single Seniors Blue Book Businesses.

The total investment necessary to begin operation of a Seniors Blue Book franchised business is between \$77,614 and \$165,116. This includes between \$50,000 and \$80,000 that must be paid to the franchisor or its affiliates.

The disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental 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 Oliver Hersch at 12228 South 1840 East, Draper, UT 84020 or (800) 201-9989.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an 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](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

**ISSUANCE DATE: January 28, 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
<b>How much can I earn?</b>	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 F.
<b>How much will I need to invest?</b>	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.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Item 21 or Exhibit B includes financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing, or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
<b>Will my business be the only Seniors Blue Book business in my area?</b>	Item 12 and the “territory” provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What’s it like to be a Seniors Blue Book franchisee?</b>	Item 20 or Exhibit F lists current and former franchisees. You can contact them to ask about their experiences.
<b>What else should I know?</b>	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

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Colorado. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Colorado than in your own state.
2. **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.
3. **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.

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.

**NOTICE REQUIRED BY  
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.**

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that the 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 terms 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 such 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 franchise 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 six (6) months advance 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 or under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration 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 qualifications or standards.
  - (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(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 provision has been made for providing the required contractual services.

**The fact 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 Department of Attorney General, State of Michigan, 670 Williams Building, Lansing, Michigan 48913, telephone (517) 373-7117.

**THE MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.**

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**ITEM 1**  
**THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES**

To simplify the language in this Franchise Disclosure Document, “SBB”, “we”, “us”, and “our” means Seniors Blue Book Franchising LLC, the franchisor. “You”, “your”, and “franchisee” means the person, and its owners if the Franchisee is a business entity, who buys the franchise from Seniors Blue Book Franchising LLC.

The Franchisor, its Parent and Affiliates

SBB is a Colorado limited liability company formed on August 20, 2012. We operate under the name Seniors Blue Book and no other name. Our principal business address is 12228 South 1840 East, Draper, Utah 84020. We began offering franchises for Seniors Blue Book Businesses in October 2012. We have not and do not operate any franchises like those described in this Franchise Disclosure Document, or in any other line of business. We do not have any predecessors. We do not conduct any other business other than franchising Seniors Blue Book Businesses. We have one parent company, Seniors Blue Book Inc. (“SBBI”), with its principal place of business at 12228 South 1840 East, Draper, Utah 84020.

We have two affiliates that operate businesses similar to the type being offered under this Franchise Disclosure Document. These affiliates do not provide products or services to franchisees or conduct any other business, and have not offered franchises in this or any line of business.

There are also three licensees that operate a business under the Seniors Blue Book name. These licenses differ from the franchises offered in this Franchise Disclosure Document. The licenses were not offered for sale and were an agreement that occurred over time and amongst family members of our principal officer. These licenses were established between 1997 and 2003 and became the basis for the franchise concept. The licenses are not independently-owned and operated, like franchises, as our principal and his family members operate these units. The licensees did not pay the initial franchise fee, nor are they required to pay any of the ongoing franchise fees described in Item 6, with the exception of royalties. The licensees do not use the same technology systems that franchisees do, and do not operate according to the brand standards manual described in this Franchise Disclosure Document. The licensees have not and do not participate in any training programs as described in Item 11.

Our agent for service of process in Colorado is Oliver Hersch, 12228 South 1840 East, Draper, Utah 84020. Our agents for service of process for other states are identified by state in Exhibit A. If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed above in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states listed.

The Franchise

We offer franchises (“Seniors Blue Book Franchise(s)” or “Franchise(s)”) for the use of our “SENIORS BLUE BOOK” trademarks, trade names, service marks, and logos (“Marks”) for the operation of Seniors Blue Book Businesses. Seniors Blue Book Businesses are operated under our proprietary Seniors Blue Book system (“System”). The System may be changed or modified by us throughout your ownership of the Franchise. Seniors Blue Book Businesses generate a senior resources publication and advertising directory (“Guide”) that provides seniors, caregivers, and senior care professionals with a comprehensive source of services, senior housing options, resources, and information

within a specified geographic area. Seniors Blue Book franchisees sell advertising in the Guide, in ancillary formats, and on the system website. You will most likely operate your Seniors Blue Book Business from your home, but you may choose to rent an executive suite, office, or other commercial office space. You must sign our standard franchise agreement attached to this Franchise Disclosure Document as Exhibit C (“Franchise Agreement”). You may operate one Seniors Blue Book Business for each Franchise Agreement you sign.

### The Market and Competition

Seniors Blue Book Businesses service the needs of business owners seeking to advertise their goods and services to seniors, caregivers, and senior care professionals. Our services are not seasonal in nature. The direct mail advertising industry is competitive and well-developed. Seniors Blue Book Businesses compete with other businesses, including franchised operations, online companies, national chains, and independently-owned companies that offer direct mail advertising magazines and other advertising. You will also face normal business risks that could have an adverse effect on your Seniors Blue Book Business. These include industry developments, such as pricing policies of competitors, consumer tastes, and supply and demand.

### Industry-Specific Laws

Certain states and local jurisdictions have enacted laws, rules, regulations, and ordinances that may apply to the operation of your Seniors Blue Book Business, including those that: (1) regulate the use of U.S. mail to advertise; (2) prohibit infringement of the copyrights and trademarks of others; and (3) establish general requirements, prohibitions, and/or restrictions for advertising involving: (i) false or misleading claims; (ii) product or competitor comparisons; (iii) sweepstakes, lotteries, and games of chance; (iv) invasion of rights of privacy and publicity; (v) deceptive pricing; (vi) use of certain terms in advertising, such as “reductions,” “formerly,” “usually,” “free” offers, and “suggested retail prices;” (vii) offers of mail order merchandise; (viii) offers of guarantees, warranties, loans and credit, and consumer leasing; and (ix) offers of specific products or services such as consumer appliances and electronics, textile fiber products (animal fur, wool, etc.), jewelry, household furniture, prescription drugs, alcohol, and tobacco. You must also obtain all necessary permits, licenses, and approvals to operate your Seniors Blue Book Business.

You are responsible for investigating, understanding, and complying with all laws, regulations, and requirements that apply to you and your Seniors Blue Book Business. You should consult with a legal advisor about whether these and/or other requirements apply to your Seniors Blue Book Business.

## **ITEM 2 BUSINESS EXPERIENCE**

### Chief Executive Officer and President: Oliver Hersch

Mr. Hersch is our Chief Executive Officer and President in Draper, Utah, and has been since our inception in August 2012. Mr. Hersch is also the President of our affiliate, Grateful Sales Organization LLC, in Littleton, Colorado, and has been since June 1999.

**ITEM 3  
LITIGATION**

No litigation is required to be disclosed in this Item.

**ITEM 4  
BANKRUPTCY**

No bankruptcy is required to be disclosed in this Item.

**ITEM 5  
INITIAL FEES**

*Initial Franchise Fee*

You must pay us an initial franchise fee (“Initial Franchise Fee”) when you sign the Franchise Agreement. The Initial Franchise Fee is payment for all of our pre-opening assistance that we provide to allow you to open your Seniors Blue Book Business and also offsets some of our franchisee recruitment expenses. Your Seniors Blue Book Business will have a protected territory that is determined by publication area. Territory sizes will vary by region. The Initial Franchise Fee varies based on the population of the territory according to the following table:

Initial Franchise Fee	Number of Individuals of Age 65 and Older in your Territory
\$50,000	Approximately 10,000 – 100,000
\$60,000	Approximately 100,001 – 200,000
\$70,000	Approximately 200,001 – 300,000
\$80,000	Approximately 300,001 – 500,000

The maximum territory size will be approximately 500,000 individuals aged 65 or older. If you purchase additional Seniors Blue Book Businesses, each additional Initial Franchise Fee will be reduced by 25% from the then-current Initial Franchise Fee.

Initial Franchise Fees are due in full at the time you sign the Franchise Agreement(s), and are deemed fully earned by us once paid and are not refundable. All Initial Franchise Fees are uniformly calculated.

During our last fiscal year that ended September 30, 2024, we did not collect any Initial Franchise Fees.

*Fee Deferral*

Some states have imposed a fee deferral. Please refer to the Addendum in Exhibit G to the Franchise Disclosure Document.

**ITEM 6  
OTHER FEES**

Type of Fee <sup>(1)</sup>	Amount	Due Date	Remarks
Royalty <sup>(2)</sup>	6% of Gross Revenues	Within 30 days after each Guide printing for the Gross Revenues earned since the last published Guide	Your “ <u>Royalty</u> ” is an ongoing payment that allows you to use the Marks and the intellectual property of the System and pays for our ongoing support and assistance. You agree to pay us, in the manner provided below (or as the brand standards manual otherwise prescribes).
Digital Media Services Fee <sup>(3)</sup>	\$100 per month	Same as Royalty	If you offer the line of digital services referred to as “ <u>Digital Media Services</u> ”, we will assess a “ <u>Digital Media Services Fee</u> ” of \$100 per month. You will be responsible for any increase in fees that result from an increase from our Affiliate’s vendor. We will provide 30 days’ notice prior to increasing this fee to no more than \$200 per user per month.
National Fund Contribution	Minimum monthly payment (estimated to be \$100 per month) and 1% of Gross Revenues	Same as Royalty	We currently do not charge this fee. We reserve the right to increase this fee to 2% of your Gross Revenues upon 30 days’ written notice. The national fund contribution is discussed in Item 11.
Unauthorized Advertising Fee	\$500 per occurrence	On demand	This fee is payable to us, or if established, the national fund if you use unauthorized advertising in violation of the terms of the Franchise Agreement.
Insurance	Reimbursement of our costs, plus a 20% administration charge	On demand	If you fail to obtain insurance, we may obtain insurance for you, and you must reimburse us for the cost of insurance obtained plus 20% of the premium as an administrative cost of obtaining the insurance.

Type of Fee <sup>(1)</sup>	Amount	Due Date	Remarks
Additional and Ongoing Training Fees <sup>(4)</sup>	Then-current fee (currently approximately \$1,000 per attendee per day, plus expenses)	Payable in advance of the training or assistance	We provide initial training at no charge for the franchisee if an individual, or franchisee's managing owner if an entity, and designated manager, but we may charge you for multiple initial training programs, training additional persons, newly-hired personnel, refresher training courses, advanced training courses, and additional or special assistance or training you need or request. The fee amount will depend on the training required and experience level of the trainer. If you want to have additional persons attend initial training, you must pay to us the then-current daily attendance fee.
Technology Fee <sup>(5)</sup>	Then-current fee (currently between \$138 to \$243 per user per month)	Monthly by the 5 <sup>th</sup> of each month	This fee covers certain technologies used in the operation of your Seniors Blue Book Business, including software, website sitelet hosting, and other services. The price varies depending on which services you opt to use. We reserve the right to increase this fee in the event we upgrade, modify, or add new software. You will be responsible for any increase in fees that result from an upgrade, modification, or any additional software. We will provide 30 days' notice prior to increasing this fee to no more than \$238 to \$343 per user per month.
Convention Fee	Then-current fee (currently estimated to be \$500 per person)	On demand	Payable to us to help defray the cost of your attendance at any annual convention that we choose to hold. This fee is due regardless of whether or not you attend our annual convention in any given year.
Missed Guide Fee	The Royalty paid on the prior published Guide	As incurred	If you fail to publish any required Guide in any 14-month period without our prior written consent, which may be withheld in our sole discretion, we may either a) charge a fee equal to the Royalty payment for your last published Guide (" <u>Missed Guide Fee</u> ") or b) terminate your Franchise Agreement.

Type of Fee <sup>(1)</sup>	Amount	Due Date	Remarks
Commission Fee	Currently, 20% of Gross Revenue from the total sale price of advertising. We reserve the right to increase this fee to up to 40% of the Gross Revenue from the total sale price.	Within 30 days after publishing advertisement	Payable to us for any advertising sales you make for advertising on the System Website.
Supplier and Product Evaluation Fee	Fee for our review and evaluation (estimated to be approximately \$100 to \$500)	As incurred	Payable if we inspect a new product, service, or proposed supplier nominated by you.
Customer Issue Resolution	The actual costs we incur for responding to a customer complaint, which varies	Upon invoice	Payable if a customer of your Seniors Blue Book Business contacts us with a complaint and we provide a gift certificate/card, refund, or other value to the customer as part of our addressing the issue.
Service Fee	3% of total charge	As incurred	If payment is made to us or our affiliates by credit card for any fee required, we may charge a service charge of 3% of the total charge.
Late Fees	The lesser of \$25 per day or the highest interest rate allowed by law	As incurred	Payable if any payment due to us or our affiliates is not made by the due date. You will continue to incur this fee until you make the required payment.
Returned Check Or Insufficient Funds Fee	The lesser of \$100 per occurrence or the highest amount allowed by law	As incurred	Payable if any check or payment is not successful due to insufficient funds, stop payment, or any similar event.
Failure to Submit Required Report Fine	\$100 per occurrence and \$100 per week	As incurred	Payable if you fail to submit any required report or financial statement when due. Fines collected are paid to the national fund, if established, or us. You will continue to incur this fee until you submit the required report.

Type of Fee <sup>(1)</sup>	Amount	Due Date	Remarks
Audit Expenses	Cost of audit and inspection, any understated amounts, plus late fee of 1.5% interest per month on understatement and any related accounting and legal expenses (we estimate this cost to be between \$1,000 and \$15,000)	On demand	You will be required to pay this if an audit reveals that you understated monthly Gross Revenues by more than 2% or you fail to submit required reports.
Indemnification	Will vary under circumstances	As incurred	You must indemnify and reimburse us for any expenses or losses that we or our representatives incur related in any way to your Seniors Blue Book Business or Franchise.
Management Fee	\$200 per day, plus costs and expenses (up to 60 days at a time)	As incurred	Payable if we or our affiliate manage the Seniors Blue Book Business in the event of your death, default, or because you are in breach of the Franchise Agreement.
Professional Fees and Expenses	Will vary under circumstances	As incurred	You must reimburse us for any legal or accounting fees that we incur as a result of any breach or termination of your Franchise Agreement. You must reimburse us if we are required to incur any expenses in enforcing our rights against you under the Franchise Agreement, or for any costs or fees we incur for any transfer that is not completed.
Successor Franchise Fee	\$12,000	At the time you sign the successor franchise agreement	Payable if you qualify to renew your Franchise Agreement and choose to enter into a successor franchise agreement. This fee is also commonly referred to as a "Renewal Fee."
Transfer Fee	\$10,000 if the transfer is to a third party; \$5,000 if the transfer is to an existing Seniors Blue Book franchisee; or legal costs incurred if you transfer your Seniors Blue Book to an entity wholly owned by you	\$1,000 non-refundable deposit at time of transfer application submittal, and the remaining balance of fee at time of approved transfer	Payable in connection with the transfer of your Seniors Blue Book Business, a transfer of ownership of your legal entity, or the Franchise Agreement. There are various other conditions you must meet for us to approve your transfer request.

Type of Fee <sup>(1)</sup>	Amount	Due Date	Remarks
Broker Fees	Our actual cost of the brokerage commissions, finder's fees, or similar charges	As incurred	If you transfer your Seniors Blue Book Business to a third party or purchaser, you must reimburse all of our actual costs for commissions, finder's fees and similar charges.

Notes:

1. Fees. All fees paid to us or our affiliates are uniform and non-refundable under any circumstances once paid. Fees paid to vendors or other suppliers may be refundable depending on the vendors and suppliers. We can require an alternative payment method or payment frequency for any fees or amounts owed to us or our affiliates under the Franchise Agreement. All fees are current as of the Issuance Date of this Franchise Disclosure Document. Certain fees that we have indicated may increase over the term of the Franchise Agreement.
2. Royalty. The term “Gross Revenues” means the total selling price of all products and services sold at, from, or through your Seniors Blue Book Business, whether or not sold or performed at or from the Seniors Blue Book Business, including the full redemption value of any gift certificate or coupon sold for use with the Seniors Blue Book Business operation (fees retained by or paid to third-party sellers of such gift certificates or coupons are not excluded from this calculation) and all income and revenue of every other kind and nature related to the Seniors Blue Book Business operation, whether for cash or credit, and regardless of collection in the case of credit. Gross Revenues also includes all proceeds from any business interruption insurance. Gross Revenues does not include: (1) the amount of any tax imposed by any federal, state, municipal, or other governmental authority directly on sales and collected from customers; as long as the amount of any such tax is shown separately and paid by Franchisee to the appropriate governmental authority; (2) all customer refunds, valid discounts, and coupons as authorized in writing by us, and credits made by the Seniors Blue Book Business (exclusions will not include any reductions for credit card user fees, returned checks, or reserves for bad credit or doubtful accounts); (3) any revenue generated from the sale of advertising on the system website (which is subject to Commission Fees); and (4) any commissions we pay you for sales that occur in your territory under a national account or corporate account, as described in Item 11.

The Royalty payment is due within 30 days after each Guide printing and is based on Gross Revenues earned since the prior published Guide. We will waive the Royalty on Gross Revenues generated from the sale of advertising published in your first Guide. We reserve the right to charge additional royalties for services that we authorize franchisees to offer that are in addition to advertising in publications.

3. Digital Media Services Fee. If you offer our line of digital services, which currently includes listing management, reputation management, website building and management, and SEO management services, we will assess a monthly Digital Media Services Fee in consideration of our support in procuring and administering these services. The Digital Media Services Fee is currently equal to \$100 per month and may be increased to up to \$200 per user per month upon 30 days' notice to you.

4. **Ongoing Training Fees.** You (or your managing owner, if you are an entity) and/or your designated manager, and any of your staff that we designate, must attend and satisfactorily complete all training courses, continuing education courses, seminars, refresher training programs, and all meetings related to new products or services, new operational procedures or programs, training, management, sales or sales promotion, or similar topics (“Ongoing Training”) that we periodically provide, or designate a third party to provide, at the location(s) we designate and as required in the brand standards manual. You also may request that we provide you and/or your employees with specific types of Ongoing Training, which we may provide to you in our sole discretion. We may charge tuition fees for Ongoing Training. Attendance at Ongoing Training will be at your sole expense, which we estimate to be \$1,000 per day, plus expenses.
  
5. **Technology Fee.** We will provide you with certain technical services in exchange for your monthly technology fee, which may change from time to time based on changes to the technical services we provide and/or our costs to provide these services. The current technology fee is between \$138 and \$243 per user per month beginning the month you begin operations. We reserve the right to license, sublicense, and create software and technology that Seniors Blue Book franchisees must pay for and use. We can change the software and technology that must be used by our franchisees at any time, which may result in changes to the technology fee.

**ITEM 7  
ESTIMATED INITIAL INVESTMENT  
YOUR ESTIMATED INITIAL INVESTMENT**

Type of Expenditure <sup>(1)</sup>	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
	Low	High			
Initial Franchise Fee	\$50,000	\$80,000	Lump Sum	Upon Signing Franchise Agreement	Us
Distribution and Mailing for First Edition <sup>(2)</sup>	\$1,000	\$10,000	As Incurred	At Time of Guide Distribution	Third Parties
Printing for First Edition	\$15,000	\$40,000	As Incurred	As Incurred	Third Parties
Graphics for First Edition	\$5,000	\$10,000	As Incurred	As Incurred	Third Parties
Printing and Graphics for Prototype Guide <sup>(3)</sup>	\$4,000	\$5,500	As Incurred	As Incurred	Third Parties
Computer Equipment <sup>(4)</sup>	\$0	\$3,000	As Incurred	As Incurred	Third Parties
Marketing Materials <sup>(5)</sup>	\$1,000	\$5,000	As Incurred	As Incurred	Third Parties
Business Licenses and Permits <sup>(6)</sup>	\$250	\$1,500	As Incurred	Before Opening	Third Parties
Professional Fees <sup>(7)</sup>	\$0	\$1,000	As Incurred	As Incurred	Third Parties

Type of Expenditure <sup>(1)</sup>	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
	Low	High			
Insurance <sup>(8)</sup>	\$450	\$900	As Incurred	As Incurred	Third Parties
Training Expenses <sup>(9)</sup>	\$0	\$4,000	As Incurred	As Incurred	Third Parties
Additional Funds – 3 to 6 Months <sup>(10)</sup>	\$914	\$4,216	As Incurred	As Incurred	Us, Third Parties
<b>TOTAL ESTIMATED INITIAL INVESTMENT<sup>(11)</sup></b>	<b>\$77,614</b>	<b>\$165,116</b>			

Notes:

1. These estimated initial expenses are our best estimate of the costs you may incur in establishing and operating your Seniors Blue Book Business. We do not offer direct or indirect financing for these items. All expenditures paid to us or our affiliates are uniform and non-refundable under any circumstances once paid. All expenses payable to third parties are non-refundable, except as you may arrange for utility deposits and other payments.

Because most of our franchisees will operate their Seniors Blue Book Business out of their residences, this chart does not include estimates for items such as real property, real estate deposits, leases, leasehold improvements, furniture, fixtures, fixed assets, remodeling, construction, decorating costs, utility deposits, or security deposits, which will likely not apply unless you obtain business premises, which is unnecessary and unlikely. We assume you will not need to obtain desks, chairs, and other standard office supplies and equipment. Therefore, we do not include estimates for these items. Our experience is that franchisees typically establish a small office in the home. Eight feet by eight feet is sufficient space for an office. No franchisor assistance or defined office criteria exists. You may choose to rent an executive suite, office, or other commercial office space. If you do so, your estimated initial investment will increase significantly.

Although you must have a vehicle for your Seniors Blue Book Business (“Vehicle”), the Vehicle may be a vehicle you currently own, as long as the vehicle is in good condition with no major dents, scratches, or body damage, and that we approve your Vehicle prior to use. You may choose, but are not required, to add a wrap or other marketing decals to your Vehicle, as long as these materials are approved by us. This chart does not include estimates for items such as purchasing or leasing your Vehicle, acquiring a license, insurance, registration, or other permits for your Vehicle, wrapping your Vehicle, or otherwise making improvements to your Vehicle. If you are required to purchase the Vehicle, your initial investment will be higher than what is listed in the chart. We reserve the right to revoke our approval of a vehicle should the vehicle no longer meet minimum standards, as solely determined by us. In this event, you will be required to purchase an approved vehicle, or otherwise make modifications to a vehicle, to use as your Vehicle.

2. Distribution and Mailing for First Edition. You must pay for the distribution of Guides in your territory. You may choose a particular method or multiple methods of distribution, as long as the method or methods meet(s) System standards. The cost of distribution will depend on the methods you use and the prices you obtain from suppliers of distribution services. We reserve the right to require you to use a particular method of distribution.
3. Printing and Graphics for Prototype Guide. This estimate includes the cost of preparing and distributing your prototype guide (“Prototype Guide”), which will be used as an initial sales tool prior to the distribution of the first Guide in your territory.
4. Computer Equipment. We require that you have a computer that is capable of connecting to the Internet, and may be one that you currently own. The low amount assumes you are using a computer that you own. You are required to use our cloud-based software.
5. Marketing Materials. You must purchase an initial set of marketing materials (“Media Kit”). The Media Kit includes business cards, stationery, brochures, and flyers.
6. Business Licenses and Permits. You must obtain the required licenses and permits that are required by your city, county, and state to operate your Seniors Blue Book Business.
7. Professional Fees. We recommend, but do not require, you review the Franchise Disclosure Document with a professional advisor such as an attorney or accountant. The low estimate assumes you do not use the services of any professional advisor.
8. Insurance. You must obtain and maintain, at your own expense, the insurance coverage we require, and satisfy other insurance-related obligations. If you have had prior issues or claims from previous operations unrelated to the operation of a Seniors Blue Book Business, your rates may be significantly higher than those estimated above.
9. Training Expenses. We provide training at our training center in Draper, Utah, your location, or at another location designated by us. You must pay for airfare, meals, transportation costs, lodging, and incidental expenses for all initial training program attendees. The low estimate assumes we will provide training at your location and you will not incur any expenses. Initial training is provided at no charge for the franchisee if an individual, or franchisee’s managing owner if an entity, and designated manager, provided they attend the same initial training program. You, your managing owner, and any designated manager or representative that we require must complete the initial training to our satisfaction; if additional initial training is required, or more people must be trained, an additional fee will be assessed.
10. Additional Funds. These amounts represent our estimate of the amount needed to cover your expenses for the initial three to six-month start-up phase of your Seniors Blue Book Business. For purposes of this disclosure, we estimated the start-up phase to be three to six months from the date your Seniors Blue Book Business opens for business. They include payroll costs and other operating costs, but not any draw or salary for you. These figures also do not include standard pre-opening expenses, Royalty, or national fund contributions, if any, payable under the Franchise Agreement or debt service, and assume that none of your expenses are offset by any sales generated during the start-up phase. We have elected to include certain fees as line items above, including insurance premiums and computer equipment, and hardware. These fees could also be included in our Additional Funds amount. There is a monthly per user technology fee that will be payable beginning with the first month after you sign the Franchise Agreement. This

includes the lease of cloud-based software through our group subscription. The low amount estimates three monthly payments for one user at \$138 each and the high amount estimates six monthly payments for two users at \$243 each. If you offer Digital Media Services during your first three months of operations, you will incur a fee of \$100 per month. We do not anticipate you will hire any employees within your first three years of operation. Our estimates are based on our experience, the experience of our affiliates, and our current requirements for Seniors Blue Book Businesses. These figures are estimates, and we cannot guarantee you will not have additional expenses starting your Seniors Blue Book Business.

11. This is an estimate of your initial start-up expenses for one Seniors Blue Book Business.

## **ITEM 8 RESTRICTIONS ON SOURCES OF SERVICES AND PRODUCTS**

### Standards and Specifications

You must operate your Seniors Blue Book Business in strict conformity with the methods, standards, and specifications we list in our proprietary and brand standards manual (“Brand Standards Manual”), which may exist in various parts, locations, and formats, and may include a combination of audio, video, written material, electronic media, website content, and/or software components. You must not: (i) deviate from these methods, standards, and specifications without our prior written consent; or (ii) otherwise operate in any manner that reflects adversely on our Marks or the System. Our Brand Standards Manual states our standards, specifications and guidelines for all products and services we require you to obtain in establishing and operating your Seniors Blue Book Business.

We will notify you of new or modified standards, specifications, and guidelines through periodic amendments or supplements to the Brand Standards Manual or through written communication (including electronic communication). We will issue copies of our standards and specifications to you and approved and proposed suppliers, unless these standards and specifications contain our confidential information.

You must purchase, install, maintain in sufficient supply, and use, products, signs, supplies, and any fixtures, furnishings, and equipment that conform to the standards and specifications described in the Brand Standards Manual or otherwise in writing.

You must use the computer hardware and software that we periodically designate to operate your Seniors Blue Book Business. You must obtain the computer hardware, software licenses, maintenance and support services, and other related services that meet our specifications from the suppliers we specify (which may be limited to us and/or our affiliates).

You must obtain the insurance coverage required under the Franchise Agreement, including vehicle insurance and any other type of insurance that we require. All of these policies must contain the minimum coverage we prescribe from time to time in our Brand Standards Manual, and must have deductibles not to exceed the amounts we specify. If your state requires higher coverages than we prescribe, you will be required to obtain insurance that satisfies your state law requirements. The insurance company must be authorized to do business in the state where your Seniors Blue Book Business is located, and must be approved by us. It must also be rated “A” or better by A.M. Best & Company, Inc. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage at any time. All insurance policies must name us and any affiliates we designate as additional named insured parties. The cost of insurance may be

significantly higher than the estimate depending on factors such as particular state coverage requirements, store location, and your loss history.

### Purchases from Approved Suppliers

We have developed certain proprietary materials such as customized publications, graphic designs for artwork, direct mail materials, packaging, and other materials that are an integral part of the services performed by your Seniors Blue Book Business. You must: (1) only use the materials we designate, and only in the form and manner we prescribe; and (2) purchase all products, equipment, supplies, and materials, and, upon our written consent, any comparable materials related to establishing or operating your Seniors Blue Book Business from approved suppliers only (including manufacturers, wholesalers, and distributors). We provide a list of approved suppliers of products and services in the Brand Standards Manual. We currently are not an approved supplier of these materials.

We and our affiliates may receive rebates or other consideration from suppliers in consideration for products or services that we require or advise you to obtain from approved suppliers, and we reserve the right to do so in the future. Our revenue or other consideration received may include promotional allowances, volume discounts, and other payments. We may markup the digital products and services that it procures from a vendor and supplies to you by up to 14%. We will retain a commission of up to 40% of Gross Revenue from advertising sales on our System Website.

During our last fiscal year ended September 30, 2024, neither we nor our affiliates derived any revenue from the sale or lease of products or services to franchisees.

We estimate that approximately 50% of purchases required to open your Seniors Blue Book Business and 70% of purchases required to operate your Seniors Blue Book Business will be from approved suppliers and under our specifications.

We have negotiated special price terms with the providers of the Digital Media Services. We do not have purchasing and distribution co-operatives as of the Issuance Date of this Franchise Disclosure Document, except for our agreement with the providers of Digital Media Services; however, we may negotiate alternative purchase arrangements with suppliers and distributors of approved products for our benefit, and we reserve the right to receive rebates or volume discounts from our purchase of products we may resell to you. We do not provide material benefits, such as renewing or granting additional Franchises to franchisees, based on their use of designated or approved suppliers. There are no caps or limitations on the maximum rebates we may receive from our suppliers as the result of franchisee purchases.

We are an approved supplier of the Digital Media Services that we will procure from our designated vendor on your behalf, including listing management, reputation management, website building and management, and SEO management services that you may sell to your clients. We are a provider of advertising on our System Website that you sell to your customers. We are currently the sole supplier of the Digital Media Services and System Website advertising. Our CEO and President, Oliver Hersch owns an equity interest in SBB. Other than SBB, our officers do not own an interest in any supplier.

### Approval of New Supplier

We may update the list of approved suppliers in the Brand Standards Manual. If you desire to have a non-approved supplier of a product or service designated as an approved supplier, you must submit

samples of the supplier’s products or services to us, along with a written statement describing why such products, services, or suppliers should be approved for use in the System. We reserve the right to charge a fee to evaluate the proposed supplier of approximately \$100 to \$500 per evaluation (See Item 6). We do not make our supplier standards and/or specifications generally available to franchisees or suppliers. While we will be required to respond to a request within 60 days, we generally respond to a request for an additional approved supplier within seven days. Our written approval must be received before you use products not purchased from an approved supplier. We may revoke our approval at any time if we determine, in our discretion, that the supplier no longer meets our standards. When you receive written notice of a revocation, you must stop selling any disapproved products, and stop purchasing from any disapproved supplier.

## ITEM 9 FRANCHISEE’S OBLIGATIONS

**This table lists your principal obligations under the franchise 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.**

Obligation	Section(s) in Franchise Agreement	Item in Disclosure Document
(a) Site selection and acquisition/lease	Section 2A	Items 7, 8, 11 and 12
(b) Pre-opening purchases/leases	Sections 2B, 2C, 2F and 8	Items 5, 7, 8 and 11
(c) Site development and other pre-opening requirements	Sections 2A, 2B, 2C, and 2E	Items 7, 8 and 11
(d) Initial and ongoing training	Sections 4A, 4B and 4C	Items 6, 7 and 11
(e) Opening	Section 2E	Item 11
(f) Fees	Sections 3, 4, 8G, 9B, 10, 12C, 13A and 14C,	Items 5, 6 and 7
(g) Compliance with standards and policies/operating manual	Sections 4E and 8	Items 8, 11 and 16
(h) Trademarks and proprietary information	Sections 2D, 5 and 6	Items 13 and 14
(i) Restrictions on products/services offered	Sections 2B and 8	Items 8, 11, 12 and 16
(j) Warranty and customer service requirements	Section 8	Item 6
(k) Territorial development and sales quotas	Sections 1E and 1F	Item 12
(l) Ongoing product/service purchases	Sections 2B, 2C and 8	Items 6 and 8
(m) Maintenance, appearance, and remodeling requirements	Sections 8 and 13	Items 8, 11, 16 and 17
(n) Insurance	Section 8G	Items 7 and 8
(o) Advertising	Section 9	Items 6, 7, 8 and 11

Obligation	Section(s) in Franchise Agreement	Item in Disclosure Document
(p) Indemnification	Section 16D	Item 6
(q) Owner's participation/management/staffing	Sections 1C, 4F, 4G and 8F	Items 11 and 15
(r) Records and reports	Section 10	Items 6 and 17
(s) Inspections and audits	Section 11	Items 6 and 11
(t) Transfer	Section 12	Item 17
(u) Renewal	Section 13	Item 17
(v) Post-termination obligations	Section 15	Item 17
(w) Non-competition covenants	Sections 7 and 15E	Items 15 and 17
(x) Dispute resolution	Section 17F	Item 17

## **ITEM 10 FINANCING**

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

## **ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEM, AND TRAINING**

**Except as listed below, SBB is not required to provide you with any assistance.**

### Pre-opening Obligations

Before you open your Seniors Blue Book Business, we (or our affiliate(s) or designee(s)) will provide the following assistance and services to you:

1. Because you do not have to locate a site from which to operate your Seniors Blue Book Business, we do not provide you with assistance in doing so. You may open an office, but it is not required. You are not required to obtain our approval for an office if you open one. We do not own the premises and lease it to you.
2. Provide mandatory and discretionary specifications for your Seniors Blue Book Business, including standards and suggested criteria for design, image, and branding of marketing materials and other trade dress (See Franchise Agreement – Section 2B).
3. Identify operating assets, computer hardware and software, and other products and supplies you must use to develop and operate your Seniors Blue Book Business; establish minimum standards and specifications you must satisfy while operating your Seniors Blue Book Business; and identify the designated and approved suppliers from whom you may be required to purchase and/or lease items for your Seniors Blue Book Business (See Franchise Agreement – Sections 2, 4E, and 8).

4. Loan to you, or make available to you on our website or intranet, one copy of our Brand Standards Manual. The Brand Standards Manual contains approximately 95 pages. The table of contents for the Brand Standards Manual is attached to this Franchise Disclosure Document as Exhibit E (See Franchise Agreement – Section 4E). If you desire to review the Brand Standards Manual prior to signing a Franchise Agreement, you will need to sign a confidentiality agreement, which is attached to this Franchise Disclosure Document in Exhibit H.

5. Provide an initial training program either at our corporate headquarters (currently in Salida, Colorado), or by webinar/teleconference, at our sole discretion (“Initial Training Program”), or at your location, for up to two people, provided they attend the same initial training program (See Franchise Agreement – Section 4A). If you want to have additional persons attend the Initial Training Program, then you must pay to us a daily attendance fee in an amount set by us for each additional attendee (see Item 6). You must also pay the wages, travel, lodging, and living expenses of each required and additional attendee of yours. All persons who attend our Initial Training Program must complete it to our satisfaction. You may not employ a person that does not complete this Initial Training Program to our satisfaction.

#### *Schedule for Opening*

The typical length of time between signing the Franchise Agreement or the payment of any fees and the opening of the Seniors Blue Book Business can vary from 60 to 90 days. Failure to open your Seniors Blue Book Business within six months of signing the Franchise Agreement is a material breach of the Franchise Agreement, which provides us with the right to terminate the Franchise Agreement. Some factors that may affect this timing are your ability to secure any necessary financing, your ability to comply with local zoning and other ordinances, your ability to obtain any necessary permits and certifications, and the timing of the delivery of equipment, tools, and inventory.

#### Continuing Obligations

During the operation of your Seniors Blue Book Business, we (or our affiliate(s) or designee(s)) will provide the following assistance and services to you:

1. Upon reasonable request, provide advice regarding your Seniors Blue Book Business operations based on reports or inspections. Advice will be given during our regular business hours and via written materials, electronic media, telephone, or other methods in our discretion (See Franchise Agreement – Section 4D).

2. Inform you of mandatory standards, specifications, and procedures for the operation of your Seniors Blue Book Business, as described in Item 8 (See Franchise Agreement – Section 4D).

3. Continue to loan to you or provide to you on our website or intranet, one copy of the Brand Standards Manual, which may include audio and video media, compact disc media, computer software, other electronic media, and/or written materials. The Brand Standards Manual contains mandatory and suggested standards, specifications, operating procedures, and rules (“System Standards”). We may modify the Brand Standards Manual periodically to reflect changes in System Standards (See Franchise Agreement – Sections 4E and 8).

4. Issue and modify System Standards for Seniors Blue Book Businesses. We may periodically modify System Standards, and those modifications may require you to invest additional

capital in the Seniors Blue Book Business and/or incur higher operating expenses (See Franchise Agreement – Section 8).

5. Allow you to continue to use confidential materials, including the Brand Standards Manual and the Marks (See Franchise Agreement – Sections 4, 5, and 6).

6. Maintain and administer one or more websites to advertise, market, and promote Seniors Blue Book Businesses, the products and services offered, and certain customers of Seniors Blue Book (each a “System Website”) (See Franchise Agreement – Section 9D).

7. Provide our advertising and promotional materials and services. The materials provided may include videos, copy-ready print advertising materials, posters, banners, and miscellaneous items. You will receive one sample of each at no charge. If you want additional copies, you must pay duplication costs. We may use both outside and in-house advertising and marketing resources to create advertising and promotional materials. You may develop advertising materials for your own use at your own cost. We must approve the advertising materials in advance and in writing. We reserve the right to utilize advertising developed by you for all franchisees with no payment or other compensation to you (See Franchise Agreement – Section 9).

#### Optional Assistance

During the term of the Franchise Agreement, we (or our designee(s)) may, but are not required to, provide the following assistance and services to you:

1. Modify, update, or change the System, including the adoption and use of new or modified trade names, trademarks, service marks or copyrighted materials, new services, or new techniques.

2. Make periodic visits to the Seniors Blue Book Business for the purpose of assisting in all aspects of the operation and management of the Seniors Blue Book Business, prepare written reports concerning these visits outlining any suggested changes or improvements in the operation of the Seniors Blue Book Business, and detailing any problems in the operations which become evident as a result of any visit. If provided at your request, you must reimburse our expenses and pay our then-current training charges.

3. Maintain and administer a national fund. We may dissolve the national fund upon written notice (See Franchise Agreement - Section 9).

4. Hold periodic national or regional conferences to discuss business and operational issues affecting Seniors Blue Book franchisees.

5. We may allow you to participate in servicing national or corporate accounts. A “National Account” is any client of ours, yours or of another franchisee that purchases advertising to be published in all Seniors Blue Book Guides or in multiple Seniors Blue Book Guides, and a “Corporate Account” means any client who has locations in two or more of our or our franchisees’ territories. We will pay you a 14% commission of the total sale from that portion of the National Account or Corporate Account sales to be published in your Guide. We will be responsible for collecting all amounts from National Accounts and Corporate Accounts and you must forward any payments you receive from any National Account or Corporate Account to us.

6. We reserve the right to establish minimum and maximum resale prices for use with multi-area marketing programs and special price promotions as allowed by law.

## Advertising

### *National Fund*

We reserve the right to create a national advertising fund for marketing, developing and promoting the System, the Marks and Seniors Blue Book Franchises (“National Fund”). Once established, we will charge you the then-current fee (currently a minimum monthly payment estimated to be \$100 per month and 1% of your Gross Revenues) (“National Fund Contribution”). The National Fund Contribution is due at the same time you pay your Royalty, based on the Gross Revenues you generated in the previous reporting period. We reserve the right to raise this fee to 2% upon 30 days’ written notice to you. We currently do not collect the National Fund Contribution.

Your contribution to the National Fund will be in addition to all other advertising requirements set out in this Item 11. Each franchisee will be required to contribute to the National Fund, but certain franchisees may contribute on a different basis depending on when they signed their Franchise Agreement. Corporate locations owned by our affiliate(s) do not contribute to the National Fund.

The National Fund will be administered by us, or our affiliate or designees, at our discretion, and we may use a professional advertising agency or media buyer to assist us. The National Fund will be in a separate bank account, commercial account, or savings account.

We have complete discretion on how the National Fund will be utilized. We may use the National Fund for local, regional, or national marketing; advertising; sales promotion and promotional materials; public and consumer relations; website development and search engine optimization; the development of technology for the System; and any other purpose to promote the Seniors Blue Book brand. We may reimburse ourselves, our authorized representatives, or our affiliates from the National Fund for administrative costs, independent audits, reasonable accounting, bookkeeping, reporting, and legal expenses, taxes, and all other direct or indirect expenses associated with the programs funded by the National Fund. We do not guarantee that advertising expenditures from the National Fund will benefit you or any other franchisee directly, on a pro rata basis, or at all. We are not obligated to spend any amount on advertising in the geographical area where you are or will be located. We will not use the National Fund Contributions for advertising that is principally a solicitation for the sale of Franchises, but we reserve the right to include a notation in any advertisement indicating “Franchises Available” or similar phrasing, or include information regarding acquiring a Franchise on or as a part of materials and items produced by or for the National Fund.

We assume no fiduciary duty to you or other direct or indirect liability or obligation to collect amounts due to the National Fund or to maintain, direct, or administer the National Fund. Any unused funds in any calendar year will be applied to the following year’s funds, and we reserve the right to contribute or loan additional funds to the National Fund on any terms we deem reasonable.

The National Fund is not audited. We will provide an annual accounting for the National Fund that shows how the National Fund proceeds have been spent for the previous year upon written request.

We may defer or reduce a franchisee’s National Fund Contribution and, upon 30 days’ prior written notice to you, reduce or suspend National Fund Contributions and operations for one or more periods of any length, and terminate and reinstate the National Fund. If we terminate the National Fund,

we will distribute all unused contributions to contributing franchisees, and to us or our affiliates, in proportion to respective contributions during the preceding 12-month period (See Franchise Agreement – Section 9C).

We did not collect any National Fund Contributions during our last fiscal year, ended September 30, 2024.

### *Local Advertising*

We do not require you to conduct any local advertising. All advertising, promotional, and marketing content must be clear, factual, not misleading, and must conform to both the highest standards of ethical advertising and marketing, and the advertising and marketing policies we may require from time to time. If you desire to use your own advertising materials, you must obtain our prior approval if you desire to use your own advertising materials, which may be granted or denied at our sole discretion. We generally respond within 30 days from the date we receive all requested information, but our failure to notify you will be deemed a disapproval. You agree, at your sole cost and expense, to issue and offer such rebates, giveaways, and other promotions according to advertising programs established by us, and further agree to honor the rebates, giveaways, and other promotions issued by other Seniors Blue Book franchisees under any such program, so long as such compliance does not contravene any law, rule, or regulation that applies. You will not create or issue any gift cards/certificates, and will only sell gift cards/certificates that have been issued or sponsored by us and that are accepted at all Seniors Blue Book Businesses, and you will not issue coupons or discounts of any type except as approved by us. You may not advertise via the Internet or a World Wide Web page, including websites such as Twitter and Facebook, unless we have authorized you to do so in writing.

### *System Website*

We have established a System Website for Seniors Blue Book Businesses at [www.seniorsbluebook.com](http://www.seniorsbluebook.com). We have developed a local website (“Sitelet”) for each Seniors Blue Book Business to be accessed only through our home page. You agree to use the supplier designated in the Brand Standards Manual to establish your Sitelet. You may not establish or maintain any other website or engage in any other electronic marketing of products or services without our prior written approval. We reserve the right to change the requirements relating to your Sitelet. All such information shall be subject to our approval prior to posting. We retain the sole right to market and use the Marks on the Internet. You may be requested to provide content for our Internet marketing, and you must follow our intranet and Internet usage rules, policies, and requirements. We retain the sole right to use the Marks on the Internet. You may not independently market on the Internet, or use any domain name, address, locator, link, metatag, or search technique with words or symbols similar to the Marks. We may require you to provide us content for our Internet marketing. We may permit you to sell advertising to your customers that will be displayed on the System Website. We retain the sole right to approve or disapprove any linking to, or other use of, the System Website in our sole discretion.

We may allow you to promote your business via alternate online strategies consistent with our online policy as contained in our Brand Standards Manual. We have the right to review and approve all online content to protect the reputation and high quality associated with our trademarks. We may require you to remove any questionable usage or content involving our trademarks. We may also require you to cease using our trademarks at all such sites or discontinue all use of such sites.

We are only required to reference your Seniors Blue Book Business on the System Website while you are in full compliance with your Franchise Agreement and all System Standards. If you are in default

of any obligation under the Franchise Agreement or System Standards, then we may temporarily remove references to your Seniors Blue Book Business from the System Website until you fully cure the subject default(s). If we approve your use of a website, including social media websites, we will reserve the right to require you to obtain our written approval of its initial content and as it is updated or modified from time to time. If we develop a template or other standardized format and/or content for franchisee websites, you must use our mediums. You may not sell products or services not approved by us in the Brand Standards Manual on your Seniors Blue Book Business website without our prior written approval (See Franchise Agreement – Section 9D). We have the right to use the National Fund assets to develop, maintain, and update the System Website and Sitelet. You must promptly notify us whenever any information on your listing changes or is not accurate.

### *Advisory Council*

We currently do not have, but may form, an advisory council (“Council”) to advise us on advertising policies. The Council would be governed by bylaws. Members of the Council would consist of both franchisees and corporate representatives. Members of the Council would be selected by way of a voting method specified in the Council’s bylaws. The purpose of the Council would be to provide input regarding the National Fund and to promote communications between us and all Franchisees. The Council would serve in an advisory capacity only. We will have the power to form, change, or dissolve the Council, at our sole discretion. We anticipate the Council will be established once there are approximately 20 Seniors Blue Book Businesses in operation.

### Computer Equipment and Software

You are required to have a computer system that meets our specifications. Although we do not require a specific brand or type of computer, we require that you have a computer that is capable of connecting to the Internet (and may be one that you currently own) and our cloud-based software (“Computer System”). We estimate the cost of purchasing the Computer System will be between \$1,200 and \$1,800. You will pay us a monthly technology fee, which is currently between \$138 and \$243 per user per month, which includes your software licensing fee, website maintenance, hosting, and other fees. The Computer System will manage the daily workflow of the Seniors Blue Book Business, coordinate the customer ordering experience, track labor, and other information. You must record all Gross Revenues on the Computer System. You must store all data and information in the Computer System that we designate, and report data and information in the manner we specify. The Computer System will generate reports on the Gross Revenues of your Seniors Blue Book Business. You must also maintain a high-speed Internet connection at the Seniors Blue Book Business. You must use any credit card vendors and accept all payment methods that we determine. We are not required to provide you with any ongoing maintenance, repairs, upgrades, updates, or support for the Computer System (See Franchise Agreement - Section 2C). You must arrange for installation, maintenance, and support of the Computer System at your cost. There are no limitations in the Franchise Agreement regarding the costs of such required support, maintenance, repairs, or upgrades relating to the Computer System. The cost of maintaining, updating, or upgrading the Computer System or its components will depend on your repair history, costs of computer maintenance services in your area, and technological advances. We estimate the annual costs will range between \$0 and \$3,000, but this could vary (as discussed above). We may revise our specifications for the Computer System periodically. You must upgrade or replace your Computer System at such time as specifications are revised. There is no limitation on the frequency and cost of this obligation.

We (or our designee(s)) have the right to independently access the electronic information and data relating to your Seniors Blue Book Business and to collect and use your electronic information and data

in any manner, including for the promotion of the System and the sale of Seniors Blue Book Franchises. This may include posting financial information of each franchisee on an intranet website. There is no contractual limitation on our right to receive or use information through our proprietary data management and intranet system. We may access the electronic information and data from your Computer System remotely, in your Seniors Blue Book Business, or from other locations.

Training

*Initial Training*

You, your managing owner, and any designated manager or representative that we require must attend and complete the Initial Training Program to our satisfaction before you open your Seniors Blue Book Business. We provide the Initial Training Program at no cost for the franchisee if an individual, or franchisee’s managing owner if an entity, and designated manager, provided they attend the same initial training program. You must pay a \$1,000 per attendee per day fee for training each additional person. You and your designated manager must attend and complete the Initial Training Program to our reasonable satisfaction, as determined by the specific program instructors, before you are able to open the Seniors Blue Book Business. We provide a checklist during training to ensure all training topics have been successfully completed. The Initial Training Program is held whenever necessary to train new franchisees. You will not receive any compensation or reimbursement for services or expenses for participation in the Initial Training Program. You are responsible for all your expenses to attend any training program, including lodging, transportation, food, and similar expenses.

We plan to provide the training listed in the table below. We reserve the right to vary the length and content of the Initial Training Program based upon the experience and skill level of the individual attending the Initial Training Program.

**INITIAL TRAINING**

Subject	Hours Of Classroom Training <sup>(1)</sup>	Hours Of On-The-Job Training <sup>(1)</sup>	Location
Company Overview	1	0	Your Seniors Blue Book Franchise, or by webinar/teleconference
Staff Introduction	.5	0	Your Seniors Blue Book Franchise, or by webinar/teleconference
Job Summary	.5	0	Your Seniors Blue Book Franchise, or by webinar/teleconference
Office and Computer Setup	2	0	Your Seniors Blue Book Franchise, or by webinar/teleconference
CRM Training for Data	5	0	Your Seniors Blue Book Franchise, or by webinar/teleconference
Seniorsbluebook.com Infrastructure Training	5	0	Your Seniors Blue Book Franchise, or by webinar/teleconference

Subject	Hours Of Classroom Training <sup>(1)</sup>	Hours Of On-The-Job Training <sup>(1)</sup>	Location
Distribution	3	0	Your Seniors Blue Book Franchise, or by webinar/teleconference
Production Training	3	0	Your Seniors Blue Book Franchise, or by webinar/teleconference
QuickBooks Online	2	0	Your Seniors Blue Book Franchise, or by webinar/teleconference
Expenses, 1099, W-9, Conference Calls, and Miscellaneous Items	1	0	Your Seniors Blue Book Franchise, or by webinar/teleconference
Glossary of Terms	1	0	Your Seniors Blue Book Franchise, or by webinar/teleconference
Total	24	0	

Notes:

1. The training subjects may vary, and the training may be less than the times indicated above, depending on the number and experience of the attendees. We will use the Brand Standards Manual and the Prototype Guide as the primary instruction materials during the Initial Training Program.
2. Oliver Hersch, our Chief Executive Officer and President, currently oversees our training program. Mr. Hersch has been operating a business similar to the type being offered under this Franchise Disclosure Document since 1997, and is responsible for the publication of eight Guides in Colorado and Nebraska. Mr. Hersch has been working for us since our inception in 2012.

*Follow-Up Training*

After your Prototype Guide is published, but prior to the distribution of the first Guide in your territory, you, your managing owner, and designated manager (if applicable) must complete our follow-up training program, which covers the sales and operations aspects of a Seniors Blue Book Business. The follow-up training program will take place at your Seniors Blue Book Business or another location we designate. If your attendees cannot complete follow-up training to our satisfaction, we may terminate the Franchise Agreement. Unless we agree otherwise in writing, you must complete follow-up training within 60 days after you open your Seniors Blue Book Business for business.

Your attendees must complete the follow-up training program before you may distribute the first Guide in your territory. The follow-up training program will last approximately four to six days. We plan to be flexible in scheduling follow-up training to accommodate our personnel, you, and your personnel. We do not have set training dates, but will conduct training sessions as needed. You are responsible for all your expenses to attend any training program, including lodging, transportation, food, and similar expenses (See Franchise Agreement – Section 4B).

We may require, at our sole discretion, any new managing owner or designated manager to complete the follow-up training program to our satisfaction.

## FOLLOW-UP TRAINING

Subject	Hours Of Classroom Training	Hours Of On-The-Job Training	Location
Company Overview from the Sale Perspective	.5	0	Your Seniors Blue Book Franchise
Staff Interactions from the Sales Perspective	.5	0	Your Seniors Blue Book Franchise
Job Summary from the Sales Perspective	.5	0	Your Seniors Blue Book Franchise
Product Overview	2	0	Your Seniors Blue Book Franchise
Market Overview	2	0	Your Seniors Blue Book Franchise
Sales Cycle Overview	2	0	Your Seniors Blue Book Franchise
Sugar CRM Training for Sales	4	0	Your Seniors Blue Book Franchise
Appointment Setting: Cold Call, Warm Lead, Previous Call, Renewal, Old Customer	3	0	Your Seniors Blue Book Franchise
Writing Contracts, Posting on Website, Follow-Up, Updating Information in Sugar CRM	2	0	Your Seniors Blue Book Franchise
Digital Media Services (Optional)	20	0	Your Seniors Blue Book Franchise, or by webinar/teleconference
In-Services	.5	0	Your Seniors Blue Book Franchise
On-Site Appointments	0	15	Your Seniors Blue Book Franchise
Total	37	15	

Notes:

1. The training subjects may vary, and the training may be less than the times indicated above, depending on the number and experience of the attendees. We will use the Brand Standards Manual and the Prototype Guide as the primary instruction materials during the Initial Training Program.
2. Oliver Hersch, our Chief Executive Officer and President, currently oversees our training program. Mr. Hersch has been operating a business similar to the type being offered under this Franchise Disclosure Document since 1997, and is responsible for the publication of eight Guides in Colorado and Nebraska. Mr. Hersch has been working for us since our inception in 2012.

### *Ongoing Training*

From time to time, we may require that you, designated managers, and other employees attend system-wide refresher or additional training courses. Some of these courses may be optional, while others may be required. If you appoint a new designated manager, that person must attend and successfully complete our Seniors Blue Book Initial Training Program before assuming responsibility for the management of your Seniors Blue Book Business. If we conduct an inspection of your Seniors Blue Book Business and determine you are not operating in compliance with the Franchise Agreement, we may require that you attend remedial training that addresses your operational deficiencies. You may also request that we provide additional training (either at corporate headquarters or at your Seniors Blue Book Business).

In addition to participating in ongoing training, you will be required to attend an annual meeting of all franchisees at a location we designate and pay a convention fee if we hold an annual meeting of all franchisees (See Item 6). You are responsible for all travel and expenses for your attendees.

## **ITEM 12 TERRITORY**

The Franchise Agreement for your Seniors Blue Book Franchise grants you a protected territory (“Territory”) based on the geographic area, the number of qualified event locations, and population properties within that area and other relevant demographic characteristics. We will grant only one license to a franchisee for any area with a population of approximately 10,000 to 500,000 individuals aged 65 and older in the designated geographical location (“Population Limit”), depending on your Initial Franchise Fee. The population statistics used in determining your Territory will be based on numbers derived from the current U.S. Census report and supplemented with other information available and other population statistical sources to determine populations. Your Territory provides a protected distribution area for your Seniors Blue Book Guides. Your Territory will be identified in an attachment to your Franchise Agreement. You are not prohibited from the use of other channels of distribution, such as the Internet, catalog sales, telemarketing, or directly marketing to or soliciting customers whose principal residence is outside of your Territory as long as it is not inside the territory of another Seniors Blue Book Franchise and you follow any off-site policies and procedures in our Brand Standards Manual.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

We and our affiliates retain all rights and discretion with respect to the Marks and System that are not expressly granted to you. These include the right to: (a) establish or operate, and grant others the right to establish or operate, Seniors Blue Book Franchises at any location, regardless of where such business are located, including inside the Territory (except we will not distribute, or grant others the right to distribute, Guides inside the Territory); (b) service national accounts and corporate accounts within the Territory, or allow other Seniors Blue Book Franchises or third parties to service national accounts and corporate accounts if the franchisee is in default, unable, or unwilling to provide necessary products or services; (c) establish or operate, and grant others the right to establish or operate, other businesses offering the same or similar products utilizing the Marks or other trade names, trademarks, and service marks if the franchisee is in default, unable, or unwilling to provide necessary products or services; (d) distribute, or grant others the right to distribute, Guides or similar publications using the Marks or other trade names, trademarks, and service marks in the Territory, if the franchisee is in default, unable, or unwilling to acquire enough clients to publish a Guide; (e) distribute, or grant others the right to distribute publications in other industries that do not specifically focus on senior citizens anywhere; (f) provide

products and services similar to those offered through the Seniors Blue Book Business through any alternate channel of distribution, including through the Internet, which is exclusively reserved for us (we will collect a 40% commission fee for any advertising sales you make for advertising on the System Website); (g) provide products and services similar to those offered through the Seniors Blue Book Business throughout the Territory under different or derivative Marks; (h) utilize the System Website and any other websites, including social media websites, utilizing a domain name incorporating the words “Seniors Blue Book” or the Marks, or similar derivatives (see Franchise Agreement 1F(8)); (i) purchase or be purchased by, or merge or combine with, any business, including a business that competes directly with your Seniors Blue Book Business, wherever located; (j) acquire and convert to the System operated by us, any businesses offering products and services related to the generation of a senior resources publication and advertising directory, including such businesses operated by competitors or otherwise operated independently or as part of, or in association with, any other system or chain, whether franchised or corporately owned, located anywhere, as long as in such situations, the newly-acquired businesses may not operate under the Marks in the Territory; (k) implement multi-area marketing programs that may allow us or others to solicit or sell to clients anywhere, require that you participate in discount programs, or direct such clients to the Seniors Blue Book Business that we choose, at our discretion.

Although we reserve the rights described, neither we nor any affiliate, operates, franchises or has plans to operate or franchise a business under a different trademark that sells or will sell goods or services similar to those offered by you or our other Franchises.

We are not required to pay you if we exercise any of the rights specified above within your Territory.


You may operate the Seniors Blue Book Business only within your Territory. You must not relocate your Seniors Blue Book Business without obtaining our written consent of the relocation.

You do not receive the right to acquire additional Seniors Blue Book Franchises within the Territory. You are not given a right of first refusal on the sale of existing Seniors Blue Book Franchises.

### **ITEM 13 TRADEMARKS**

The Franchise Agreement and your payment of the Royalty grant you the non-exclusive right and license to operate your Franchise using our principal Marks listed below. You may also use other future trademarks, service marks, and logos we approve to identify your Seniors Blue Book Franchise.

The Marks and the System are owned by SBBI, and are licensed to us. SBBI has granted us a license (“Trademark License”) to use the Marks to franchise the System around the world. The Trademark License extended until October 2022, when it automatically renewed for ten years. The Trademark License will continue to automatically renew for subsequent ten-year periods provided we are not in default or do not materially breach the Trademark License by engaging in any activity which damages the Marks or the goodwill of the System. If the Trademark License is terminated, SBBI has agreed to license the use of the Marks directly to our franchisees until such time as each franchise agreement expires or is otherwise terminated. SBBI has registrations with the United States Patent and Trademark Office (“USPTO”) for the following Marks:

Trademark	Registration Number	Registration Date	Register
SENIORS Blue Book	4,416,891	October 15, 2013	Principal
 SENIORS BlueBook	4,776,217	July 21, 2015	Principal

All required affidavits and renewals have been filed for the registered Marks.

There are no effective adverse material determinations of the USPTO, the Trademark Trial and Appeal Board, or the trademark administrator of any state or any court, and no pending infringement, opposition or cancellation proceedings, or material litigation involving the Marks. Except for the Trademark License, no agreement significantly limits our right to use or license the Marks in a manner material to your Franchise. We do not know of either superior prior rights or infringing uses that could materially affect your use of the Marks in any state.

If it becomes advisable at any time, at our sole discretion, for us and/or you to modify or discontinue using any Mark and/or use one or more additional or substitute trademarks or service marks, you must comply with our directions within a reasonable time after receiving notice. We will not reimburse you for your direct expenses of changing signage, for any loss of revenue or other indirect expenses due to any modified or discontinued Mark, or for your expenses of promoting a modified or substituted trademark or service mark.

We will defend you against any claim brought against you by a third party that your use of the Marks, according to the Franchise Agreement, infringes upon that party’s intellectual property rights. We may require your assistance, but we will exclusively control any proceeding or litigation relating to our Marks. We have no obligation to pursue any infringing users of our Marks or protect you against unfair competition arising out of your use of the Mark. If we learn of an infringing user, we will take the action appropriate, but we are not required to take any action if we do not feel it is warranted. You must notify us within three days if you learn that any party is using the Marks or a trademark that is confusingly similar to the Marks. We have the sole discretion to take such action as we deem appropriate to exclusively control any litigation or administrative proceeding involving a trademark licensed by us to you.

**ITEM 14  
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

The information in the Brand Standards Manual is proprietary and is protected by copyright and other laws. The designs contained in the Marks, the layout of our advertising materials, the content and format of our products, and any other writings and recordings in print or electronic form are also protected by copyright and other laws. Although we have not applied for copyright registration for the Brand Standards Manual, our advertising materials, the content and format of our products, or any other writings and recordings that are material to the franchise, we claim common law and federal copyrights in these items. We grant you the right to use this proprietary and copyrighted information (“Copyrighted

Materials”) for the operation of your Seniors Blue Book Franchise, but such copyrights remain our sole property.

There are no effective determinations of the United States Copyright Office or any court regarding any Copyrighted Materials of ours, nor are there any proceedings pending, nor are there any effective agreements between us and third parties pertaining to the Copyrighted Materials that will or may significantly limit using our Copyrighted Materials.

No patents or patents pending are material to us at this time.

Our Brand Standards Manual, electronic information and communications, sales and promotional materials, the development and use of our System, standards, specifications, policies, procedures, information, concepts and systems on, knowledge of, and experience in the development, operation, and franchising of Seniors Blue Book Businesses, our training materials and techniques, information concerning product and service sales, operating results, financial performance, and other financial data of Seniors Blue Book Businesses, and other related materials are proprietary and confidential (“Confidential Information”) and are our property to be used by you only as described in the Franchise Agreement and Brand Standards Manual. Where appropriate, certain information has also been identified as trade secrets (“Trade Secrets”). You must maintain the confidentiality of our Confidential Information and Trade Secrets and adopt reasonable procedures to prevent unauthorized disclosure of our Confidential Information and Trade Secrets.

We will disclose parts of the Confidential Information and Trade Secrets to you as we deem necessary or advisable for you to develop your Seniors Blue Book Business during training and in guidance and assistance furnished to you under the Franchise Agreement, and you may learn or obtain from us additional Confidential Information and Trade Secrets during the term of the Franchise Agreement. The Confidential Information and Trade Secrets are valuable assets of ours and are disclosed to you on the condition that you, and your owners if you are a business entity, and employees agree to maintain the information in confidence by entering into a confidentiality agreement we can enforce. Nothing in the Franchise Agreement will be construed to prohibit you from using the Confidential Information or Trade Secrets in the operation of other Seniors Blue Book Businesses during the term of the Franchise Agreement.

You must notify us within three days after you learn about another’s use of language, a visual image, or a recording of any kind that you perceive to be identical or substantially similar to one of our Copyrighted Materials or use of our Confidential Information or Trade Secrets, or if someone challenges your use of our Copyrighted Materials, Confidential Information, or Trade Secrets. We will take whatever action we deem appropriate, in our sole and absolute discretion, to protect our rights in and to the Copyrighted Materials, Confidential Information, or Trade Secrets, which may include payment of reasonable costs associated with the action. However, the Franchise Agreement does not require us to take affirmative action in response to any apparent infringement of or challenge to your use of any Copyrighted Materials, Confidential Information, or Trade Secrets, or claim by any person of any rights in any Copyrighted Materials, Confidential Information, or Trade Secrets. You may not communicate with anyone except us, our counsel, or our designees regarding any infringement, challenge, or claim. We will take action as we deem appropriate regarding any infringement, challenge, or claim, and the sole right to control exclusively any litigation or other proceeding arising out of any infringement, challenge, or claim under any Copyrighted Materials, Confidential Information, or Trade Secrets. You must sign any and all instruments and documents, give the assistance, and do acts and things that may, in the opinion of our counsel, be necessary to protect and maintain our interests in any litigation or proceeding

or to protect and maintain our interests in the Copyrighted Materials, Confidential Information, or Trade Secrets.

## **ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS**

Your Seniors Blue Book Business must be managed by you, or if you are an entity, by one of your owners who is a natural person with at least a 25% ownership interest and voting power in the entity (“Managing Owner”). Under certain circumstances, we may allow you to appoint a designated manager (“Designated Manager”) to run the day-to-day operations of the Seniors Blue Book Business. The Designated Manager must successfully complete our training program (See Item 11). The Designated Manager need not have an ownership interest in the legal entity of the Franchise owner. If you replace a Designated Manager, the new Designated Manager must satisfactorily complete our training program at your own expense.

Any Designated Manager and, if you are an entity, an officer that does not own equity in the Franchisee entity must sign the System Protection Agreement, which is attached to this Franchise Disclosure Document in Exhibit H. All of your employees, independent contractors, agents, or representatives that may have access to our Confidential Information must sign a Confidentiality Agreement (unless they already signed a System Protection Agreement), which is attached to this Franchise Disclosure Document in Exhibit H. If you are an entity, each direct and indirect owner (i.e., each person holding an ownership interest in you) must sign an Owners Agreement guarantying the obligations of the entity, which is attached to the Franchise Agreement as Attachment C. We also require that the spouses of the Franchise owners sign the Owners Agreement. The Owners Agreement contains a personal guaranty and covenant not to compete.

System Standards may, among others, regulate the Seniors Blue Book Business staffing levels, identify Seniors Blue Book Business personnel, and may regulate employee qualifications, training, dress, and appearance. You, your Designated Manager, if applicable, or the Managing Owner if you are an entity, must control your employees and the terms and conditions of their employment.

You must grant us a security interest in all of the assets of the Seniors Blue Book Business, including inventory, accounts, supplies, contracts, and proceeds and products of all those assets.

## **ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

You must sell or offer for sale only those products and services authorized by us and that meet our standards and specifications. You must follow our policies, procedures, methods, and techniques. You must sell or offer for sale all types of products and services specified by us. We may change or add to our required products and services at our discretion with prior notice to you. If we change or add to our required products and services, the changes or additions will remain in permanent effect, unless we specify otherwise. The amount you must pay for the changes or additions will depend upon the nature and type of changes or additions. You must discontinue selling and offering for sale any products or services that we disapprove. There are no limitations on our rights to make changes to the required services and products offered by you. We reserve the right to establish minimum and maximum resale prices for use with multi-area marketing programs and special price promotions as allowed by law.

You may not sell products or services, or advertise products or services through other channels of distribution, such as wholesale, Internet or mail order sales except as set forth in our off-site policies and procedures in our Brand Standards Manual. You must follow our online policy as it relates to establishing any account or participating in any social networking sites and crowdfunding sites. Our online policy may completely prohibit you from any use of the Marks in social networking sites or other online use.

## ITEM 17 THE FRANCHISE RELATIONSHIP

**This table lists certain important provisions of the franchise agreement and related agreements. You should read these provisions in the agreements attached to this disclosure document.**

Provision	Section in Franchise Agreement	Summary
(a) Length of the franchise term	Section 1D	Seven years.
(b) Renewal or extension of the term	Section 13	If you are in good standing and you meet other requirements, you may enter into one successor term of ten years.
(c) Requirements for franchisee to renew or extend	Section 13	The term “renewal” refers to extending our franchise relationship at the end of your initial term and any other renewal or extension of the initial term. Your successor franchise rights permit you to remain as a Franchise after the initial term of your Franchise Agreement expires. You must give us timely written notice; maintain compliance with the Franchise Agreement and System Standards; cure deficiencies; maintain possession of and agree to remodel, refurbish or replace any operating assets; make modifications to the Seniors Blue Book Business as we require; sign our then-current franchise agreement and any ancillary documents for the successor term, and this new franchise agreement may have materially different terms and conditions (including, for example, higher Royalty and advertising contributions, and different Territory boundaries) from the Franchise Agreement that covered your initial term; sign a release (if law allows), and other documents we use to grant Franchises; and pay the successor franchise fee.
(d) Termination by franchisee	Section 14A	You may terminate the Franchise Agreement if you are in compliance with it and we are in material breach and we fail to cure that breach within 30 days of receiving written notice, subject to applicable state law.
(e) Termination by franchisor without cause	Not Applicable	Not applicable.
(f) Termination by franchisor with cause	Section 14B	We can terminate upon certain violations of the Franchise Agreement by you.

Provision	Section in Franchise Agreement	Summary
(g) “Cause” defined - curable defaults	Section 14B	You have ten days to cure monetary defaults; failure to maintain any insurance, license, or permit; and violations of other applicable laws, regulations, ordinances, or consent decrees; and 30 days to cure operational defaults and other defaults not specified in (h) below.
(h) “Cause” defined - non-curable defaults	Section 14B	Non-curable defaults: the defaults listed in Section 14B of the Franchise Agreement.
(i) Franchisee’s obligations on termination/ non-renewal	Section 15	Obligations include payment of amounts due; complete de-identification; notifying telephone company and telephone directory publishers of termination of your right to numbers and authorizing transfer or forwarding of the numbers and directory listings; and return of Brand Standards Manual, all Confidential Information, Trade Secrets, and records.
(j) Assignment of contract by franchisor	Section 12A	No restriction on our right to assign.
(k) “Transfer” by franchisee - defined	Section 12B	Includes any voluntary, involuntary, direct, or indirect assignment, sale, gift, exchange, grant of a security interest, or change of ownership in the Franchise Agreement, the Franchise, or interest in the Franchise.
(l) Franchisor’s approval of transfer by franchisee	Section 12B	We have the right to approve all transfers.
(m) Conditions for franchisor’s approval of transfer	Section 12C	New franchise owner qualifies; you pay us, our affiliates, and third-party vendors all amounts due; submit all required reports; no default during the 60-day period before transfer request or during period between request and transfer’s proposed effective date; new franchise owner (and its owners and affiliates) are not in a competitive business; training completed; lease permitted to be transferred; you or transferee signs our then-current franchise agreement and other documents, provisions of which may differ materially from those contained in the Franchise Agreement; pay transfer fee; you sign release (if law allows); you and any other direct or indirect owners execute a guaranty; we approve material terms; you subordinate amounts due to you; you cease to use the Marks; and you and your owners and your and their immediate families will not engage in a competitive business for a specified time frame after the transfer.
(n) Franchisor’s right of first refusal to acquire franchisee’s business	Section 12G	We have 30 days to match any offer for your Seniors Blue Book Business or an ownership interest in you.

Provision	Section in Franchise Agreement	Summary
(o) Franchisor’s option to purchase franchisee’s business	Section 15F	We may, but are not required to, purchase your Seniors Blue Book Franchise, inventory, or equipment at fair market value if your Franchise is terminated for any reason by giving you written notice of our intent to exercise this option within 30 days after the date of termination or expiration of the Franchise Agreement.
(p) Death or disability of franchisee	Section 12E	The Franchise Agreement must be transferred or assigned to a qualified third party within a reasonable amount of time not to exceed nine months after your death or disability, or the Franchise Agreement may be terminated. A manager must be appointed and must complete training and be acceptable to us or, if not, we may assume management.
(q) Non-competition covenants during the term of the franchise	Section 7	Neither you, your principal owners, nor any immediate family members of you or your principal owners may divert or attempt to divert business; have no ownership interest in, loan money to, or perform services for a competitive business located anywhere, subject to applicable state law. “ <u>Competitive Business</u> ” means any business that: (i) sells or offers to sell products that same as or similar to the type of products sold by you in and/or from the Franchisee Territory (including, but not limited to, the products we authorize); or (ii) provides or offers to provide services the same as or similar to the type of services sold by you in and/or from the Franchisee Territory (including, but not limited to, the services we authorize), but excludes a Seniors Blue Book business operating pursuant to a franchise agreement with us, subject to applicable state law.
(r) Non-competition covenants after the franchise is terminated or expires	Sections 15E	Owners and their spouses cannot have any direct or indirect interest in, own, manage, operate, finance, control, or participate in any Competitive Business for two years within a 100-mile radius from all other Seniors Blue Book Businesses that are operating under development, subject to applicable state law.
(s) Modification of the agreement	Sections 1G, 4E and 17	We reserve the right to vary System Standards for any franchise owner. The Brand Standards Manual is subject to change at any time at our discretion.
(t) Integration/merger clause	Section 17L	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of this Franchise Disclosure Document and the Franchise Agreement may not be enforceable. Notwithstanding the foregoing, nothing in the Franchise Agreement or any related agreement is intended to disclaim the representations made in this Franchise Disclosure Document.

Provision	Section in Franchise Agreement	Summary
(u) Dispute resolution by arbitration or mediation	Section 17F	Except for certain claims, all disputes must be mediated and arbitrated in the principal city closest to our principal place of business (currently Salida, Colorado), subject to applicable state law.
(v) Choice of forum	Section 17H	Litigation must be commenced in the state or federal court of general jurisdiction which is closest to Salida, Colorado (or another city where we maintain our principal place of business at the time of the controversy), but we and you may enforce any arbitration orders and awards in the courts of the state(s) in which you are domiciled or your Seniors Blue Book Business is located, subject to applicable state law.
(w) Choice of law	Section 17G	Colorado law applies, subject to applicable state law.

**ITEM 18  
PUBLIC FIGURES**

We do not use any public figures to promote our Franchise.

**ITEM 19  
FINANCIAL PERFORMANCE REPRESENTATIONS**

The FTC’s Franchise Rule permits a franchisor to disclose information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, and/or affiliate-owned outlets, if there is a reasonable basis for the information, and 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 performance at a particular location or under particular circumstances.

As of September 30, 2024, we had eight affiliate-owned locations (“Affiliate Locations”) and 12 franchised locations (“Franchised Locations”). The Denver Metro location is split into two annual printed Guides, but encompasses one Internet territory. For purposes of Item 19 and Item 20 location totals, we treat the Denver Metro area as two Affiliate Locations (Denver South and Denver North). The information in the following charts consists of the actual performance of all operating locations that have been open for at least one year as of December 31, 2024, which consists of all of our Affiliate Locations and all of our Franchised Locations. We have included information for calendar years 2022, 2023 and 2024 for each Seniors Blue Book Business in operation. We have identified each Seniors Blue Book Business by the population of individuals over 65 years of age. Some Seniors Blue Book Businesses publish only one Guide per year, while others publish two Guides per year as indicated in the charts below. New franchisees will be required to publish two Guides per year.

The financial information for the Affiliate Locations was prepared from internal accounting records and reports. The financial information for the Franchised Locations was provided by franchisees, but we have no reason to doubt their accuracy.

Franchised outlets will share similar characteristics as Affiliate Locations, including degree of competition, similar goods sold, and expenses incurred. The Affiliate Locations do not pay a Royalty, which franchisees are required to pay, or contribute National Fund Contributions, which franchisees may be required to pay in the future. We have included certain expenses in the charts below. Franchise locations will have additional expenses in addition to the expenses listed below.

**Affiliate Locations**

**Annual Operating Costs and Margins by Demographic Market Size  
(Number of Senior Citizen Households Age 65+)**

**SOUTHERN COLORADO  
Began operations 2005, One Publication Per Year  
1,000 - 25,000 Households Age 65+**

Year	Gross Revenue, Operating Costs and Gross Margin					Royalty (illustration only)	Adjusted Gross Margin
	Gross Revenue	Printing	Graphics	Distribution/Direct Mail	Gross Margin		
2022	\$61,752	(\$22,256)	(\$4,065)	(\$9,882)	\$25,549	(\$3,705)	\$21,844
2023	\$67,275	(\$23,303)	(\$3,065)	(\$10,296)	\$30,611	(\$4,037)	\$26,575
2024	\$69,780	(\$21,417)	(\$3,785)	(\$12,910)	\$31,668	(\$4,187)	\$27,481

Year	Operating Costs and Margin as Percentage of Gross Revenue				Adjusted Gross Margin
	Printing	Graphics	Distribution/Direct Mail	Gross Margin	
2022	36.0%	6.6%	16.0%	41.4%	35.4%
2023	34.6%	4.6%	15.3%	45.5%	39.5%
2024	30.7%	5.4%	18.5%	45.4%	39.4%

**BOULDER, COLORADO  
Began operations 2005, One Publication Per Year  
25,000 - 50,000 Households Age 65+**

Year	Gross Revenue, Operating Costs and Gross Margin					Royalty (illustration only)	Adjusted Gross Margin
	Gross Revenue	Printing	Graphics	Distribution/Direct Mail	Gross Margin		
2022	\$128,971	(\$27,048)	(\$4,825)	(\$12,095)	\$85,003	(\$7,738)	\$77,265
2023	\$145,670	(\$23,358)	(\$4,550)	(\$12,262)	\$105,500	(\$8,740)	\$96,760
2024	\$131,355	(\$24,799)	(\$4,395)	(\$12,957)	\$89,204	(\$7,881)	\$81,323

Year	Operating Costs and Margin as Percentage of Gross Revenue				Adjusted Gross Margin
	Printing	Graphics	Distribution/Direct Mail	Gross Margin	
2022	21.0%	3.7%	9.4%	65.9%	59.9%
2023	10.6%	3.1%	8.4%	72.4%	66.4%
2024	18.9%	3.4%	9.9%	67.9%	61.9%

**COLORADO SPRINGS, COLORADO**  
**Began operations 2005, One Publication Per Year**  
**50,000 - 100,000 Households Age 65+**

Year	Gross Revenue, Operating Costs and Gross Margin					Royalty (illustration only)	Adjusted Gross Margin
	Gross Revenue	Printing	Graphics	Distribution/Direct Mail	Gross Margin		
2022	\$206,080	(\$46,140)	(\$6,695)	(\$16,745)	\$136,500	(\$12,365)	\$124,135
2023	\$216,870	(\$45,146)	(\$6,730)	(\$16,620)	\$148,374	(\$13,012)	\$135,362
2024	\$208,116	(\$42,776)	(\$5,580)	(\$15,256)	\$144,504	(\$12,487)	\$132,017

Year	Operating Costs and Margin as Percentage of Gross Revenue				Adjusted Gross Margin
	Printing	Graphics	Distribution/Direct Mail	Gross Margin	
2022	22.4%	3.2%	8.1%	66.2%	60.2%
2023	20.8%	3.1%	7.7%	68.4%	62.4%
2024	20.6%	2.7%	7.3%	69.4%	63.4%

**NORTHERN COLORADO**  
**Began operations 2005, Two Publications Per Year**  
**50,000 - 100,000 Households Age 65+**

Year	Gross Revenue, Operating Costs and Gross Margin					Royalty (illustration only)	Adjusted Gross Margin
	Gross Revenue	Printing	Graphics	Distribution/Direct Mail	Gross Margin		
2022	\$161,555	(\$46,492)	(\$5,795)	(\$15,187)	\$94,081	(\$9,693)	\$84,388
2023	\$216,119	(\$38,675)	(\$5,105)	(\$15,645)	\$156,694	(\$12,967)	\$143,727
2024	\$213,543	(\$41,304)	(\$5,445)	(\$18,213)	\$148,581	(\$12,813)	\$135,768

Year	Operating Costs and Margin as Percentage of Gross Revenue				Adjusted Gross Margin
	Printing	Graphics	Distribution/Direct Mail	Gross Margin	
2022	28.8%	3.6%	9.4%	58.2%	52.2%
2023	17.9%	2.4%	7.2%	72.5%	66.5%
2024	19.3%	2.6%	8.5%	69.6%	63.6%

**WESTERN SLOPE COLORADO**  
**Began operations 2005, One Publication Per Year**  
**25,000 - 50,000 Households Age 65+**

Year	Gross Revenue, Operating Costs and Gross Margin					Royalty (illustration only)	Adjusted Gross Margin
	Gross Revenue	Printing	Graphics	Distribution/Direct Mail	Gross Margin		
2022	\$70,972	(\$32,838)	(\$5,375)	(\$11,707)	\$21,052	(\$4,258)	\$16,794
2023	\$99,311	(\$25,558)	(\$4,725)	(\$11,804)	\$57,224	(\$5,959)	\$51,265
2024	\$99,128	(\$28,235)	(\$4,855)	(\$15,899)	\$50,139	(\$5,948)	\$44,191

Year	Operating Costs and Margin as Percentage of Gross Revenue				Adjusted Gross Margin
	Printing	Graphics	Distribution/Direct Mail	Gross Margin	
2022	46.3%	7.6%	16.5%	29.7%	23.7%
2023	25.7%	4.8%	11.9%	57.6%	51.6%
2024	28.5%	4.9%	16.0%	50.6%	44.6%

**SOUTH DENVER<sup>(1)</sup>**  
**Began operations 2005, One Publication Per Year Per Market**  
**200,000 - 250,000 Households Age 65+**

Year	Gross Revenue, Operating Costs and Gross Margin					Royalty (illustration only)	Adjusted Gross Margin
	Gross Revenue	Printing	Graphics	Distribution/Direct Mail	Gross Margin		
2022	\$391,703	(\$75,487)	(\$7,890)	(\$16,228)	\$292,098	(\$23,502)	\$268,596
2023	\$466,183	(\$66,532)	(\$7,530)	(\$9,870)	\$382,251	(\$27,971)	\$354,280
2024	\$443,862	(\$53,261)	(\$8,475)	(\$10,275)	\$371,851	(\$26,632)	\$345,219

Year	Operating Costs and Margin as Percentage of Gross Revenue				Adjusted Gross Margin
	Printing	Graphics	Distribution/Direct Mail	Gross Margin	
2022	19.3%	2.0%	4.1%	74.6%	68.6%
2023	14.3%	1.6%	2.1%	82.0%	76.0%
2024	12.0%	1.9%	2.3%	83.8%	77.8%

<sup>(1)</sup>The Denver Metro location is split into two printed Guides but encompasses one Internet territory of approximately 415,000 individuals over 65 years of age. The South Denver area represents a population of approximately 200,000 individuals over 65 years of age and has been noted separately in the charts immediately above.

**NORTH DENVER<sup>(1)</sup>**  
**Began operations 2005, One Publication Per Year Per Market**  
**200,000 - 250,000 Households Age 65+**

Year	Gross Revenue, Operating Costs and Gross Margin					Royalty (illustration only)	Adjusted Gross Margin
	Gross Revenue	Printing	Graphics	Distribution/Direct Mail	Gross Margin		
2022	\$325,315	(\$61,510)	(\$6,765)	(\$13,496)	\$243,544	(\$19,519)	\$224,025
2023	\$375,761	(\$53,632)	(\$7,160)	(\$9,790)	\$305,179	(\$22,546)	\$282,633
2024	\$367,169	(\$46,589)	(\$5,160)	(\$10,878)	\$304,542	(\$22,030)	\$282,512

Year	Operating Costs and Margin as Percentage of Gross Revenue				Adjusted Gross Margin
	Printing	Graphics	Distribution/Direct Mail	Gross Margin	
2022	18.9%	2.1%	4.1%	74.9%	68.9%
2023	14.3%	1.9%	2.6%	81.2%	75.2%
2024	12.7%	1.4%	3.0%	82.9%	76.9%

<sup>(1)</sup>The Denver Metro location is split into two printed Guides, but encompasses one Internet territory of approximately 415,000 individuals over 65 years of age. The North Denver area represents a population of approximately 200,000 individuals over 65 years of age and has been noted separately in the charts immediately above.

**OMAHA NEBRASKA**  
**Began operations 2019, Two Publications Per Year**  
**100,000 - 150,000 Households Age 65+**

Year	Gross Revenue, Operating Costs and Gross Margin					Royalty (illustration only)	Adjusted Gross Margin
	Gross Revenue	Printing	Graphics	Distribution/Direct Mail	Gross Margin		
2022	\$80,050	(\$35,156)	(\$8,590)	(\$7,189)	\$29,115	(\$4,803)	\$24,312
2023	\$76,200	(\$27,684)	(\$7,170)	(\$6,992)	\$34,354	(\$4,572)	\$29,782
2024	\$40,075	(\$14,531)	(\$3,535)	(\$3,589)	\$18,420	(\$2,405)	\$10,015

Year	Operating Costs and Margin as Percentage of Gross Revenue				Adjusted Gross Margin
	Printing	Graphics	Distribution/Direct Mail	Gross Margin	
2022	43.9%	10.7%	9.0%	36.4%	30.4%
2023	36.3%	9.4%	9.2%	45.1%	39.1%
2023	36.3%	8.8%	9.0%	46.0%	40.0%

**Franchised Locations**

**BOISE, ID**  
**Began operations 2013, One Publication Per Year**  
**50,000 - 100,000 Households Age 65+**

Year	Gross Revenue, Operating Costs and Gross Margin				
	Gross Revenue	Printing	Graphics	Distribution/Direct Mail	Gross Margin
2022	\$259,140	(\$78,556)	(\$8,085)	(\$13,200)	\$159,299
2023	\$277,350	(\$71,350)	(\$8,090)	(\$22,686)	\$175,044
2024	\$317,840	(\$71,675)	(\$5,750)	(\$25,128)	\$215,287

Year	Operating Costs and Margin as Percentage of Gross Revenue			
	Printing	Graphics	Distribution/Direct Mail	Gross Margin
2022	30.3%	3.1%	5.1%	61.5%
2023	25.8%	2.9%	8.2%	63.1%
2024	22.6%	1.8%	7.9%	67.7%

**CONNECTICUT - SOUTHERN**  
**Began operations 2015, Two Publications Per Year**  
**150,000 - 200,000 Households Age 65+**

Year	Gross Revenue, Operating Costs and Gross Margin				
	Gross Revenue	Printing	Graphics	Distribution/Direct Mail	Gross Margin
2022	\$155,311	(\$56,722)	(\$11,340)	(\$10,846)	\$76,403
2023	\$72,107	(\$27,106)	(\$5,515)	(\$4,996)	\$34,490
2024 <sup>(1)</sup>	\$0	\$0	\$0	\$0	\$0

<sup>(1)</sup>Did not publish in 2024.

Operating Costs and Margin as Percentage of Gross Revenue				
Year	Printing	Graphics	Distribution/Direct Mail	Gross Margin
2022	36.5%	7.3%	7.0%	49.2%
2023	37.6%	7.6%	6.9%	47.8%
2024 <sup>(1)</sup>	0.0%	0.0%	0.0%	0.0%

<sup>(1)</sup>Did not publish in 2024.

**KANSAS CITY**  
**Began operations 2015, One Publication Per Year**  
**200,000 - 250,000 Households Age 65+**

Gross Revenue, Operating Costs and Gross Margin					
Year	Gross Revenue	Printing	Graphics	Distribution/Direct Mail	Gross Margin
2022	\$267,000	(\$46,000)	(\$6,700)	(\$31,148)	\$183,152
2023	\$283,100	(\$48,384)	(\$6,280)	(\$15,600)	\$212,836
2024	\$269,550	(\$33,902)	(\$5,750)	(\$13,917)	\$215,981

Operating Costs and Margin as Percentage of Gross Revenue				
Year	Printing	Graphics	Distribution/Direct Mail	Gross Margin
2022	17.2%	2.5%	11.7%	68.6%
2023	17.1%	2.2%	5.5%	75.2%
2024	12.6%	2.1%	5.2%	80.1%

**SOUTHEASTERN PENNSYLVANIA**  
**Began operations 2015, Two Publications Per Year**  
**100,000 - 150,000 Households Age 65+**

Gross Revenue, Operating Costs and Gross Margin					
Year	Gross Revenue	Printing	Graphics	Distribution/Direct Mail	Gross Margin
2022	\$277,824	(\$69,405)	(\$11,395)	(\$5,481)	\$191,543
2023	\$228,707	(\$81,636)	(\$11,580)	(\$4,841)	\$130,650
2024	\$199,107	(\$67,384)	(\$11,619)	(\$1,409)	\$118,695

Operating Costs and Margin as Percentage of Gross Revenue				
Year	Printing	Graphics	Distribution/Direct Mail	Gross Margin
2022	25.0%	4.1%	2.0%	68.9%
2023	35.7%	5.1%	2.1%	57.1%
2024	33.8%	5.8%	0.7%	59.6%

**DALLAS**  
**Began operations 2016, One Publication Per Year**  
**200,000 - 250,000 Households Age 65+**

Gross Revenue, Operating Costs and Gross Margin					
Year	Gross Revenue	Printing	Graphics	Distribution/Direct Mail	Gross Margin
2022	\$130,130	(\$45,342)	(\$4,915)	(\$26,089)	\$53,784
2023	\$151,650	(\$42,046)	(\$4,380)	(\$26,981)	\$78,243
2024	\$127,040	(\$36,519)	(\$4,180)	(\$31,652)	\$54,689

Operating Costs and Margin as Percentage of Gross Revenue				
Year	Printing	Graphics	Distribution/Direct Mail	Gross Margin
2022	34.8%	3.8%	20.0%	41.3%
2023	27.7%	2.9%	17.8%	51.6%
2024	28.8%	3.3%	24.9%	43.1%

**ORLANDO**  
**Began operations 2017, Two Publications Per Year**  
**200,000 - 250,000 Households Age 65+**

Gross Revenue, Operating Costs and Gross Margin					
Year	Gross Revenue	Printing	Graphics	Distribution/Direct Mail	Gross Margin
2022	\$136,400	(\$52,748)	(\$8,770)	(\$22,400)	\$52,482
2023 <sup>(1)</sup>	\$0	\$0	\$0	\$0	\$0
2024	\$70,014	(\$23,400)	(\$4,875)	(\$9,600)	\$32,139

<sup>(1)</sup>Did not publish in 2023.

Operating Costs and Margin as Percentage of Gross Revenue				
Year	Printing	Graphics	Distribution/Direct Mail	Gross Margin
2022	38.7%	6.4%	16.4%	38.5%
2023 <sup>(1)</sup>	0.0%	0.0%	0.0%	0.0%
2024	33.4%	7.0%	13.7%	45.9%

<sup>(1)</sup>Did not publish in 2023.

**BOSTON**  
**Began operations 2017, Two Publications Per Year**  
**200,000 - 250,000 Households Age 65+**

Gross Revenue, Operating Costs and Gross Margin					
Year	Gross Revenue	Printing	Graphics	Distribution/Direct Mail	Gross Margin
2022	\$94,365	(\$53,417)	(\$8,220)	(\$9,984)	\$22,744
2023 <sup>(1)</sup>	\$0	\$0	\$0	\$0	\$0
2024	\$102,215	(\$48,862)	(\$7,090)	(\$7,800)	\$38,463

<sup>(1)</sup>Did not publish in 2023.

Operating Costs and Margin as Percentage of Gross Revenue				
Year	Printing	Graphics	Distribution/Direct Mail	Gross Margin
2022	56.6%	8.7%	10.6%	24.1%
2023 <sup>(1)</sup>	0.0%	0.0%	0.0%	0.0%
2024	47.8%	6.9%	7.6%	37.6%

<sup>(1)</sup>Did not publish in 2023.

**ALABAMA GULF COAST**  
**Began operations in 2018, Two Publications Per Year**  
**50,000 - 100,000 Households Age 65+**

Gross Revenue, Operating Costs and Gross Margin					
Year	Gross Revenue	Printing	Graphics	Distribution/Direct Mail	Gross Margin
2022	\$110,145	(\$36,934)	(\$8,085)	(\$7,605)	\$57,521
2023	\$159,108	(\$36,830)	(\$8,710)	(\$9,730)	\$103,838
2024	\$198,837	(\$40,865)	(\$8,190)	(\$9,825)	\$139,957

Operating Costs and Margin as Percentage of Gross Revenue				
Year	Printing	Graphics	Distribution/Direct Mail	Gross Margin
2022	33.5%	7.3%	6.9%	52.2%
2023	23.1%	5.5%	6.1%	65.3%
2024	20.6%	4.1%	4.9%	70.4%

**PITTSBURGH**  
**Began operations 2018, One Publication Per Year**  
**200,000 - 250,000 Households Age 65+**

Gross Revenue, Operating Costs and Gross Margin					
Year	Gross Revenue	Printing	Graphics	Distribution/Direct Mail	Gross Margin
2022	\$206,070	(\$74,347)	(\$10,991)	(\$11,658)	\$109,074
2023	\$169,230	(\$52,431)	(\$5,778)	(\$4,300)	\$106,721
2024	\$262,856	(\$59,975)	(\$5,750)	(\$2,655)	\$194,476

Operating Costs and Margin as Percentage of Gross Revenue				
Year	Printing	Graphics	Distribution/Direct Mail	Gross Margin
2022	36.1%	5.3%	5.7%	52.9%
2023	31.0%	3.4%	2.5%	63.1%
2024	22.8%	2.2 %	1.0%	74.0%

**TWIN CITIES**  
**Began operations in 2018, Two Publications Per Year**  
**200,000 - 250,000 Households Age 65+**

Gross Revenue, Operating Costs and Gross Margin					
Year	Gross Revenue	Printing	Graphics	Distribution/Direct Mail	Gross Margin
2022	\$174,700	(\$62,974)	(\$11,240)	(\$27,893)	\$10,482
2023	\$172,700	(\$59,700)	(\$9,220)	(\$16,900)	\$86,880
2024	\$176,525	(\$43,144)	(\$5,855)	(\$13,120)	\$114,406

Operating Costs and Margin as Percentage of Gross Revenue				
Year	Printing	Graphics	Distribution/Direct Mail	Gross Margin
2022	36.0%	6.4%	16.0%	41.6%
2023	34.6%	5.3%	9.8%	50.3%
2024	24.4%	3.3%	7.4%	64.8%

**MISSISSIPPI**  
**Began operations in 2022, Two Publications Per Year**  
**100,000 – 150,000 Households Age 65+**

Gross Revenue, Operating Costs and Gross Margin					
Year	Gross Revenue	Printing	Graphics	Distribution/Direct Mail	Gross Margin
2022	\$61,240	(\$10,575)	(\$4,000)	(\$10,000)	\$36,665
2023	\$160,920	(\$25,396)	(\$8,000)	(\$24,000)	\$103,524
2024	\$191,600	(\$19,463)	(\$7,335)	(\$27,000)	\$137,802

Operating Costs and Margin as Percentage of Gross Revenue				
Year	Printing	Graphics	Distribution/Direct Mail	Gross Margin
2022	17.3%	6.5%	16.3%	59.9%
2023	15.8%	5.0%	14.9%	64.3%
2024	10.2%	3.8%	14.1%	71.9%

**UTAH**  
**Began operations in 2023<sup>(1)</sup>, Two Publications Per Year**  
**150,000 - 200,000 Households Age 65+**

Gross Revenue, Operating Costs and Gross Margin					
Year	Gross Revenue	Printing	Graphics	Distribution/Direct Mail	Gross Margin
2023 <sup>(2)</sup>	\$0	\$0	\$0	\$0	\$0
2024	\$186,413	(\$41,276)	(\$5,750)	(\$17,374)	\$122,013

<sup>(1)</sup>This location was purchased from an affiliate and was operated as an affiliate outlet until July 6, 2022; however, the affiliate that previously operated location had already published its 2022 Guide prior to that date, so we have excluded the 2022 data from this chart.

<sup>(2)</sup>Did not publish in 2023.

Operating Costs and Margin as Percentage of Gross Revenue				
Year	Printing	Graphics	Distribution/Direct Mail	Gross Margin
2023 <sup>(2)</sup>	0.0%	0.0%	0.0%	0.0%
2024	22.1%	3.1%	9.3%	65.5%

<sup>(1)</sup>This location was purchased from an affiliate and was operated as an affiliate outlet until July 6, 2022; however, the affiliate that previously operated location had already published its 2022 Guide prior to that date, so we have excluded the 2022 data from this chart.

<sup>(2)</sup>Did not publish in 2023.

## Notes to Tables

1. The term “Gross Revenue” means the total selling price of all products and services sold at, from, or through your Seniors Blue Book Business, whether or not sold or performed at or from the Seniors Blue Book Business, including the full redemption value of any gift certificate or coupon sold for use with the Seniors Blue Book Business operation (fees retained by or paid to third-party sellers of such gift certificates or coupons are not excluded from this calculation) and all income and revenue of every other kind and nature related to the Seniors Blue Book Business operation, whether for cash or credit, and regardless of collection in the case of credit. Gross Revenues does not include: (1) the amount of any tax imposed by any federal, state, municipal, or other governmental authority directly on sales and collected from customers; as long as the amount of any such tax is shown separately and paid by Franchisee to the appropriate governmental authority; (2) all customer refunds, valid discounts, and coupons as authorized in writing by us, and credits made by the Seniors Blue Book Business (exclusions will not include any reductions for credit card user fees, returned checks, or reserves for bad credit or doubtful accounts); (3) any revenue generated from the sale of advertising on the system website (which is subject to Commission Fees); and (4) any commissions we pay Seniors Blue Book Businesses for sales that occur in your territory under a national account or corporate account, as described in Item 11.
2. The term “Gross Margin” equals Gross Revenue less printing, graphics, and distribution/direct mail expenses. “Adjusted Gross Margin” equals Gross Margin less imputed Royalty.
3. Franchised Seniors Blue Book Businesses are required to pay a Royalty of 6% of Gross Revenues. The illustrative adjustments of adding a Royalty (“Franchise Related Adjustments”) to Affiliate Locations in the tables above present financial projections. While we have not included the Royalty for Franchised Locations in the tables above, Franchised Locations must pay Royalty and other expenses that must be deducted from gross revenues to obtain net income. These projections are based on historical information. Certain assumptions and bases were made for these projections and we present these assumptions below. Any change in these assumptions would require material alterations to the projections.

### Assumptions:

Added Expenses. In making the Franchise Related Adjustments, we assumed that any additional expenses would not have a direct or indirect material effect on revenue or other expenses.

4. The above financial performance representations figures do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or

gross sales figures to obtain your net income or profit. Franchisees or former franchisees, listed in the Disclosure Document, may be one source of this information.

**Some outlets have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.**

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Other than the preceding financial performance representation, Seniors Blue Book Franchising LLC does not make any financial performance representations. 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 Oliver Hersch at 12228 South 1840 East, Draper, Utah 84020, (800) 201-9989, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20  
OUTLETS AND FRANCHISEE INFORMATION**

All year-end numbers appearing in the tables below are as of September 30 in each year.

Table No. 1

System-wide 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	12	14	+2
	2023	14	14	0
	2024	14	12	-2
Company-Owned*	2022	9	8	-1
	2023	8	8	0
	2024	8	8	0
Total Outlets	2022	21	22	+1
	2023	22	22	0
	2024	22	20	-2

\*These outlets (Affiliate Locations) are owned by our affiliate. One of the locations distributes two Guides in one market.

Table No. 2

Transfers of Outlets from Franchisees to New Owners  
(other than the Franchisor)  
For Years 2022 to 2024

State	Year	Number of Transfers
Illinois	2022	0
	2023	2
	2024	0
Totals	2022	0
	2023	2
	2024	0

Table No. 3

Status of Franchised Outlets  
For Years 2022 to 2024

State	Year	Outlets at Start of the Year	Outlets Added	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of the Year
Alabama	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Connecticut	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Florida	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Idaho	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Illinois	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	2	0
Kansas	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1

State	Year	Outlets at Start of the Year	Outlets Added	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
	2024	1	0	0	0	0	0	1
Massachusetts	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Minnesota	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Mississippi	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Oklahoma	2022	0	1	1	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Pennsylvania	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Texas	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Utah	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Total Outlets	2022	12	3	1	0	0	0	14
	2023	14	0	0	0	0	0	14
	2024	14	0	0	0	0	2	12

Table No. 4

Status of Company-Owned Outlets  
For Years 2022 to 2024

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Colorado	2022	7	0	0	0	0	7
	2023	7	0	0	0	0	7
	2024	7	0	0	0	0	7
Nebraska	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Utah	2022	1	0	0	0	1	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Total Outlets	2022	9	0	0	0	1	8
	2023	8	0	0	0	0	8
	2024	8	0	0	0	0	8

Table No. 5

Projected Openings as of  
September 30, 2024

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Nebraska	0	1	0
Total	0	1	0

The names, addresses, and telephone numbers of our current franchisees are attached to this Franchise Disclosure Document as Exhibit F. The name and last known address and telephone number of every current franchisee and every franchisee who has had a Seniors Blue Book Franchise terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under our franchise agreement during the one-year period ending September 30, 2024, or who has not communicated with us within ten weeks of the Issuance Date of this Franchise Disclosure Document is listed in Exhibit F. In some instances, current and former franchisees may sign provisions restricting their ability to speak openly about their experiences with the Seniors Blue Book Franchise System. You may

wish to speak with current and former franchisees, but know that not all such franchisees can communicate with you. During the last three fiscal years, we have not had any franchisees sign confidentiality provisions that would restrict their ability to speak openly about their experience with the Seniors Blue Book Franchise System. If you buy a Seniors Blue Book Franchise, your contact information may be disclosed to other buyers when you leave the Franchise System.

As of the Issuance Date of this Franchise Disclosure Document, there are no franchise organizations sponsored or endorsed by us, and no independent franchisee organizations have asked to be included in this Franchise Disclosure Document. We do not have any trademark specific franchisee organizations.

## **ITEM 21 FINANCIAL STATEMENTS**

Exhibit B contains the financial statements required to be included with this Franchise Disclosure Document: audited financial statements as of September 30, 2024, September 30, 2023, and September 30, 2022. Our fiscal year end is September 30.

## **ITEM 22 CONTRACTS**

The following exhibits contain proposed agreements regarding the Seniors Blue Book Franchise:

Exhibit C	Franchise Agreement
Exhibit G	State Addenda and Agreement Riders
Exhibit H	Contracts for use with the Seniors Blue Book Franchise

## **ITEM 23 RECEIPTS**

The last pages of this Franchise Disclosure Document, Exhibit J, are a detachable document, in duplicate. Please detach, sign, date, and return one copy of the Receipt to us, acknowledging that you received this Franchise Disclosure Document. Please keep the second copy for your records.

**EXHIBIT A**

**STATE ADMINISTRATORS AND  
AGENTS FOR SERVICE OF PROCESS**

**STATE ADMINISTRATORS AND  
AGENTS FOR SERVICE OF PROCESS**

**CALIFORNIA**

State Administrator and Agent for Service of Process:

Commissioner  
Department of Financial Protection and Innovation  
320 W. 4<sup>th</sup> Street, #750  
Los Angeles, CA 90013  
(213) 576-7500  
(866) 275-2677

**HAWAII**

Commissioner of Securities of the State of Hawaii  
335 Merchant Street, Room 203  
Honolulu, HI 96813  
(808) 586-2722

Agent for Service of Process:  
Commissioner of Securities of the State of Hawaii

Department of Commerce and Consumer Affairs  
Business Registration Division  
335 Merchant Street, Room 203  
Honolulu, HI 96813  
(808) 586-2722

**ILLINOIS**

Illinois Attorney General Chief, Franchise Division  
500 S. Second Street  
Springfield, IL 62706  
(217) 782-4465

**INDIANA**

Secretary of State  
Securities Division  
Room E-018  
302 W. Washington Street  
Indianapolis, IN 46204  
(317) 232-6681

**MARYLAND**

Office of the Attorney General  
Securities Division  
200 St. Paul Place  
Baltimore, MD 21202  
(410) 576-6360

**MARYLAND CONTINUED**

Agent for Service of Process:  
Maryland Securities Commissioner  
200 St. Paul Place  
Baltimore, MD 21202-2020

**MICHIGAN**

Michigan Department of Attorney General  
Consumer Protection Division  
525 W. Ottawa Street  
Lansing, MI 48913  
(517) 373-7117

**MINNESOTA**

Department of Commerce  
Commissioner of Commerce  
85 Seventh Place East, Suite 280  
St. Paul, MN 55101-3165  
(651) 539-1600

**NEW YORK**

Administrator:  
NYS Department of Law  
Investor Protection Bureau  
28 Liberty Street, 21<sup>st</sup> Floor  
New York, NY 10005  
(212) 416-8222

Agent for Service of Process:  
Secretary of State  
99 Washington Avenue  
Albany, NY 12231

**NORTH DAKOTA**

Administrator:  
North Dakota Securities Department  
600 East Boulevard Avenue  
State Capitol, Fourteenth Floor, Dept. 414  
Bismarck, ND 58505-0510  
(701) 328-4712

Agent for Service of Process:  
Securities Commissioner  
600 East Boulevard Avenue  
State Capitol, Fourteenth Floor, Dept. 414  
Bismarck, ND 58505-0510

**RHODE ISLAND**

Department of Business Regulation  
1511 Pontiac Avenue, Bldg. 68-2  
Cranston, RI 02920  
(401) 462-9527

**SOUTH DAKOTA**

Division of Insurance  
Securities Regulation  
124 South Euclid, Suite 104  
Pierre, SD 57501  
(605) 773-3563

**VIRGINIA**

State Corporation Commission  
Division of Securities and Retail Franchising  
1300 E. Main Street, 9<sup>th</sup> Floor  
Richmond, VA 23219

Agent for Service of Process:  
Clerk of the State Corporation Commission  
1300 E. Main Street, 1<sup>st</sup> Floor  
Richmond, VA 23219

**WASHINGTON**

State Administrator:  
Washington Department of Financial Institutions  
Securities Division  
P.O. Box 41200  
Olympia, WA 98504-1200  
(360) 902-8760

Agent for Service for Process:  
Director of Department of Financial Institutions  
Securities Division  
150 Israel Road SW  
Tumwater, WA 98501

**WISCONSIN**

Department of Financial Institutions  
Division of Securities  
201 W. Washington Avenue  
Madison, WI 53703  
(608) 266-3364

Rev. 090723

**EXHIBIT B**  
**FINANCIAL STATEMENTS**



# **SENIORS BLUE BOOK FRANCHISING LLC**

FINANCIAL STATEMENTS

WITH REPORT OF INDEPENDENT AUDITORS

SEPTEMBER 30, 2024, 2023 and 2022



# SENIORS BLUE BOOK FRANCHISING LLC

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## Independent Auditors' Report

To the Member  
of Seniors Blue Book Franchising LLC

### Opinion

We have audited the accompanying financial statements of Seniors Blue Book Franchising LLC, ("the Company"), which comprise the balance sheets as of September 30, 2024, 2023 and 2022, and the related statements of operations, member's equity (deficit), and cash flows for the years then ended, 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 Seniors Blue Book Franchising LLC as of September 30, 2024, 2023 and 2022, and the results of its operations and its cash flows for the years then ended 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 the Company 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.

### 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 the Company'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, including omissions, 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 the Company'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 the Company'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.

#### **Restrictions on Use**

The use of this report is restricted to inclusion within the Company's Franchise Disclosure Document (FDD) and is not intended to be, and should not be, used or relied upon by anyone for any other use.

*Kezas J Dunlay*

St. George, Utah  
December 6, 2024

**SENIORS BLUE BOOK FRANCHISING, LLC**  
**BALANCE SHEETS**  
As of September 30, 2024, 2023 and 2022

	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 8,476	\$ 12,737	\$ 51,624
Accounts receivable	79,647	49,132	66,607
Prepaid expenses	13,298	2,875	-
Related party receivable	-	91,000	100,000
Notes receivable, current portion	-	-	17,865
Total current assets	101,421	155,744	236,096
<b>Total assets</b>	<b>\$ 101,421</b>	<b>\$ 155,744</b>	<b>\$ 236,096</b>
<b>Liabilities and member's equity (deficit)</b>			
Current liabilities:			
Accounts payable	\$ -	\$ 29,701	\$ -
Accrued expenses	1,330	11,247	4,216
Credit card payable	1,447	13,969	2,992
Related party loans	75,000	-	-
Deferred revenue, current portion	18,673	39,023	46,894
Total current liabilities	96,450	93,940	54,102
Deferred revenue, long term portion	47,988	66,661	101,171
Total liabilities	144,438	160,601	155,273
Member's equity (deficit)			
Accumulated member's equity (deficit)	(43,017)	(4,857)	80,823
Total member's equity (deficit)	(43,017)	(4,857)	80,823
<b>Total liabilities and member's equity (deficit)</b>	<b>\$ 101,421</b>	<b>\$ 155,744</b>	<b>\$ 236,096</b>

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

**SENIORS BLUE BOOK FRANCHISING, LLC**  
**STATEMENTS OF OPERATIONS**  
For the years ended September 30, 2024, 2023 and 2022

	<b>2024</b>	<b>2023</b>	<b>2022</b>
Revenue:			
Franchise sales	\$ 39,023	\$ 42,368	\$ 61,798
Renewal and transfer fees	-	5,000	5,102
Royalty income	132,868	111,746	105,926
Other franchise income	65,218	65,526	42,812
Total revenue	237,109	224,640	215,638
Operating expenses:			
Professional fees	142,828	156,499	84,261
General and administrative	130,072	153,399	64,620
Marketing expenses	2,369	422	130
Total operating expenses	275,269	310,320	149,011
Net (loss) income	\$ (38,160)	\$ (85,680)	\$ 66,627

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

**SENIORS BLUE BOOK FRANCHISING, LLC**  
**STATEMENTS OF MEMBER'S EQUITY (DEFICIT)**  
For the years ended September 30, 2024, 2023 and 2022

	<b>Accumulated Member's Equity (Deficit)</b>	<b>Total Member's Equity (Deficit)</b>
Balance at September 30, 2021	\$ 14,196	\$ 14,196
Net income	66,627	66,627
Balance at September 30, 2022	<u>80,823</u>	<u>80,823</u>
Net loss	(85,680)	(85,680)
Balance at September 30, 2023	<u>(4,857)</u>	<u>(4,857)</u>
Net loss	(38,160)	(38,160)
Balance at September 30, 2024	<u>\$ (43,017)</u>	<u>\$ (43,017)</u>

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

**SENIORS BLUE BOOK FRANCHISING, LLC**  
**STATEMENTS OF CASH FLOWS**  
For the years ended September 30, 2024, 2023 and 2022

	<b>2024</b>	<b>2023</b>	<b>2022</b>
Cash flows from operating activities:			
Net (loss) income	\$ (38,160)	\$ (85,680)	\$ 66,627
Adjustments to reconcile net (loss) income to net cash used in operating activities:			
Changes in operating assets and liabilities:			
Accounts receivable	(30,515)	17,475	(36,502)
Prepaid expenses	(10,423)	(2,875)	-
Related party receivable	91,000	9,000	(57,000)
Accrued expenses	(9,917)	7,031	4,216
Accounts payable	(29,701)	29,701	-
Credit card payable	(12,522)	10,977	(4,482)
Deferred revenue	(39,023)	(42,381)	11,100
Net cash used in operating activities	(79,261)	(56,752)	(16,041)
Cash flows from investing activities:			
Notes receivable	-	17,865	59,233
Net cash provided by investing activities:	-	17,865	59,233
Cash flows from financing activities:			
Related party loans	75,000	-	-
Net cash provided by financing activities	75,000	-	-
Net change in cash	(4,261)	(38,887)	43,192
Cash at the beginning of the year	12,737	51,624	8,432
Cash at the end of the year	\$ 8,476	\$ 12,737	\$ 51,624
Supplementary disclosures of cash flows			
Cash paid for interest	\$ -	\$ -	\$ -
Cash paid for taxes	\$ -	\$ -	\$ -

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

**SENIORS BLUE BOOK FRANCHISING LLC**  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2024, 2023, and 2022

(1) Nature of Business and Summary of Significant Accounting Policies

*(a) Nature of Business*

Seniors Blue Book Franchising LLC (the “Company”) (an “S” Corp) was formed on August 20, 2012 in the State of Colorado as a Limited Liability Company for the principal purpose of conducting franchise sales, marketing and management. The Company franchises a unique local advertising and marketing concept that utilizes “blue book” themed guide books that advertise services and resources targeted at the growing senior population.

The Company has developed a proprietary system for establishing, operating, managing and marketing the franchised blue book development and marketing system and offers a single territory unit franchise.

The Company uses the accrual basis of accounting, and their accounting period is the 12-month period ending September 30 of each year.

*(b) Accounting Standards Codification*

The Financial Accounting Standards Board (“FASB”) has issued the FASB Accounting Standards Codification (“ASC”) that became the single official source of authoritative U.S. generally accepted accounting principles (“GAAP”), other than guidance issued by the Securities and Exchange Commission (SEC), superseding existing FASB, American Institute of Certified Public Accountants, emerging Issues Task Force and related literature. All other literature is not considered authoritative. The ASC does not change GAAP; it introduces a new structure that is organized in an accessible online research system.

*(c) Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles accepted in the Utah States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

*(d) Reclassification*

Certain items in the prior year have been reclassified to conform to the current year’s presentation.

*(e) Cash and Cash Equivalents*

Cash equivalents include all highly liquid investments with maturities of three months or less at the date of purchase. Also included within cash equivalents are deposits in-transit from banks for payments related to third-party credit card and debit card transactions.

*(f) Accounts Receivable*

Accounts receivable are recorded for amounts due based on the terms of executed franchise agreements for franchise sales, royalties and other sales transactions. These accounts receivable are carried at original invoice amount less an estimate made for doubtful receivables based on a review of outstanding amounts.

**SENIORS BLUE BOOK FRANCHISING LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
September 30, 2024, 2023, and 2022

When determining the allowance for doubtful receivables, the Company has adopted ASC 326, *Financial Instruments—Credit Losses*. This standard requires that management utilize the Current Expected Credit Losses (“CECL”) model to recognize the appropriate allowance for doubtful receivables. This model requires entities to estimate and recognize expected credit losses over the life of the financial instrument. For trade receivables, management has elected to apply a simplified approach, based on historical loss experience and adjustments for current and forecasted economic conditions. Management regularly evaluates individual customer receivables, considering their financial condition, credit history and current economic conditions. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded as income when received. As of September 30, 2024, 2023 and 2022, the Company had no allowance for uncollectible accounts.

*(g) Revenue Recognition*

The Company's revenues consist of fees from franchisees such as initial fees, royalties, technology fees, renewal fees, transfer fees and proceeds from the sale of services. The franchise agreements offered under the Company's Uniform Franchise Disclosure Document have a term of seven years. The Initial Franchise Fee is \$30,000 for a single territory franchise. The franchise fee scales up in \$10,000 increments for a territory that has a population larger than the standard target population. The renewal fee is 25% of the then-current Initial Franchise Fee.

The franchisees are required to pay the Company royalty fees of 6% of gross revenues. Franchisees are also required to pay monthly per user technology fees for technologies used to operate their locations. Advertising fund contributions of up to 2% of gross revenue per month may be required of franchisees in the future. The Company has not collected any ad fund revenue as of year-end.

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers, which amends the existing accounting standards for revenue recognition. ASU 2014-09 establishes principles for recognizing revenue upon the transfer of promised goods or services to customers, in an amount that reflects the expected consideration received in exchange for those goods or services. This new revenue guidance supersedes nearly all of the existing general revenue recognition guidance under U.S. GAAP as well as most industry-specific revenue recognition guidance, including guidance with respect to revenue recognition by franchisors. The guidance also requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The effective date of ASU 2014-09 for nonpublic entities was fiscal years beginning after December 15, 2018 which was extended by the FASB to fiscal years beginning after December 15, 2019.

The Company adopted the new standard as of October 1, 2020, the first day of the Company's prior fiscal year using the modified retrospective method. This method allows the standard to be applied retrospectively through a cumulative catch-up adjustment recognized upon adoption. As such, comparative information in the Company's financial statements has not been restated and continues to be reported under the accounting standards in effect for those periods. The cumulative adjustment recorded upon adoption of ASC 606 resulted in a decrease to beginning retained earnings and an increase in deferred revenue of \$203,664. The implementation of ASC 606 also resulted in an increase in the franchise sales revenue. Under previous revenue recognition guidance, franchise sale and renewal fees revenue and net income for the fiscal year ended September 30, 2021 would have been \$66,699 less.

The following table summarizes the impact on the balance sheet of implementation of ASC 606 as of October 1, 2020:

	Prior to implementation of ASC 606:	After implementation of ASC 606:	Net increase (decrease)
Deferred revenue	-	203,664	203,664
Equity	150,016	(53,648)	(203,664)

# SENIORS BLUE BOOK FRANCHISING LLC

## NOTES TO THE FINANCIAL STATEMENTS

September 30, 2024, 2023, and 2022

The following table summarizes the impact on the statement of operations of implementation of ASC 606 for the period ended September 30, 2021:

	Prior to implementation of ASC 606:	After implementation of ASC 606:	Net increase (decrease)
Franchise sales	-	65,199	65,199
Renewal and transfer fees	-	1,500	1,500
Net income	-	66,699	66,699

As part of the adoption of the ASU, the Company elected the transition practical expedient to apply the standard only to contracts that are not completed at the initial date of application.

ASC 606 provides that revenues are to be recognized when control of promised goods or services is transferred to a customer in an amount that reflects the consideration expected to be received for those goods or services. This standard does not change the Company's recognition of royalty and technology fees from locations operated by a franchisee, which are based on a percentage of gross revenue or usage and recognized at the time the underlying sales and usage occur. The standard does change the timing for recognition of the Company's initial franchise, transfer and renewal fees. The Company's policy through September 30, 2020 was to recognize franchise fees when the Company had performed substantially all initial services required by the franchise agreement. Those initial services were generally considered substantially performed when the franchisee had completed the initial training. Beginning in October 2020, initial franchise, transfer and renewal fees are recognized evenly as the Company satisfies the franchise right performance obligation over the term of 5, 7 or 10 years.

Revenue from materials and services such as additional training is recognized upon provisioning/shipment and invoicing.

*(h) Income Taxes*

The entity is structured as a limited liability company under the laws of the state of Colorado and has elected to be taxed as an "S" Corporation. Accordingly, the income or loss of the Company will be included in the income tax returns of the member. Therefore, there is no provision for federal and state income taxes.

The Company follows the guidance under Accounting Standards Codification ("ASC") Topic 740, Accounting for Uncertainty in Income Taxes. ASC Topic 740 prescribes a more-likely-than-not measurement methodology to reflect the financial statement impact of uncertain tax positions taken or expected to be taken in the tax return. If taxing authorities were to disallow any tax positions taken by the Company, the additional income taxes, if any, would be imposed on the member rather than the Company. Accordingly, there would be no effect on the Company's financial statements.

The Company's income tax returns are subject to examination by taxing authorities for a period of three years from the date they are filed. The Company was organized and began operations in 2012, accordingly as of September 30, 2024, the following tax years are subject to examination:

Jurisdiction	Open Years for Filed Returns	Return Filed in 2024
Federal	2021– 2023	2023
Colorado	2021 – 2023	2023

*(i) Advertising Costs*

The Company expenses advertising costs as incurred. Advertising expenses for the fiscal years Ended September 30, 2024, 2023 and 2022 were \$2,369, \$422, and \$130, respectively.

# SENIORS BLUE BOOK FRANCHISING LLC

## NOTES TO THE FINANCIAL STATEMENTS

September 30, 2024, 2023, and 2022

(j) *Financial Instruments*

For certain of the Company's financial instruments, including cash and cash equivalents, accounts receivable, prepaid expenses, and accounts payable the carrying amounts approximate fair value due to their short maturities. The amounts shown for notes payable also approximate fair value because current interest rates and terms offered to the Company for similar debt are substantially the same.

(k) *Concentration of Risk*

The Company maintains its cash in bank deposit accounts that at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risks on cash or cash equivalents.

(l) *Customer Concentrations*

A significant portion of the Company's revenue has been derived from a few customers. For the fiscal years ended September 30, 2024, 2023 and 2022, the five largest customer balances accounted for more than 42%, 43%, and 50% respectively of total revenue. Five customers also accounted for more than 87%, 95% and 90% of accounts receivable as of the respective fiscal year ends.

(m) *Recently Issued Accounting Pronouncements*

In February 2016, the FASB issued ASU 2016-02, Leases, which creates ASC 842, Leases, and supersedes ASC 840, Leases. ASC 842 requires lessees to recognize a right-of-use asset and lease liability for all leases with terms of more than 12 months. Recognition, measurement, and presentation of expenses will depend on classification as a finance or operating lease. The new guidance will be effective for private companies with annual reporting periods beginning after December 15, 2021 and is to be applied retrospectively. Early adoption is permitted. The Company is currently assessing the impact this guidance may have on its financial statements.

(2) *Notes Receivable*

Notes receivable as of September 30, 2024, 2023 and 2022 also consist of amounts due to the Company by franchisees who have entered into payment plans to pay amounts due in arrears in installment payments. As of September 30, 2024, one franchisee had a payment plan to pay installments of \$2,500 a month. There is no remaining note receivable for this customer as of September 30, 2024, as all is current.

(3) *Deferred Revenue*

In accordance with the Company's new revenue policy, the Company has estimated the following current and long term portions of deferred revenue as of September 30:

	2024	2023	2022
Deferred revenue, current	\$ 18,673	\$ 39,023	\$ 46,894
Deferred revenue, non-current	47,988	66,661	101,171
	<u>\$ 66,661</u>	<u>\$ 105,684</u>	<u>\$ 148,065</u>

(4) *Affiliate Entities*

The Company has two affiliates that operate businesses similar to the type being offered. There are also two licensees that operate a business under the Seniors Blue Book name. The licenses differ from the franchises offered. They were not offered for sale. They were an agreement that occurred over time amongst family members of the Company's member and were established between 1997 and 2003. The licenses became the basis for the franchise concept.

**SENIORS BLUE BOOK FRANCHISING LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
September 30, 2024, 2023, and 2022

(5) Related Party Transactions

A related party owned by the member of the Company has made loans to the Company to help cover operating costs. The loans do not bear interest and the Company repays the loans as sufficient funds from operations become available. At the beginning of Fiscal Year 2020, the balance due from the related party was \$8,000. The related party loaned additional amounts of \$166,000, \$135,500, and \$45,000, during the Fiscal Years Ended September 30, 2024, 2023, and 2022, respectively. The Company made payments of \$116,000, \$126,500, and \$102,000, during the same time periods respectively. The Company overpaid the balance owed to the related party during fiscal years 2023 and 2022 by \$91,000, and \$100,000, respectively. The overpayments are the related party receivables as of September 30, 2023 and 2022. As of September 30, 2024, the Company underpaid and the remaining balance was \$50,000.

Another related party owned by the member of the Company has also made loans to the Company to help cover operating costs. At the beginning of Fiscal Year 2020, the balance owed to this related party was \$20,000. The related party loaned additional amounts of \$32,000, \$16,500, and \$16,000 during the Fiscal Years Ended September 30, 2024, 2023, and 2022, respectively. The Company made payments of \$7,000, \$16,500, and \$16,000 during the same time periods respectively, leaving a remaining balance of \$25,000 as of September 30, 2024 and \$0 as of September 30, 2023 and 2022. These related party loans also do not bear interest and the Company repays them as sufficient funds from operations become available.

Related parties also provide many resources to the Company including resources of office space and accounting services. The Company is not expected to reimburse these costs.

One of the three Seniors Blue Book licensees reimburses the Company for software the licensee receives through the Company. The licensee paid technology fees of \$8,853, \$15,871, and \$14,880 for the Fiscal Years Ended September 30, 2024, 2023 and 2022, respectively.

(6) Commitments and Contingencies

The Company may be subject to various claims, legal actions and complaints arising in the ordinary course of business. In accounting for legal matters and other contingencies, the Company follows the guidance in ASC Topic 450 Contingencies, under which loss contingencies are accounted for based upon the likelihood of incurrence of a liability. If a loss contingency is "probable" and the amount of loss can be reasonably estimated, it is accrued. If a loss contingency is "probable" but the amount of loss cannot be reasonably estimated, disclosure is made. If a loss contingency is "reasonably possible," disclosure is made, including the potential range of loss, if determinable. Loss contingencies that are "remote" are neither accounted for nor disclosed.

In the opinion of management, all matters are of such kind, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

(7) Date of Management's Evaluation

Management has reviewed and evaluated subsequent events through December 6, 2024, the date on which the financial statements were issued.

**EXHIBIT C**  
**FRANCHISE AGREEMENT**

**SENIORS BLUE BOOK FRANCHISING LLC  
FRANCHISE AGREEMENT**



**Franchise #:** \_\_\_\_\_

**Franchisee:** \_\_\_\_\_

**Date:** \_\_\_\_\_, 20\_\_\_\_

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**ATTACHMENTS:**

ATTACHMENT A	FRANCHISE DATA SHEET
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## FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (“**Agreement**”) is made and entered into by and between Seniors Blue Book Franchising LLC, a Colorado limited liability company formed under the laws of the State of Colorado, with its principal business address at 12228 South 1840 East, Draper, Utah 84020 (“**Franchisor**,” “**we**,” “**us**,” or “**our**”), and the franchisee identified in Attachment A to this Agreement (“**Franchisee**,” “**you**” or “**your**”), as of the date specified in Attachment A to this Agreement (“**Effective Date**”). If more than one person or entity is listed as Franchisee, each such person or entity shall be jointly and severally liable for all rights, duties, restrictions and obligations under this Agreement.

### 1. PREAMBLES, ACKNOWLEDGMENTS, AND GRANT OF FRANCHISE.

#### 1A. PREAMBLES.

(1) We and our affiliates have, with considerable effort, developed a business system and franchise opportunity for the production of guides (“**Guides**”, individually a “**Guide**”) that provide seniors, caregivers, and senior professionals with a comprehensive source of services, senior housing options, resources, and information within a specified geographic area (“**Seniors Blue Book Business(es)**”). Seniors Blue Book Businesses use distinctive, methods, procedures, designs, standards, specifications and a distinctive business format, all of which we may improve, further develop, or otherwise modify from time to time.

(2) We and our affiliates use, promote and license certain trademarks, service marks and other commercial symbols to be used in connection with the operation of Seniors Blue Book Businesses, and we may create, use and license other trademarks, service marks and commercial symbols for the same use (collectively, “**Marks**”).

(3) We grant to persons who meet our qualifications, and are willing to undertake the investment and effort, a franchise to own and operate a Seniors Blue Book Business (“**Seniors Blue Book Franchise**”), which are operated under a business format utilizing a unique system of high standards of service, including valuable know-how, information, trade secrets, confidential information, training methods, standards, designs, methods of trademark usage, copyrights, sources and specifications, confidential electronic and other communications, methods of Internet usage, and research and development (“**System**”).

(4) As a franchisee of a Seniors Blue Book Business, you must comply with this Agreement and all System Standards (defined in Section 4E below) in order to maintain the high and consistent quality that is critical to attracting and keeping clients of Seniors Blue Book Businesses and preserving the goodwill of the Marks.

#### 1B. ACKNOWLEDGMENTS.

You acknowledge:

(1) that you have independently investigated this franchise opportunity and recognize that, like any other business, the nature of the business that a Seniors Blue Book Business conducts may, and likely will, evolve and change over time;

(2) that an investment in a Seniors Blue Book Business involves business risks that could result in the loss of all or part of your investment;

- (3) that your personal business abilities and efforts are vital to your success;
- (4) that attracting clients to your Seniors Blue Book Business will require you to make continual marketing efforts;
- (5) that retaining clients for your Seniors Blue Book Business will require you to have a high level of client service and adhere strictly to and maintain the System and our System Standards, and that we may contact any client of any Seniors Blue Book Business at any time, for any purpose; also, if we are contacted by a client or other patron of the Seniors Blue Book Business who wishes to lodge a complaint, we reserve the right to address the person's complaints in order to preserve goodwill and prevent damage to the brand, and that our right to address complaints may include refunding money to the complaining person, in which case you must reimburse us for these amounts;
- (6) that you have not received from us, and are not relying upon, any representations or guarantees, express or implied, as to the potential volume, sales, income, or profits of a Seniors Blue Book Business unless such representations were made in Item 19 of the Franchise Disclosure Document ("**FDD**").
- (7) that in all of their dealings with you, our officers, directors, employees, and agents act only in a representative, and not in an individual, capacity and that business dealings between you and them as a result of this Agreement are deemed to be only between you and us;
- (8) that you have represented to us, to induce our entry into this Agreement, that all statements you have made and all materials you have given us are accurate and complete and that you have made no misrepresentations or material omissions in obtaining the Seniors Blue Book Franchise.
- (9) that you have read this Agreement and our FDD and understand and accept that this Agreement's terms and covenants are reasonably necessary for us to maintain our high standards of quality and service and to protect and preserve the goodwill of the Marks;
- (10) that we have the right to restrict your sources of services and goods, as provided in various sections of this Agreement, including Section 8D below;
- (11) that we have not made any representation, warranty, or other claim regarding this franchise opportunity, other than those made in this Agreement and our FDD, and that you have independently evaluated this opportunity, including the ability of your own business professionals and advisors, and have relied solely upon those evaluations in deciding to enter into this Agreement;
- (12) that you have been afforded an opportunity to ask any questions you have and to review any materials of interest to you concerning this franchise opportunity;
- (13) that you have been afforded an opportunity, and have been encouraged by us, to have this Agreement and all other agreements and materials we have given or made available to you reviewed by an independent attorney and have either done so or expressly waived your right to do so;

1C. CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP.

If you are a corporation, limited liability company, or general or limited partnership (collectively, “**Entity**”), you agree and represent that:

(1) you have the authority to execute, deliver, and perform your obligations under this Agreement and all related agreements and are duly organized or formed and validly existing in good standing under the laws of the state of your incorporation or formation;

(2) your organizational documents, operating agreement, or partnership agreement, as applicable, recite that this Agreement restricts the issuance and transfer of any ownership interests in you, and all certificates and other documents representing ownership interests in you will bear a legend referring to this Agreement’s restrictions;

(3) Attachment B to this Agreement completely and accurately describes all of your owners and their interests in you as of the Effective Date;

(4) Each of your owners (and their spouses, if applicable) will execute an Owners Agreement in the form attached hereto as Attachment C undertaking personally to be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between you and us;

(5) you and your owners agree to sign and deliver to us revised versions of Attachment B periodically to reflect any permitted changes in the information that Attachment B now contains in accordance with our rights and your obligations under Section 12 of this Agreement;

(6) the Seniors Blue Book Business will be the only business that you operate during the term of this Agreement (although your owners may own other, non-competitive business interests); and

(7) You have identified on Attachment B one of your owners who is a natural person with at least twenty-five percent (25%) ownership interest and voting power in you and has the authority of a chief executive officer, managing partner or president (“**Managing Owner**”).

1D. GRANT AND TERM OF FRANCHISE.

Subject to all of the terms and conditions of this Agreement, we grant you, and you accept, the right and license to a Seniors Blue Book Franchise in a specific area selected pursuant to Section 2A below. The term (“**Term**”) of the Seniors Blue Book Franchise and this Agreement begins on the Effective Date and expires seven years after the Effective Date, unless sooner terminated as provided herein. You agree at all times faithfully, honestly and diligently to perform your obligations under this Agreement and to use your best efforts to promote the Seniors Blue Book Business. If you do not sign a Successor Franchise Agreement prior to the expiration of this Agreement (See Section 13B) and continue to accept the benefits of this Agreement after the expiration of this Agreement, then at our option, this Agreement may be treated either as: (i) expired and in violation of our rights; or (ii) continued on a month-to-month basis (“**Interim Period**”) until one party provides the other with written notice of its intent to terminate the Interim Period, in which case the Interim Period will terminate 30 days after receipt of the notice to terminate the Interim Period. In the latter case, all of your obligations shall remain in full force and effect during the Interim Period as if this Agreement had not expired, and all obligations and restrictions imposed on you upon expiration of this Agreement shall be deemed to take effect upon termination of the Interim Period.

#### 1E. PROTECTED TERRITORIAL RIGHTS.

During the Term, provided that you are in compliance with the terms and conditions of this Agreement and all other agreements with us and our affiliates, subject to our reservation of rights as set forth in Section 1F below, you are provided with a protected Seniors Blue Book distribution area encompassed by the boundaries set forth and as shown on the map in Attachment A (“**Territory**”), attached hereto and incorporated herein by reference. As long as you are not in default under the terms of the Agreement, we will not distribute, nor grant others the right to distribute, Guides in your Territory. Unless specified otherwise in this Agreement, this Agreement does not restrict us or our affiliates, and does not grant rights to you, to pursue any of our or our affiliates’ other business concepts other than the Seniors Blue Book Business.

You are not prohibited from directly marketing to or soliciting clients whose principal business office (or principal residence, if the client is an individual) is outside of your Territory provided that: (a) you follow any off-site policies and procedures in our Brand Standards Manual; and (b) you do not directly market to or solicit clients whose principal business office (or principal residence, if the client is an individual) is inside the territory of another Seniors Blue Book Business. We do not grant a right of first refusal to franchisees to purchase new or existing locations.

#### 1F. TERRITORIAL RIGHTS WE RESERVE.

We and our affiliates (and with respect to Section 1F below, our supplier) retain all rights with respect to the location of Seniors Blue Book Businesses and other businesses using the Marks or derivatives of the Marks, the sale of similar or dissimilar products and services, the System and any other activities that are not expressly granted to you. These rights include, but are not limited to, the right to:

- (1) establish or operate, and grant others the right to establish or operate, Seniors Blue Book Businesses at any location, regardless of where such businesses are located, including inside the Territory (except that we will not distribute, nor grant others the right to distribute, Guides inside the Territory);
- (2) service National Accounts and Corporate Accounts (defined in Section 3D) within the Territory, or allow other Seniors Blue Book Businesses or third parties to service National Accounts and Corporate Accounts if you are in default, unable, or unwilling to provide necessary products or services;
- (3) establish or operate, and grant others the right to establish or operate, other businesses offering the same or similar products utilizing the Marks or other trade names, trademarks, and service marks if you are in default, unable, or unwilling to provide necessary products or services;
- (4) distribute, or grant others the right to distribute, Guides, or similar publications using the Marks or other trade names, trademarks, and service marks, in the Territory, if you are in default of the Agreement or unable or unwilling to publish the Guides per our required distribution schedule as stated in the Brand Standards Manual;
- (5) distribute, or grant others the right to distribute publications in other industries that do not specifically focus on senior citizens inside and outside the Territory;
- (6) provide products and services similar to those offered through the Seniors Blue Book Business through any alternate channel of distribution, including the Internet, which is

exclusively reserved for us (we currently intend to collect a commission equal to twenty percent (20%) of the Gross Revenue you generate as the result of advertising sales you make for advertising on the System Website in accordance with Section 3D, however, we reserve the right to increase this fee to up to forty percent (40%) of such advertising sales));

(7) provide services similar to those offered through the Seniors Blue Book Business throughout the Territory under different or derivative Marks;

(8) utilize the System Website and any other websites, utilizing a domain name incorporating the words “Seniors Blue Book”, the Marks, or similar derivatives thereof. We retain the sole right to market on the Internet and use the Marks and the System on the Internet, including all use of websites, internet videos, domain names, URLs, directory addresses, metatags, linking, advertising, and co-branding and other arrangements. You may not independently market on the Internet, or use any domain name, address, website, locator, link, metatag, or search technique, with words or symbols similar to the Marks or otherwise establish any presence on the Internet without our prior written approval. We shall not have an independent website, but the Seniors Blue Book Business locations and information shall be contained on our website home page. You must follow our then-current online policy as it relates to your establishment of, participation in or usage of any social networking or crowdfunding sites, if approved by us. Your failure to comply with the provisions of this Section is a material breach of this Agreement. You will provide us with content for our Internet marketing, and will sign Internet and intranet usage agreements, if any. We retain the right to approve any linking or other use of our website;

(9) engage in any transaction, including to purchase or be purchased by, to merge or combine with, to convert to the System or be converted into a new system with any business, including such businesses operated by competitors or offering products and services related to the generation of a senior resources publication and advertising directory, whether operated independently or as part of, or in association with, any other system or chain, whether franchised or corporately owned, and whether located inside or outside of the Territory, provided that in such situations, the newly-acquired businesses may not operate under the Marks in the Territory;

(10) implement multi-area marketing programs which may allow us or others to solicit or sell clients anywhere or direct such clients to the Seniors Blue Book Business that we choose, in our discretion. We reserve the right to issue mandatory policies to coordinate and implement such multi-area marketing programs, and such policies may result in your required participation in discount programs for the products and services offered from your Seniors Blue Book Business; and

(11) engage in any activities not expressly forbidden by this Agreement.

We are not required to pay you if we exercise any of the rights specified above within your Territory. We do not pay compensation for soliciting or accepting orders inside your Territory.

#### 1G. MODIFICATION OF SYSTEM.

Because complete and detailed uniformity under many varying conditions may not be possible or practical, you acknowledge that we specifically reserve the right and privilege, as we consider best, in our sole discretion, to modify System Standards for any Seniors Blue Book Business owner based upon circumstances that we consider important to promote that Seniors Blue Book owner’s successful operation. We may choose not to authorize similar variations or accommodations to you or other franchisees and are not required to do so.

## 2. SITE AND DEVELOPMENT AND OPENING OF THE SENIORS BLUE BOOK BUSINESS.

### 2A. SITE.

Seniors Blue Book Businesses are typically operated out of the franchisee's home but may be operated from office buildings, business parks, and other commercial real estate locations. If you decide to operate your Seniors Blue Book Business out of an office, you will be solely liable for compliance with all applicable business ordinances and building codes, and for obtaining all necessary health, building, sign, and other permits, licenses, and bonds, as may be required for the operation of the office.

### 2B. OPERATING ASSETS.

You agree to use in the operation of your Seniors Blue Book Business only those operating assets such as, without limitation, marketing materials, business cards, uniforms, clothing, signs, equipment, and Vehicle (defined in Section 2F below), that we approve for Seniors Blue Book Businesses as meeting our specifications and standards for quality, design, appearance, function, and performance (“**Operating Assets**”). You agree to place or display in the Vehicle (interior and exterior) only the signs, emblems, lettering, logos, and display materials that we approve from time to time. You agree to purchase or lease approved brands, types, or models of Operating Assets only from suppliers we designate or approve (which may include or be limited to us and/or our affiliates). You agree, at your own cost and expense, to purchase and install all fixtures, furnishings, equipment, supplies and signage in conformance with the Brand Standards Manual and our specifications and requirements. You agree to purchase an initial set of marketing materials in conformance with our Brand Standards Manual prior to opening the Seniors Blue Book Business.

### 2C. COMPUTER SYSTEM.

You agree to purchase, obtain, use and upgrade the computer hardware, software, and systems we specify from time to time (“**Computer System**”). We may facilitate the purchase of the Computer System from our approved suppliers and receive shipment of the Computer System for purposes of set up. You may be required to purchase a mobile data plan for the Computer System. We may modify specifications for and components of the Computer System from time to time. You also agree to maintain a functioning email address and a high-speed internet connection. Our modification of specifications for the Computer System, and/or other technological developments or events, may require you to purchase, lease, and/or license new or modified computer hardware, software, or website accounts and to obtain service and support for the Computer System. Although we cannot estimate the future costs of the Computer System or required service or support, and although these costs may not be fully amortizable over this Agreement's remaining term, you agree to incur the costs of obtaining the computer hardware and software comprising the Computer System (or additions and modifications) and required service or support. We have no obligation to reimburse you for any Computer System costs. You agree to obtain the Computer System we currently require at least four weeks prior to the opening of the Seniors Blue Book Business. During your operation of the Seniors Blue Book Business pursuant to this Agreement, you must, within 30 days after you receive notice from us, obtain any new Computer System components we designate and ensure that your Computer System, as modified, functions properly, including any updates to the software as may be provided.

You will be required to use any proprietary software that is developed for Seniors Blue Book Businesses. You are required to pay us our then current Technology Fee in accordance with Section 3H of this Agreement for the use of our proprietary software, website hosting, and other features.

Although you agree to buy, license, use, and maintain the Computer System according to our standards and specifications, you will have sole and complete responsibility for: (1) the acquisition,

operation, maintenance, and upgrading of the Computer System; (2) the manner in which your Computer System interfaces with our and any third party's computer system; (3) backing up all necessary data; (4) maintaining and updating an anti-virus software program; (5) complying with all laws that are applicable to the Computer System or other technology used in the operation of your Senior Blue Book Business, including all data protection or security laws as well as PCI (payment card industry) compliance; and (6) any and all consequences if the Computer System is not properly operated, protected, maintained, backed up, and upgraded.

## 2D. COMPUTER SYSTEM DATA.

We own all data generated by any website, Computer System, or software concerning the Seniors Blue Book Business, including financial information of the Seniors Blue Book Businesses and customer data and customer lists. Your right to access and use this data is granted pursuant to the terms of this Agreement. Upon termination or expiration of this Agreement, all rights to such data will also terminate. We have access to the Computer System at all times and we have the right to collect and retain any and all information and data from the Computer System that concerns the Seniors Blue Book Business. In the event that any software is not functioning or this feature is not available, you shall prepare and submit monthly reports regarding Gross Revenues.

## 2E. SENIORS BLUE BOOK BUSINESS OPENING.

You may not open your Seniors Blue Book Business until:

(1) we notify you in writing that the Seniors Blue Book Business meets our standards and specifications (although our acceptance is not a representation or warranty, express or implied, that the Seniors Blue Book Business complies with any labor, health, building, fire, sanitation, occupational, insurance, safety, tax, governmental, or other statutes, laws, ordinances, rules, regulations, requirements, or recommendations nor a waiver of our right to require continuing compliance with our requirements, standards, or policies);

(2) your Managing Owner, or, if applicable, Designated Manager, as defined in Section 8F, and other required attendees satisfactorily complete applicable portions of training before opening;

(3) unless otherwise specified in Exhibit G of the FDD, you have paid the Initial Franchise Fee and all other amounts then due to us upon the execution of the Agreement;

(4) you have received all required permits and licenses;

(5) you notify us that all approvals and conditions stated in this Agreement have been met;

(6) you have ordered and received your equipment, supplies, inventory, and related materials; and

(7) you give us certificates for all required insurance policies (as described in Section 8G).

Subject to your compliance with these conditions, you agree to open the Seniors Blue Book Business to the public no more than six months after the Effective Date. The date that the Seniors Blue Book Business first opens to the public shall be referred to herein as the **“Opening Date.”**

2F. VEHICLE.

You are required to have a vehicle for use in your Seniors Blue Book Business (“**Vehicle**”). The Vehicle may be a vehicle that you currently own, provided that the vehicle has no major dents or scratches or body damage, and that we approve your Vehicle for use. You may choose, but are not required, to add a wrap or other marketing decals to your Vehicle, provided these materials are approved by us. We reserve the right to revoke our approval of the Vehicle should the Vehicle no longer meet our minimum standards, as solely determined by us. In this event, you will be required to acquire a new approved Vehicle or, if possible, make modifications to the Vehicle to meet minimum standards. You may, but are not required to utilize more than one Vehicle. You must:

- (1) maintain the condition of the Vehicle consistent with the image of a Seniors Blue Book Business;
- (2) place or display on the Vehicle only the signs, emblems, lettering, and logos that we provide or approve from time to time;
- (3) not sell or otherwise transfer the Vehicle (other than to us) without first removing all of the Marks from the Vehicle; and
- (4) allow us to inspect the Vehicle in the frequencies and manners described in the Brand Standards Manual and upon our request.

3. FEES.

3A. INITIAL FEES.

You must pay us an “**Initial Franchise Fee**” in a lump sum when you sign the Agreement, unless your state requires otherwise as stated in Exhibit G of the FDD. Our Initial Franchise Fee will vary based on the approximate number of individuals of age 65 and older residing in your Territory, as determined by us based on the current U.S. Census report and other population statistical sources, according to the following table:

Initial Franchisee Fee	Number of individuals of age 65 and older in your Territory
\$50,000	Approximately 10,000 – 100,000
\$60,000	Approximately 100,001 – 200,000
\$70,000	Approximately 200,001 – 300,000
\$80,000	Approximately 300,001 – 500,000

If you purchase additional Seniors Blue Book Businesses, each additional Initial Franchise Fee will be reduced by 25% from the then-current Initial Franchise Fee.

3B. ROYALTY FEE.

You agree to pay us, in the manner provided below (or as the Brand Standards Manual otherwise prescribes), a continuing royalty fee of 6% of Gross Revenues (defined in Section 3C below) generated by your Seniors Blue Book Business (“**Royalty**”). The Royalty payment must be made to us within 30 days after each Guide printing and is based on all Gross Revenues generated by your Seniors Blue Book Business since the prior Guide was published.

We will waive the Royalty on Gross Revenues generated from the sale of advertising published in your first Guide, provided that you submit proof substantiating the source of Gross Revenues. We reserve the right to charge additional royalties for services that we authorize franchisees to offer that are in addition to advertising in publications.

### 3C. DEFINITION OF “GROSS REVENUES”.

“**Gross Revenues**” means the total selling price of all products and services sold at, from or through your Seniors Blue Book Business, whether or not sold or performed at or from the Seniors Blue Book Business, including the full redemption value of any gift certificate or coupon sold for use with the Seniors Blue Book Business operation (fees retained by or paid to third-party sellers of such gift certificates or coupons are not excluded from this calculation) and all income and revenue of every other kind and nature related to the Seniors Blue Book Business operation, whether for cash or credit and regardless of collection in the case of credit as well as all proceeds from any business interruption insurance. Gross Revenues does not include:

- (1) the amount of any tax imposed by any federal, state, municipal or other governmental authority directly on sales and collected from customers, provided that the amount of any such tax is shown separately and in fact paid by you to the appropriate governmental authority;
- (2) all customer refunds, valid discounts and coupons as authorized in writing by us, and credits made by the Seniors Blue Book Businesses (exclusions will not include any reductions for credit card user fees, returned checks, or reserves for bad credit or doubtful accounts);
- (3) any revenue generated through the sale of advertising directly on the System Website (which is subject to Commission Fees as outlined under Section 3D); and
- (4) Commissions we pay you for sales that occur in your Territory under a National Account or Corporate Account.

### 3D. NATIONAL ACCOUNTS, CORPORATE ACCOUNTS & SYSTEM WEBSITE SALES.

If your Seniors Blue Book Business makes any sales for advertising to be published on the System Website or that is generated through the System Website, then you agree to pay us a nonrefundable fee equal to 40% of all revenues you receive from all such advertising within 30 days of publication (“**Commission Fee**”).

You agree that we will solely be responsible for collecting all amounts from National Accounts and Corporate Accounts and you will forward to us any payments received by you from any National Account or Corporate Account. If we allow you to participate in servicing a National Account or Corporate Account then we will pay you a commission equal to 14% of the total sale from that portion of the National Account or Corporate Account sales to be published in your Guide. For purposes of this Agreement, “**Corporate Account**” means any client who has locations in two or more of our or our franchisees’ territories and a “**National Account**” is any client of ours, yours or of another franchisee that purchases advertising to be published in all Seniors Blue Book Guides or in multiple Seniors Blue Book Guides.

### 3E. LATE PAYMENTS/INSUFFICIENT FUNDS.

All amounts which you owe us for any reason will bear late fees accruing as of their original due date at the lesser of \$25 per day or the highest commercial contract interest rate the law allows. You will

continue to incur the late fees until you make the required payment. We may debit your bank account automatically or deduct from amounts we owe you for the late fees or any other fees or charges you owe to us. You acknowledge that this Section is not our agreement to accept any payments after they are due or our commitment to extend credit to, or otherwise finance your operation of, the Seniors Blue Book Business.

You will be required to pay us the lesser of \$100 or the highest rate allowed by law for any transaction that generates an insufficient funds fee or returned check fee from any payment that we collect from you.

### 3F. APPLICATION OF PAYMENTS.

Despite any designation you make, we may apply any of your payments to any of your past due indebtedness to us. We may set off any amounts you or your owners owe us or our affiliates against any amounts we or our affiliates owe you or your owners. You may not withhold payment of any amounts you owe us due to our alleged nonperformance of any of our obligations under this Agreement.

### 3G. METHOD OF PAYMENT.

The Royalty, Commission Fee, Missed Guide Fee (defined below) and other amounts owed to us under this Agreement shall be payable to us via credit card, check, or whatever method we periodically designate. We have the right to periodically specify (in the Brand Standards Manual or otherwise in writing) different payees and/or payment methods, such as, but not limited to, weekly or monthly payment, payment by auto-draft, credit card and payment by check. You shall not subordinate to any other obligation its obligation to pay the Royalty or any other fee or charge due to us or our affiliates under this Agreement. We reserve the right to charge a service fee of up to 3% for any payment paid to us or our affiliates by credit card.

(1) Each Royalty payment shall be, without exception, accompanied by a statement of Gross Revenues on a form approved and provided to you by us. This form may be electronic or generated by the proprietary software. Each failure to include a fully completed statement of Gross Revenues with the Royalty payable to us when due shall constitute a material breach of this Agreement.

(2) You agree to comply with procedures specified by us and/or perform such acts and deliver and execute such documents, including authorization for direct debits from your business bank operating account, as may be necessary to assist in or accomplish payment by the payment method of our specification. Under this procedure you shall authorize Franchisor to initiate debit entries and/or credit correction entries to a designated checking or savings account for payments of fees and other amounts payable to us and any interest charged due thereon. You shall make funds available to us for withdrawal by electronic transfer no later than the due date for payment therefore.

### 3H. TECHNOLOGY FEE.

You are required to utilize our proprietary software for the operation of your Seniors Blue Book Business. You will be required to pay our then-current monthly technology fee, currently \$138 to \$243 per user per month (“**Technology Fee**”), to cover the use of the proprietary software, website hosting, and sitelet fees. You will start paying the Technology Fee the first month after signing the Franchise Agreement. The Technology Fee is due to us on or before the 5<sup>th</sup> day of each month, or such other day as we may designate in the Brand Standards Manual. We reserve the right to: (i) upgrade, modify and add new software or change or add approved suppliers of these services at any time, in our sole discretion; (ii)

enter into a master license agreement with any software or technology supplier and sublicense the software or technology to you, in which case we may charge you for all amounts that we must pay to the licensor based on your use of the software or technology; (iii) create proprietary software or technology that must be used by Seniors Blue Book franchisees, in which case we may require that you enter into a license agreement with us and pay us reasonable initial and ongoing licensing, support and maintenance fees; and (iv) increase the Technology Fee and other technology and licensing and expenses that you are required to pay under this Agreement.

### 3I. MISSED GUIDE FEES.

If you fail to publish a Guide according to the publication schedule contained in the Brand Standards Manual in any 14-month period without our prior written consent, which may be withheld in our sole discretion, you will be required to pay a fee equal to the Royalty payment for your last published Guide (“**Missed Guide Fee**”) or we may terminate this Agreement in our sole discretion. The Missed Guide Fee is due and payable to us at the same time and manner as the Royalty payment.

### 3J. DIGITAL MEDIA SERVICES FEE.

If you offer our line of digital services to your customers, including without limitation, listing management, reputation management, website building and management, and SEO management services (“Digital Media Services”), we will assess a fee in consideration of our support in procuring and administering these services (“Digital Media Services Fee”). The Digital Media Services Fee is currently equal to \$100 per month. We reserve the right to increase the Digital Media Services Fee to up to \$200 per user per month. We will provide 30 days’ notice prior to increasing the Digital Media Services Fee.

## 4. TRAINING AND ASSISTANCE.

### 4A. INITIAL TRAINING.

Before the Seniors Blue Book Business opens for business, you, your Managing Owner, and Designated Manager (if applicable) must complete our initial training program on the material aspects a Seniors Blue Book Business. The initial training program will be conducted, in our sole discretion, either at our corporate headquarters (currently in Draper, Utah), your location, another location designated by us, or by webinar/teleconference. We provide the initial training program at no charge for you, if an individual, or for your Managing Owner and Designated Manager, if you are an Entity, provided they attend the same initial training program concurrently. Unless we agree otherwise in writing, you must complete initial training within 60 days after you sign the Agreement.

Your attendees must complete the initial training program before you may open your Seniors Blue Book Business. You may invite additional employees to attend the initial training program, if space allows, but we reserve the right to charge you our then current training fee per day, plus expenses for each additional individual attending the Initial Training Program. We reserve the right to limit the number of attendees for the initial training program. You must pay for airfare, meals, transportation costs, lodging, and incidental expenses for all initial training program attendees.

If additional initial training is required, or more people must be trained, an additional fee will be assessed. If any of your attendees cannot complete initial training to our satisfaction, we may terminate this Agreement.

#### 4B. FOLLOW UP TRAINING.

After your initial training, we will prepare, at your expense, a prototype guide (“**Prototype Guide**”) that will contain information relevant to your Territory and will be utilized in the sales process for your first Guide. After your Prototype Guide is published, but prior to the distribution of the first Guide in your Territory, you, your Managing Owner and Designated Manager (if applicable) must complete our follow up training program, which covers the sales and operations aspects of a Seniors Blue Book Business. The follow up training program will take place at your Seniors Blue Book Business or another location that we designate. If any of your attendees cannot complete follow up training to our satisfaction, we may terminate the Agreement. Unless we agree otherwise in writing, you must complete initial training within 90 days after you open your Seniors Blue Book Business for business.

We will provide follow up training for no additional fee for up to three attendees. Additional persons may attend the follow up training program at our then current training fees. Your attendees must complete the follow up training program before you may distribute the first Guide in your Territory. The follow up training program will last approximately four to six days. You agree to pay for all travel and living expenses that your attendees incur and for your employees’ wages and workers’ compensation insurance incurred during training.

We may require, in our sole discretion, any new Managing Owner or Designated Manager to complete the follow up training program to our satisfaction.

#### 4C. ONGOING TRAINING AND CONVENTION.

You and/or your Designated Manager, and any of your staff that we designate, must attend and satisfactorily complete all training courses, continuing education courses, seminars, refresher training programs, and all meetings related to new products or services, new operational procedures or programs, training, management, sales or sales promotion, or similar topics (collectively, “**Ongoing Training**”) that we periodically choose to provide, or designate a third party to provide, at the location(s) we designate and as required in the Brand Standards Manual. You also may request that we provide you and/or your employees with specific types of Ongoing Training, which we may provide to you in our sole discretion. We may charge tuition fees for Ongoing Training. Attendance at Ongoing Training will be at your sole expense. In addition to participating in Ongoing Training, you will be required to attend each and every annual meeting of Seniors Blue Book franchisees at a location we designate and will pay all salary and other expenses of each person attending, including any conference fees, travel expenses, meals, living expenses, and personal expenses. You shall pay us a convention fee for each and every annual meeting of Seniors Blue Book franchisees (“**Convention Fee**”), which is currently estimated to be \$500 per person, for purposes of defraying your cost of attending such annual meeting regardless of whether or not you attend the annual meeting. If you fail to attend an annual conference for any reason, we shall be entitled to use the Convention Fee paid by you for any purpose in our sole discretion. Once paid, the Convention Fee is nonrefundable for any reason. You understand and agree that any specific ongoing training or advice we provide does not create an obligation (whether by course of dealing or otherwise) to continue to provide such specific training or advice, all of which we may discontinue and modify from time to time.

#### 4D. GENERAL GUIDANCE.

We will advise you from time to time regarding the Seniors Blue Book Business operation based on your reports or our inspections and will guide you with respect to: (1) standards, specifications, operating procedures, and methods that Seniors Blue Book Businesses use; (2) purchasing required and authorized Operating Assets and other items and arranging for their distribution to you; (3) advertising and marketing materials and programs; (4) employee training; and (5) administrative, bookkeeping, accounting,

and inventory control procedures. We will guide you in our Brand Standards Manual; in bulletins or other written materials; by electronic media; by telephone consultation; and/or at our office or the Seniors Blue Book Business.

#### 4E. BRAND STANDARDS MANUAL.

We will loan you or make available to you on our website during the Term one copy of our Brand Standards Manual (“**Brand Standards Manual**”), which could include audio, video, compact disks, computer software, other electronic media, and/or written materials. The Brand Standards Manual contains mandatory and suggested specifications, standards, operating procedures, and rules (“**System Standards**”) that we periodically prescribe for operating a Seniors Blue Book Business and information on your other obligations under this Agreement. We may modify the Brand Standards Manual periodically to reflect changes in System Standards.

You agree to keep your copy of the Brand Standards Manual current and in a secure location at the Seniors Blue Book Business. If there is a dispute over its contents, our master copy of the Brand Standards Manual shall control. You agree that the Brand Standards Manual’s contents are confidential and that you will not disclose the Brand Standards Manual to any person other than your employees who need to know its contents. You may not at any time copy, duplicate, record, or otherwise reproduce any part of the Brand Standards Manual.

At our option, we may post some or all of the Brand Standards Manual on a restricted website or extranet to which you will have access. If we do so, you agree to monitor and access such website or extranet for any updates to the Brand Standards Manual or System Standards. Any passwords or other digital identifications necessary to access the Brand Standards Manual on a website or extranet will be deemed to be part of Confidential Information (defined in Section 6 below).

#### 4F. DELEGATION OF PERFORMANCE.

You agree that we have the right to delegate the performance of any portion or all of our obligations under this Agreement to third-party designees, whether these designees are our agents or independent contractors with whom we have contracted to perform these obligations. If we do so, such third-party delegates will be obligated to perform the delegated functions for you in compliance with this Agreement.

#### 4G. STAFFING.

We will not have the power to hire or fire your employees and/or independent contractors. You expressly agree, and will never contend otherwise, that our authority under this Agreement to certify certain of your employees or independent contractors for qualification to perform certain functions for the Seniors Blue Book Business does not directly or indirectly vest in us the power to hire, fire or control any such employee or independent contractor. You alone are responsible for all employment decisions and functions of your Seniors Blue Book Business, including, without limitation, those related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision, and discipline of employees, regardless of whether you have received advice from us on these subjects or not. All employees or independent contractors hired by or working for you will be your employees or independent contractors alone and will not, for any purpose, be deemed our employees or subject to our control, including with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state or federal governmental agency.

We will have no liability for any action or settlement related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision, and discipline of employees and you agree to indemnify us for any such liabilities we incur.

You agree that any direction you receive from us regarding employment policies should be considered as examples, that you alone are responsible for establishing and implementing your own policies, and that you understand that you should do so in consultation with local legal counsel well-versed in employment law. You must require all your employees to work in clean professional attire approved by us, but furnished at your cost or the employees' cost as you may determine. You understand and acknowledge that it is your responsibility to hire and supervise a satisfactory number of employees in order to efficiently operate the Seniors Blue Book Business and meet your obligations under this Agreement. No employee of yours will be deemed to be an employee of ours for any purpose whatsoever.

## 5. INTELLECTUAL PROPERTY.

### 5A. OWNERSHIP AND GOODWILL OF MARKS.

Your right to use the Marks is derived only from this Agreement and limited to your operating the Seniors Blue Book Business according to this Agreement and all System Standards we prescribe during its term. Your unauthorized use of the Marks is a breach of this Agreement and infringes our rights in the Marks. You acknowledge and agree that any unauthorized use of the Marks will cause us irreparable harm for which there is no adequate remedy at law and will entitle us to injunctive relief. You acknowledge and agree that your use of the Marks and any goodwill established by that use are exclusively for our benefit and that this Agreement does not confer any goodwill or other interests in the Marks upon you (other than the right to operate the Seniors Blue Book Business under this Agreement). All provisions of this Agreement relating to the Marks apply to any additional proprietary trade and service marks we authorize you to use. You may not at any time during or after this Agreement's term contest or assist any other person in contesting the validity, or our ownership, of the Marks.

### 5B. LIMITATIONS ON YOUR USE OF MARKS.

You agree to use the Marks as the Seniors Blue Book Franchise's sole identification, except that you agree to identify yourself as its independent owner in the manner we prescribe. You have no right to sublicense or assign your right to use the Marks. You may not use any Mark or name similar to the Mark: (1) as part of any corporate or legal business name, (2) with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos we have licensed to you), (3) in selling any unauthorized services or products, or (4) in any other manner that we have not expressly authorized in writing. You may not use any Mark as part of any domain name, homepage, electronic address, or otherwise in connection with a website, including, without limitation, a social media website, blog or crowdfunding campaign, without our prior written consent, and then only on the terms we specify.

You may not use any Mark in advertising the transfer, sale, or other disposition of the Seniors Blue Book Business or an ownership interest in you without our prior written consent, which we will not unreasonably withhold. You agree to display the Marks prominently as we prescribe at the Seniors Blue Book Business and on forms, advertising, supplies, and other materials we designate. You agree to give the notices of trade and service mark registrations that we specify and to obtain any fictitious or assumed name registrations required under applicable law.

#### 5C. DEFENSE OF MARKS.

In the event that you receive notice or learn of a claim, suit, demand, or proceeding against you on account of any alleged infringement, unfair competition, or similar matter relating to your use of the Marks or of any of our or our affiliates' copyrights, you shall promptly (but in any event within three days) notify us of such claim, suit, demand, or proceeding. You shall have no power, right, or authority to settle or compromise any such claim by a third party without our prior written consent. Provided that you are in full compliance with this Agreement, we shall defend and indemnify you against any claim by a third party against you for your use of the Marks or copyrights in accordance with this Agreement, using attorneys of our choosing. We may elect to compromise or settle any such claim, at our sole discretion. You agree to cooperate fully with us in connection with any such defense. You irrevocably grant us authority and power of attorney to defend or settle such claims, demands, suits, or proceedings.

In the event that you receive notice or are informed or learn that any third party: (1) you believe may be unauthorized to use the Marks; (2) uses the Marks or any variants thereof; or (3) uses any of our or our affiliates' copyrights, then you agree to promptly notify us of such use. We shall, in our sole discretion, determine whether or not we wish to undertake any action against such third party on account of said person's alleged infringement of the Marks or copyrights. In the event we undertake such action, we shall have the authority and power of attorney to defend or settle such action. You agree to render such assistance as we shall reasonably demand to carry out the prosecution of any such action. You have no right to prosecute any claim of any kind or nature whatsoever against such alleged infringer for or on account of said alleged infringement.

#### 5D. DISCONTINUANCE OF USE OF MARKS.

If it becomes advisable at any time for us and/or you to modify or discontinue using any Mark and/or to use one or more additional or substitute trade or service marks, you agree to comply with our directions within a reasonable time after receiving notice. We will not reimburse you for your direct expenses of changing the Seniors Blue Book Business signs, for any loss of revenue due to any modified or discontinued Mark, or for your expenses of promoting a modified or substitute trademark or service mark.

Our rights in this Section apply to any and all of the Marks (and any portion of any Mark) that we authorize you to use in this Agreement. We may exercise these rights at any time and for any reason, business or otherwise, in our sole discretion. You acknowledge both our right to take this action and your obligation to comply with our directions.

#### 5E. COPYRIGHTED WORKS AND OWNERSHIP OF IMPROVEMENTS.

Franchisee acknowledges and agrees that:

(1) All right, title and interest in and to all materials, including, but not limited to, all artwork and designs used with the Marks, or in association with the Seniors Blue Book Franchise ("**Copyrighted Materials**"), created by us are our property. Additionally, all Copyrighted Materials created by you, including the Guide, or any other person or entity retained or employed by you are works made-for-hire within the meaning of the United States Copyright Act and are our property. We shall be entitled to use and license others to use such Copyrighted Materials unencumbered by moral rights. To the extent the Copyrighted Materials are not works made-for-hire or rights in the Copyrighted Materials do not automatically accrue to us, you irrevocably assign and agree to assign to us, our successors, and assigns, the entire right, title, and interest in perpetuity throughout the world in and to any and all rights, including all copyrights and related rights, in such

Copyrighted Materials, which you and the author of such Copyrighted Materials warrant and represent as being created by and wholly original with the author. Where applicable, you agree to obtain any other assignments of rights in the Copyrighted Materials from another person or entity necessary to ensure our right in the Copyrighted Materials as required in this Section.

(2) You shall not dispute, contest, or challenge, directly or indirectly, the validity or enforceability of the Copyrighted Materials or our ownership of the Copyrighted Materials, nor counsel, procure, or assist anyone else to do the same, nor will you take any action that is inconsistent with our ownership of the Copyrighted Materials, nor will you represent that you have any right, title, or interest in the Copyrighted Materials other than those expressly granted by this Agreement.

(3) We may, in our sole and absolute discretion, apply to register or register any copyrights with respect to the products and services associated with the System and the Copyrighted Materials. Our failure to obtain or maintain in effect any such application or registration is not a breach of this Agreement. You shall not, before or after termination or expiration of the Agreement, register or apply to register any Copyrighted Materials, anywhere in the world.

(4) Upon our request, you shall cooperate fully, both before and after termination or expiration of this Agreement and at our expense, in confirming, perfecting, preserving, and enforcing our rights in the Copyrighted Materials, including but not limited to, executing and delivering to us such documents as we reasonably request for any such purpose, including but not limited to, assignments, powers of attorney, and copies of commercial documents showing sale and advertising of the products and services associated with the System. You hereby irrevocably appoint us as your attorney-in-fact for the purpose of executing such documents.

(5) We make no representation or warranty, express or implied, as to the use, exclusive ownership, validity, or enforceability of the copyrighted materials.

(6) If during the Term of the franchise relationship, or any Interim Period or Successor Term, you conceive or develop any improvements or additions to the System, patents, Copyrighted Materials, Guides, website or any other documents or information pertaining to or relating to the System or the Seniors Blue Book Franchise, or any new trade names, trade and service marks, logos, or commercial symbols related to the Seniors Blue Book Franchise, or any advertising and promotional ideas or inventions related to the Seniors Blue Book Franchise (collectively, “**Improvements**”), then you shall fully disclose the Improvements to us, without disclosure of the Improvements to others, and shall obtain our written approval prior to using such Improvements. You agree to assign and do hereby assign to us, all right, title and interest in and to the Improvements, including the right to grant sublicenses to any such Improvement. Any such Improvement may be used by us and all other Seniors Blue Book franchisees without any obligation to you for royalties or other fees. We may, at our discretion, apply for and own copyrights, patents, trade names, trademarks and service marks relating to any such Improvement and you shall cooperate with us in securing such rights. We may also consider such Improvements as our property and trade secrets. In return, we shall authorize you to utilize any Improvement that may be developed by other franchisees and is authorized generally for use by other franchisees. All Improvements created by you or any other person or entity retained or employed by you are our property, and we shall be entitled to use and license others to use such Improvements unencumbered by moral rights. If any of the Improvements are copyrightable materials, they shall be works made-for-hire within the meaning of the United States Copyright Act and, to the extent the Copyrighted Materials are not works made-for-hire or rights in the Copyrighted Materials do

not automatically accrue to us, you irrevocably assign and agree to assign to us, our successors and assigns, the entire right, title, and interest in perpetuity throughout the world in and to any and all rights, including all copyrights and related rights, in such Copyrighted Materials, which you and the author of such Copyrighted Materials warrant and represent as being created by and wholly original with the author. Where applicable, you agree to obtain any other assignments of rights in the Improvements from another person or entity necessary to ensure our right in the Improvements as required in this Section.

#### 5F. PHOTO/VIDEO RELEASE.

You acknowledge and authorize us to use your likeness in a photograph in any and all of our publications, including printed and digital publications and on websites. You agree and understand that any photograph using your likeness will become our property and will not be returned. You agree and irrevocably authorize us to edit, alter, copy, exhibit, publish or distribute any photograph of you for any lawful purpose. You agree and waive any rights to royalties or any other compensation related to our use of any photograph of you. You agree to hold harmless and forever discharge us from all claims, demands, and causes of action which you may have in connection with this authorization.

#### 6. CONFIDENTIAL INFORMATION.

##### 6A. SENIORS BLUE BOOK CONFIDENTIAL INFORMATION.

We possess (and will continue to develop and acquire) certain confidential information, some of which constitutes trade secrets under applicable law, relating to developing and operating Seniors Blue Book Franchises (“**Confidential Information**”), including (without limitation):

- (1) training and operations materials and manuals;
- (2) methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge and experience used in developing and operating Seniors Blue Book Businesses;
- (3) marketing and advertising programs for Seniors Blue Book Businesses;
- (4) knowledge of, specifications for, and suppliers of Operating Assets and other products and supplies;
- (5) any computer software or similar technology which is proprietary to us or the System, including, without limitation, digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or similar technology;
- (6) knowledge of the operating results and financial performance of Seniors Blue Book Businesses other than your Seniors Blue Book Franchise; and
- (7) all customer data, lists, and other information generated by Seniors Blue Book Businesses.

Confidential Information does not include information, knowledge, or know-how which you can demonstrate lawfully came to your attention before we provided it to you directly or indirectly; which, at the time that we disclosed it to you, already had lawfully become generally known in the advertising industry through publication or communication by others (without violating an obligation to us); or which,

after we disclose it to you, lawfully becomes generally known in the advertising industry through publication or communication by others (without violating an obligation to us). However, if we include any matter in Confidential Information, anyone who claims that it is not Confidential Information must prove that one of the exclusions provided in this paragraph is fulfilled.

All ideas, concepts, techniques, or materials relating to a Seniors Blue Book Business, whether or not protectable intellectual property and whether created by or for you or any of your owners or employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the System, and works made-for-hire for us. To the extent that any item does not qualify as a “work made-for-hire” for us, by this paragraph you assign ownership of that item, and all related rights to that item, to us and agree to take whatever action (including signing assignment or other documents) we request to evidence our ownership or to help us obtain intellectual property rights in the item.

Any Designated Manager and, if you are an Entity, any officer that does not own equity in the entity must sign the System Protection Agreement, the current form of which is contained in Exhibit H to the FDD. All of your employees, independent contractors, agents, or representatives that may have access to our Confidential Information must sign a Confidentiality Agreement (unless they already signed a System Protection Agreement), the current form of which is contained in Exhibit H to the FDD.

#### 6B. RESTRICTIONS ON CONFIDENTIAL DATA.

You acknowledge and agree that you will not acquire any interest in Confidential Information, other than the right to use it as we specify in operating the Seniors Blue Book Business during this Agreement’s term, and that Confidential Information is proprietary, includes our trade secrets, and is disclosed to you only on the condition that you agree, and you in fact do agree, that you:

- (a) will not use Confidential Information in any other business or capacity;
- (b) will keep each item deemed to be part of Confidential Information absolutely confidential, both during this Agreement’s term and then thereafter for as long as the item is not generally known in the advertising industry;
- (c) will not make unauthorized copies of any Confidential Information disclosed via electronic medium or in written or other tangible form; and
- (d) will adopt and implement reasonable procedures to prevent unauthorized use or disclosure of Confidential Information, including, without limitation, restricting its disclosure to Seniors Blue Book Business personnel and others and using non-disclosure and non-competition agreements with those having access to Confidential Information. We have the right to regulate the form of agreements that you use and to be a third-party beneficiary of those agreements with independent enforcement rights.

Notwithstanding the foregoing, the restrictions on the disclosure and use of the Confidential Information will not apply to disclosure of Confidential Information: (i) made in confidence to a government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law; (ii) made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; (iii) made in cases of suit for retaliation based on the reporting of a suspected violation of law, disclosure of Confidential Information to an attorney and for use of the Confidential Information in such court proceeding, so long as any document containing the Confidential Information is filed under seal and Confidential Information is not otherwise disclosed except pursuant to court order.

7. EXCLUSIVE RELATIONSHIP.

You acknowledge that we have granted you the Seniors Blue Book Franchise in consideration of and reliance upon your agreement to deal exclusively with us. You therefore agree that, during this Agreement's term, neither you, any of your owners, nor any of your or your owners' spouses or other immediate family members will:

- (a) have any direct or indirect controlling or non-controlling interest as an owner – whether of record, beneficially, or otherwise – in a Competitive Business, wherever located or operating (equity ownership of less than 5% of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this subparagraph);
- (b) perform services as a director, officer, manager, employee, consultant, representative, or agent for a Competitive Business, wherever located or operating;
- (c) divert or attempt to divert any actual or potential business or client of the Seniors Blue Book Business to a Competitive Business; or
- (d) engage in any other activity which may injure the goodwill of the Marks and System.

The term “**Competitive Business**” means (i) any business that sells advertising in publications that are distributed to residents in a specified geographic area or (ii) any business granting franchises or licenses to others to operate the type of business specified in subparagraph (i); provided that a Seniors Blue Book Franchise operated under a franchise agreement with us is not a Competitive Business.

You agree to obtain similar covenants from the personnel we specify, including officers, directors, managers, and other employees attending our training program or having access to Confidential Information. We have the right to regulate the form of agreement that you use and to be a third-party beneficiary of that agreement with independent enforcement rights.

8. SYSTEM STANDARDS.

8A. CONDITION AND APPEARANCE OF THE SENIORS BLUE BOOK BUSINESS.

You agree that:

- (1) you will maintain and refurbish the condition and appearance of the Seniors Blue Book Business, its Operating Assets (including the Vehicle) in accordance with System Standards and consistent with the image of a Seniors Blue Book Business as an efficiently operated business offering high quality products and services and observing the highest standards of cleanliness, sanitation, efficient, courteous service, and pleasant ambiance.
- (2) you will place or display on your Vehicle only those signs, emblems, designs, artwork, lettering, logos, and display and advertising materials that we from time to time approve;
- (3) if at any time in our reasonable judgment, the general state of repair, appearance or cleanliness of the Vehicle or any of your Seniors Blue Book Business' fixtures, furnishings,

equipment, or signs does not meet our standards, we have the right to notify you, specifying the action you must take to correct the deficiency; and

(4) at our request, you will periodically improve and modify the Seniors Blue Book Business and the Vehicle to conform to the then current System Standards.

#### 8B. SPECIFICATIONS, STANDARDS AND PROCEDURES.

You agree that: (1) the Seniors Blue Book Business will offer and sell all products and services and only those products and services that we periodically specify for Senior Blue Book Businesses; (2) the Seniors Blue Book Business will offer and sell approved products and services only in the manner we have prescribed; (3) you will not offer for sale or sell through the Seniors Blue Book Business any products or services we have not approved; and (4) you will discontinue selling and offering for sale any products or services that we at any time decide (in our sole discretion) to disapprove in writing. Any required standards exist to protect our interests in the System and the Marks and not for the purpose of establishing any control or duty to take control over those matters that are reserved to you. The required standards generally will be set forth in the Brand Standards Manual or other written materials. The Brand Standards Manual also will include guidelines or recommendations in addition to required standards. In some instances, the required standards will include recommendations or guidelines to meet the required standards. You may follow the recommendations or guidelines or some other suitable alternative, provided you meet and comply with the required standards. In other instances, no suitable alternative may exist. In order to protect our interests in the System and Marks, we reserve the right to determine if you are meeting a required standard and whether an alternative is suitable to any recommendations or guidelines.

#### 8C. CLIENT INFORMATION.

We may contact any client of any Seniors Blue Book Business at any time for any purpose. Also, if we are contacted by a client or other patron of the Seniors Blue Book Business who wishes to lodge a complaint, we reserve the right to address the person's complaints in order to preserve goodwill and prevent damage to the brands. Our right to address complaints may include refunding money or providing other value to the complaining person as part of our addressing the issue, in which case you agree to reimburse us for these amounts and any other reasonable costs we incur in responding to a complaint. We, or our authorized representative, shall have the right, during regular business hours, or at such other times as may be mutually agreed upon by you and us, to inspect all client lists and documents and records related thereto. Upon reasonable request, you must furnish to us in whatever format we require, all client information and records for the Seniors Blue Book Business, both active and inactive, which shall include, but not be limited to, names, addresses and telephone numbers of such clients (hereinafter collectively referred to as "**Client Lists**"). You acknowledge and agree that we are the sole owner of the Client Lists and that you shall not use the Client Lists for any purpose other than for the operation of the Seniors Blue Book Business or distribute, in any form or manner, the Client Lists to any third party without our prior written consent.

#### 8D. APPROVED PRODUCTS, DISTRIBUTORS AND SUPPLIERS.

We have developed or may develop standards and specifications for types, models, and brands of required Operating Assets, other products, materials, and supplies. We reserve the right from time to time to approve specifications or suppliers and distributors of the above products that meet our reasonable standards and requirements. If we do so, you agree to purchase only such products meeting those specifications, and if we require it, only from distributors and other suppliers we have approved, including ourselves or our affiliates.

We may designate ourselves as the sole approved distributor or supplier of any product, service, equipment, supply, or material. In addition, we may designate a single distributor or supplier for any product, service, equipment, supply or material and may approve a supplier or distributor only as to certain products, including your computer system. The designated supplier may be us or an affiliate of ours. You must allow us unlimited access to data collected by the computer system.

We may concentrate purchases with one or more suppliers or distributors to obtain lower prices or the best advertising support or services. Approval of a supplier or distributor may be conditioned on requirements relating to product quality, prices, consistency, reliability, financial capability, labor relations, client relations, frequency of delivery, concentration of purchases, standards of service, including prompt attention to complaints, or other criteria and may be temporary, pending our continued evaluation of the supplier or distributor from time to time. You acknowledge and agree that we and/or our affiliates may derive revenue based on your purchases and leases (including, without limitation, from charging you for products and services we or our affiliates provide to you and from payments made to us or our affiliates by suppliers that we designate or approve for some or all of our franchisees).

If you would like to purchase any items from any unapproved supplier or distributor, you must submit to us a written request for approval of the proposed supplier or distributor (Alternatively, the proposed supplier or distributor may submit its own request). We will use commercially reasonable efforts to notify you within 60 days after receiving all requested information and materials whether you are authorized to purchase or lease the product or service from that supplier or provider. We may charge the cost of evaluating a proposed new vendor/supplier and/or its product to you or the vendor/supplier. We have the right to inspect the proposed supplier's or distributor's facilities, and to require product samples from the proposed supplier or distributor to be delivered at our option either directly to us or to any independent, certified laboratory which we designate for testing. We reserve the right to periodically re-inspect the facilities and products of any approved supplier or distributor and to revoke our approval if the supplier or distributor does not continue to meet any of our criteria.

#### 8E. COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES.

You must secure and maintain in force all required licenses, permits, and certificates relating to the operation of the Seniors Blue Book Business and must at all times operate the Seniors Blue Book Business in full compliance with all applicable laws, ordinances, and regulations (including, without limitation, government regulations relating to truth-in-lending, Department of Transportation regulations, safety and sanitation, truth in advertising, occupational hazards, health, laws relating to non-discrimination in hiring and accessibility, worker's compensation, and unemployment insurance). You must withhold and pay all applicable federal and state taxes, social security taxes, and sales and service taxes. The Seniors Blue Book Business must in all dealings with its clients, suppliers, us, and the public adhere to the highest standards of honesty, integrity, fair dealing, and ethical conduct. You agree to refrain from any business or advertising practice which may be injurious to our business and the goodwill associated with the Marks and other Seniors Blue Book Businesses. You must notify us in writing within five days of the threat of or commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, which may adversely affect your operation or financial condition or that of the Seniors Blue Book Business, and of any notice of violation of any law, ordinance, or regulation relating to the Seniors Blue Book Business.

#### 8F. MANAGEMENT OF THE SENIORS BLUE BOOK BUSINESS.

Subject to the terms of this Section, the Seniors Blue Book Business shall be managed by you, or if you are an Entity, by the Managing Owner. You (or the Managing Owner if you are an Entity) agree to work full time to supervise the day-to-day operations of, and continuously exert your best efforts to promote

and enhance the Seniors Blue Book Business. At your request, we may in our sole discretion, but are not obligated to, agree for you to employ a Designated Manager (other than the Managing Owner) to operate the Seniors Blue Book Business (“**Designated Manager**”). The Designated Manager is an individual with primary day-to-day responsibility for the Seniors Blue Book Business’s operations, and may or may not be you (if you are an individual) or a Principal Owner, officer, director, or employee of yours (if you are other than an individual). The Designated Manager shall have similar responsibilities as a Managing Owner. You must deliver to us a completed Attachment B accurately identifying the Designated Manager. The Designated Manager will be obligated to devote his or her full time, best efforts, and constant personal attention to the Seniors Blue Book Business’s operations, and must have full authority from you to implement the System. You must not hire any Designated Manager or successor Designated Manager without first receiving our written approval of such Designated Manager’s qualifications. Each Designated Manager and successor Designated Manager must attend and complete our initial training (as detailed in Section 4 of this Agreement). If we determine, in our sole discretion, during or following completion of the initial training program, that your Designated Manager (if any) is not qualified to act as Designated Manager of the Seniors Blue Book Business, then we have the right to require you to choose (and obtain our approval of) a new individual for that position.

#### 8G. INSURANCE.

During the term of this Agreement you must maintain in force at your sole expense, vehicle insurance and any other type of insurance that we require. All of these policies must contain the minimum coverage we prescribe from time to time in our Brand Standards Manual, and must have deductibles not to exceed the amounts we specify. If your state requires higher coverages than we prescribe, you will be required to obtain insurance that satisfies your state law requirements. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage (including reasonable excess liability insurance) at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances as provided in our Brand Standards Manual, as amended from time to time. These insurance policies must be purchased from an insurance company approved by us that is authorized to do business in the state where your Seniors Blue Book Business is located and is rated “A” or better by A.M. Best & Company, Inc. All policies, except for employment liability insurance policies, must name us and any affiliates we designate as additional named insureds and provide for 30 days’ prior written notice to us of a policy’s material modification, cancellation, or expiration. Each insurance policy must contain a waiver of all subrogation rights against us, our affiliates, and their successors and assigns. You must routinely furnish us copies of your Certificates of Insurance or other evidence of your possession of coverage and paying premiums. We have the right to obtain such insurance and keep same in force and effect and you shall pay us, on demand, the premium cost thereof and an administrative fee equal to twenty percent (20%) of the premium cost incurred in connection with us obtaining the insurance. We have the right to increase or otherwise modify the minimum insurance requirements upon 30 days’ prior written notice to you, and you shall comply with any such modification within the time specified in said notice.

#### 8H. PRICING.

We may, from time to time, make suggestions to you with regard to your pricing policies in compliance with applicable laws. We retain the right to establish minimum and maximum prices to be charged by you, subject to applicable laws, but any exercise of that right will be specifically set forth in writing. It is furthermore understood and agreed that any list or schedule of prices furnished to you by us may, unless otherwise specifically stated as to the minimum or maximum price, be treated as a recommendation only and failure to accept or implement any such suggestion may not in any way affect the relationship between you and us.

## 8I. COMPLIANCE WITH SYSTEM STANDARDS.

You acknowledge and agree that operating and maintaining the Seniors Blue Book Business according to System Standards is essential to preserve the goodwill of the Marks and all Seniors Blue Book Businesses. Therefore, you agree at all times to operate and maintain the Seniors Blue Book Business according to all of our System Standards, as we periodically modify and supplement them, even if you believe that a System Standard, as originally issued or subsequently modified, is not in the System's or your best interests. Although we retain the right to establish and periodically modify System Standards that you have agreed to maintain, you retain the right to and responsibility for the day-to-day management and operation of the Seniors Blue Book Business and implementing and maintaining System Standards at the Seniors Blue Book Business.

As examples, and without limitation, System Standards may regulate any one or more of the following, in addition to the items described in Sections 8A through 8H above:

- (1) Amounts, types, and quality of equipment and inventory requirements for products and supplies so that the Seniors Blue Book Business may operate at full capacity;
- (2) terms and conditions of the sale and delivery of, and terms and methods of payment for products and services that you obtain from us and affiliated and unaffiliated suppliers, and our and our affiliates' right not to sell you any products or to provide you with services, or to do so only on a "cash-on-delivery" or other basis, if you are in default under any agreement with us;
- (3) sales, marketing, advertising, and promotional programs and materials and media used in these programs;
- (4) use and display of the Marks at the Seniors Blue Book Business and on labels, forms, paper, products, and other supplies;
- (5) staffing levels for the Seniors Blue Book Business identifying the Seniors Blue Book Business personnel; and employee qualifications, training, dress, and appearance (although you have sole responsibility and authority concerning employee selection and promotion, hours worked, rates of pay and other benefits, work assigned, and working conditions);
- (6) days and hours of operation;
- (7) participation in market research and testing and product and service development programs as well as participation in, and dues assessed for, Councils;
- (8) accepting credit and debit cards, using credit card vendors, other payment systems, and check verification services and compliance programs and systems relating to the same. The term "credit card vendors" includes, among other things, companies that provide services for electronic payment, such as near field communication vendors (for example, "Apple Pay" and "Google Wallet");
- (9) bookkeeping, accounting, data processing, and recordkeeping systems and forms; formats, content, and frequency of reports to us of sales, revenue, financial performance, and condition; and giving us copies of tax returns and other operating and financial information concerning the Seniors Blue Book Business; and

(10) any other aspects of operating and maintaining the Seniors Blue Book Business that we determine to be useful to preserve or enhance the efficient operation, image, or goodwill of the Marks and Seniors Blue Book Businesses.

You agree that System Standards we prescribe in the Brand Standards Manual, or otherwise communicate to you in writing or another tangible form (for example, via a System extranet or website), are part of this Agreement as if fully set forth within its text. All references to this Agreement include all System Standards as periodically modified. We have the right to designate quality levels of the Guides to ensure quality and customer satisfaction.

#### 8J. MODIFICATION OF SYSTEM STANDARDS.

We may periodically modify System Standards, and these modifications may obligate you to invest additional capital in the Seniors Blue Book Business and/or incur higher operating costs. You agree to implement any changes in System Standards within the time period we request, whether they involve buying new Operating Assets, adding new products and services, adding personnel, or otherwise modifying the nature of your operations, as if they were part of this Agreement as of the Effective Date.

#### 8K. MYSTERY SHOPPER PROGRAM.

To ensure uniformity and compliance with the System Standards, we may utilize mystery shoppers. We may, but are not obligated to, share the results of the mystery shopper with you. You will not be charged for any mystery shoppers that we send to your Seniors Blue Book Business unless it is done at your request.

#### 8L. CONTINUOUS OPERATION OF SENIORS BLUE BOOK BUSINESS.

You acknowledge and agree that if you are unable to publish the Guides according to the publication schedule set forth in the Brand Standards Manual, without our prior written approval, the failure to operate will constitute your voluntary abandonment of the Seniors Blue Book Business, and we have the right, in addition to other remedies provided for herein, to terminate this Agreement and the Seniors Blue Book Business operated hereunder; provided that no party shall be liable for any loss or damage that arises directly or indirectly through or as a result of any delay in the fulfilment of or failure to fulfil its obligations in whole or in part (other than the payment of money as may be owed by a party) under this Agreement where the delay or failure is due to Force Majeure. In the event of Force Majeure, the parties shall be relieved of their respective obligations only to the extent the parties are respectively necessarily prevented or delayed in such performance during the period of such Force Majeure. As used in this Agreement, the term “Force Majeure” shall mean any act of God, strike, lock-out or other industrial disturbance, war (declared or undeclared), riot, epidemic, fire or other catastrophe, act of any government and any other similar cause which is beyond the party’s control and cannot be overcome by use of normal commercial measures. The party whose performance is affected by an event of Force Majeure shall give prompt notice of such Force Majeure event to the other party, which in no case shall be more than 48 hours after the event, setting forth the nature thereof and an estimate as to its duration, and the affected party shall furnish the other party with periodic reports regarding the progress of the Force Majeure event. Each party must use its best efforts to mitigate the effect of the event of Force Majeure upon its performance of the Agreement and to fulfill its obligations under the Agreement. Upon completion of the event of Force Majeure, the party affected must as soon as reasonably practicable recommence the performance of its obligations under this Agreement. Any delay resulting from an event of Force Majeure will extend performance accordingly or excuse performance (other than payment of money), in whole or in part, only as may be reasonable under the circumstances. However, in the event the Force Majeure continues for a period of six months or more, then the unaffected party may, at its option, terminate this Agreement by 30 days’ prior written notice to the party asserting such Force Majeure. An event of Force Majeure does not relieve a party from liability

for an obligation which arose before the occurrence of the event, nor does that event affect any obligation to pay money owed under the Agreement or to indemnify us, whether such obligation arose before or after the Force Majeure event. An event of Force Majeure shall not affect your obligations to comply with any restrictive covenants in this Agreement during or after the Force Majeure event.

## 9. MARKETING.

### 9A. NATIONAL FUND.

While we have not established a national advertising fund, we reserve the right to establish an advertising and marketing fund for Seniors Blue Book Businesses (“**National Fund**”). Upon our establishment of the National Fund, you must contribute to the National Fund a minimum monthly payment (currently estimated to be \$100 per month) and 1% of your Gross Revenues (together, the “**National Fund Contribution**”). We reserve the right to raise the percentage component of your National Fund Contribution to up to 2% of your Gross Revenues upon 30 days’ written notice to you. If established, your National Fund Contribution will be due at the same time and paid in the same manner as the Royalty. The National Fund may allocate resources to advertise locally, regionally, and/or nationally, in printed materials, on radio, on television, and/or on the internet, in our sole discretion.

### 9B. LOCAL ADVERTISING.

All advertising, promotional, and marketing content must be clear, factual, not misleading, and must conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we may require from time to time. Before you conduct any advertising or marketing you must send us or our designated agency samples of your proposed materials for review. You may not use any advertising, promotional, or marketing materials that we have not approved or have disapproved. You may not advertise via the internet or a worldwide web page, including such websites such as Groupon, Twitter, and Facebook, unless we have authorized you to do so in writing. You agree, at your sole cost and expense, to issue and offer such rebates, giveaways, and other promotions in accordance with advertising programs established by us, and further agree to honor the rebates, giveaways, and other promotions issued by other Senior Blue Book franchisees under any such program, so long as such compliance does not contravene any applicable law, rule, or regulation. You will not create or issue any gift cards/certificates and will only sell gift cards/certificates that have been issued or sponsored by us and which are accepted at all Senior Blue Book Businesses, and you will not issue coupons or discounts of any type except as approved by us.

If you violate the provisions of this Section, in addition to all other remedies available to us, you shall pay a \$500 unauthorized advertising fee to us, which amount will be contributed to the National Fund, if established, to offset the brand damage caused by your breach. This fee is in addition to any and all remedies that we have under this Agreement, up to and including termination.

### 9C. USE OF ADVERTISING AND MARKETING FUNDS.

(1) The following provisions apply to the National Fund:

(a) We or our affiliate or designee will administer and direct all programs that the National Fund finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation.

(b) We will account for the National Fund separately from our other funds and not use the National Fund for any of our general operating expenses.

(c) We do not have any fiduciary obligation for administering the National Fund. The National Fund may spend in any fiscal year more or less than the total National Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will use all interest earned on National Fund contributions to pay costs before using the National Fund's other assets.

(d) We will prepare an annual, unaudited statement of National Fund collections and expenses and give you the statement within 45 days upon the receipt of your written request. We may have the National Fund audited annually, at the National Fund's expense, by an independent certified public accountant. We may incorporate the National Fund or operate each through a separate entity whenever we deem appropriate. The successor entity will have all of the rights and duties specified in this Section 9.

(e) We have the right, but no obligation, to use collection agents and institute legal proceedings to collect National Fund contributions at the National Fund's expense. We also may forgive, waive, settle, and compromise all claims by or against the National Fund. Except as expressly provided in this Section 9, we assume no direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the National Fund.

(f) We may at any time defer or reduce contributions of a Seniors Blue Book Business owner and, upon 30 days' prior written notice to you, reduce or suspend National Fund contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the National Fund. If we terminate the National Fund, we will distribute all unspent monies to our franchise owners, and to us and our affiliates, in proportion to their, and our, respective National Fund contributions during the preceding 12-month period.

(g) The National Fund may pay for preparing and producing video, audio, and written materials and electronic media; developing, implementing, and maintaining a website that promotes Seniors Blue Book Businesses and/or related strategies; administering regional and multi-regional marketing and advertising programs, including, without limitation, purchasing trade journal, direct mail, print ads, billboards and other media advertising, including via the Internet, radio and television, and using advertising, promotion, and marketing agencies and other advisors to provide assistance; supporting public relations, market research, and other advertising, promotion, and marketing activities; brand development; research and development of new products and services; development and implementation of quality control programs; improvements to the System and/or System Website; and any other expenditures that we deem necessary or appropriate to promote and improve the Seniors Blue Book brand and the System to improve the overall quality associated with the System.

(h) The National Fund may periodically give you samples of advertising, marketing, and promotional formats and materials at no cost.

(i) We may use the National Fund to pay the reasonable salaries and benefits of personnel who manage and administer the National Fund, the National Fund's other administrative costs, travel expenses of personnel while they are on National Fund business, meeting costs, overhead relating to National Fund business, and other expenses that we incur in activities reasonably related to administering or directing the National Fund

and its programs, including, without limitation, conducting market research, public relations, preparing advertising, promotion and marketing materials, and collecting and accounting activities for National Fund contributions, such as independent audits, reasonable accounting, bookkeeping, reporting and legal expenses, taxes and all other direct or indirect expenses association with the programs funded by the National Fund.

(j) We intend for the National Fund to maximize recognition of the Marks and patronage of Seniors Blue Book Business. Although we will try to use the National Fund to develop advertising and marketing materials and programs, and to place advertising and marketing, that will benefit all Seniors Blue Book Businesses, we cannot ensure that National Fund expenditures in or affecting any geographic area are proportionate or equivalent to National Fund contributions by contributors operating in that geographic area or that any contributor benefits directly or in proportion to its National Fund contribution from the development of advertising and marketing materials or the placement of advertising and marketing.

(k) You understand and acknowledge that the Seniors Blue Book Business may not benefit directly or in proportion to its contribution to the National Fund from the development and placement of advertising and development of marketing materials.

#### 9D. SYSTEM WEBSITE.

We have established a website to advertise, market, and promote Seniors Blue Book Businesses and the products and services that Seniors Blue Book Businesses offer and sell (“**System Website**”). We will reference the Seniors Blue Book Business in the manner that we determine from time to time. You must give us the information that we request from time to time concerning the Seniors Blue Book Business to include on the System Website. By providing the information to us, you will be representing to us that it is accurate and not misleading and does not infringe any third party’s rights. We will own all intellectual property and other rights in the System Website, all information contained on it, and all information generated from it (including the domain name or URL, the log of “hits” by visitors, and any personal or business data that visitors supply).

For as long as we maintain the System Website, we shall have the right to use the National Fund’s assets to develop, maintain, and update the System Website. We periodically may update and modify the System Website. You must promptly notify us whenever any information on your listing changes or is not accurate. You acknowledge that we have final approval rights over all information on the System Website. We may implement and periodically modify System Standards relating to the System Website.

The System Website will include a link to a webpage that refers to your Seniors Blue Book Business (your “**Sitelet**”). Your Sitelet will include information relating to your specific business site and select content that we provide. You agree you use the supplier designated in the Brand Standards Manual to establish your Sitelet. You may not establish or maintain any other website or engage in any other electronic marketing of products or services without our prior written approval. We reserve the right to change the requirements relating to your Sitelet at any time. You may be required to pay a monthly hosting fee to our vendor to cover the costs associated with your Sitelet. All such information shall be subject to our approval prior to posting. If you are in default of any obligation under this Agreement or the System Standards, then we may, in addition to our other remedies, temporarily remove references to the Seniors Blue Book Business from the System Website until you fully cure the default. We may, at our option, discontinue any or all System Websites at any time.

You may not, without our prior written approval, develop, maintain, or authorize any other website that mentions or describes you or the Seniors Blue Book Business or displays any of the Marks.

Nothing in this Section shall limit our right to maintain websites other than the System Website.

#### 9E. FRANCHISE ADVISORY COUNCIL.

We reserve the right to form an advisory council (“**Council**”) to advise us on advertising policies and to provide input regarding the National Fund and to promote communications between us and all franchisees. If the Council is formed, we may establish bylaws, which will specify the manner in which the Council’s members are selected. We reserve the right to grant to the Council any operation or decision-making powers that we deem appropriate. We reserve the right to form, change, or dissolve the Council, in our sole discretion.

#### 10. REPORTS.

You must provide to us at your expense in a form acceptable to us timely financial statements as specified in the Brand Standards Manual.

(1) You agree to comply with all reporting requirements we prescribe in the Brand Standards Manual.

(2) In order for us to provide the most timely and useful information to the Seniors Blue Book Business, it is essential that you collect certain information as soon as possible after the applicable accounting period closes. You agree to submit, based on the frequency we designate, completed relevant worksheets; payroll changes and current hours worked; bank statements; and any other documents required in the Brand Standards Manual to properly record all transactions affecting the Seniors Blue Book Business’ financial activity.

(3) If you fail to submit Seniors Blue Book Business-related items when required pursuant to this Section, we shall have the right to terminate this Agreement as provided in Section 14B.

You agree to give us in the manner and format that we prescribe from time to time:

(a) Within five days of our request, all profit and loss statements, source and use of funds statements, and a balance sheet for the Seniors Blue Book Business as of the end of the prior calendar month;

(b) by April 15<sup>th</sup> of each year, a copy of the tax return for the Seniors Blue Book Business for the previous calendar year; and

(c) any other data, information, and supporting records reasonably requested by us from time to time (including, without limitation, daily and weekly reports of product sales by category).

An officer must certify and sign each report and financial statement in the manner we prescribe. We may disclose or use the data derived from these reports, your year-end reports, and any other financial statements from the operation of your Seniors Blue Book Business, for any purpose we deem appropriate, in our sole consent. If we choose to utilize your Seniors Blue Book Business’s financial statements for

disclosure in our FDD, we may be required to disclose identifying information about your Seniors Blue Book Business in such disclosure.

Subject to applicable law, you agree to preserve and maintain all records in a secure location at the Seniors Blue Book Business for at least three years (including, but not limited to, sales checks, purchase orders, invoices, payroll records, client lists, check stubs, sales tax records and returns, cash revenues and disbursement journals, and general ledgers). If there is a discrepancy in any financial statement or information that you present to us, we may require you to have audited financial statements prepared annually during the term of this Agreement at your expense. If you fail to submit a report by the due date specified in this Agreement, you will be fined \$100 per occurrence plus \$100 per week until you submit the required report. These fees shall be paid to us, or, once established, to the National Fund. We may debit your bank account for these charges if you fail to submit any requested report within five days of a request.

## 11. INSPECTIONS AND AUDITS.

### 11A. OUR RIGHT TO INSPECT SENIORS BLUE BOOK BUSINESS.

To determine whether you and the Seniors Blue Book Business are complying with this Agreement and all System Standards, we and our designated agents or representatives may at all times and without prior notice to you: (1) inspect the Seniors Blue Book Business; (2) interview the Seniors Blue Book Business's managers, employees and clients; and (3) inspect and copy any books, records and documents relating to the Seniors Blue Book Business's operation. You agree to cooperate with us fully. If we exercise any of these rights, we will not interfere unreasonably with the Seniors Blue Book Business's operation.

### 11B. OUR RIGHT TO AUDIT.

We may at any time during your business hours, and without prior notice to you, examine your and the Seniors Blue Book Business's business records, bookkeeping, accounting records, sales and income tax records and returns, and other records. You agree to cooperate fully with our representatives and independent accountants in any examination or audit. If an examination or audit shows an understatement of amounts owed to us, then you shall immediately pay to us the amount understated, in addition to interest from the date such amount was due until paid, at the rate of 1.5% per month or the maximum rate permitted by law, whichever is less. If an inspection or audit shows an understatement of 2% or more, you shall, in addition to repayment of monies owed with interest, reimburse us for any and all costs and expenses connected with the audit (including, without limitation, travel, lodging, wage expenses, and reasonable accounting and legal costs). The foregoing remedies shall be in addition to any other rights or remedies we may have as a result of such underreporting under this Agreement.

## 12. TRANSFERS.

### 12A. TRANSFER BY US.

You acknowledge that we maintain a staff to manage and operate the System and that staff members can change as employees come and go. You acknowledge that you did not sign this Agreement in reliance on the continued participation by or employment of any of our shareholders, directors, officers, or employees. We may change our ownership or form and/or assign this Agreement and any other agreement to a third party without restriction. After our assignment of this Agreement to a third party who expressly assumes the obligations under this Agreement, we no longer will have any performance or other obligations under this Agreement.

## 12B. TRANSFER BY YOU.

You understand and acknowledge that the rights and duties this Agreement creates are personal to you and your owners and that we have granted you the Seniors Blue Book Franchise in reliance upon our perceptions of your and your owners' individual or collective character, skill, aptitude, attitude, business ability, and financial capacity. Accordingly, none of the following may be transferred without our prior written approval: (i) this Agreement (or any interest in this Agreement); (ii) the Seniors Blue Book Business (or any right to receive all or a portion of the Seniors Blue Book Business's profits or losses or capital appreciation related to the Seniors Blue Book Business); (iii) substantially all of the assets of the Seniors Blue Book Business; (iv) any ownership interest in you (regardless of its size); or (v) any ownership interest in any of your owners (if such owners are legal entities). A transfer of the Seniors Blue Book Business's ownership, possession or control, or substantially all of its assets, may be made only with a transfer of this Agreement. Any transfer without our approval is a breach of this Agreement and has no effect.

In this Agreement, the term “**transfer**” includes a voluntary, involuntary, direct, or indirect assignment, sale, gift, or other disposition. An assignment, sale, gift, or other disposition includes the following events:

- (a) transfer of ownership of capital stock, a partnership or membership interest, or another form of ownership interest;
- (b) merger or consolidation or issuance of additional securities or other forms of ownership interest;
- (c) any sale of a security convertible to an ownership interest;
- (d) transfer of an interest in you, this Agreement, the Seniors Blue Book Business or substantially all of its assets, or in your owners in a divorce, insolvency, entity dissolution proceeding, or otherwise by operation of law;
- (e) if one of your owners or an owner of one of your owners dies, a transfer of an interest in you or your owner by will, declaration of or transfer in trust, or under the laws of intestate succession; or
- (f) foreclosure upon the Seniors Blue Book Business, or your transfer, surrender, or loss of the Seniors Blue Book Business's possession, control, or management.

Additionally, you may not pledge this Agreement (to someone other than us), or an ownership interest in you or your owners as security for any loan or other financing, unless: (i) we grant our prior written consent and, unless we agree otherwise in writing, (ii) the lender agrees that its claims will be subordinate to all amounts you owe at any time to us or our affiliates.

## 12C. CONDITIONS FOR APPROVAL OF TRANSFER.

If you (and your owners) are in full compliance with this Agreement, then, subject to the other provisions of this Section 12, we will approve a transfer that meets all of the requirements in this Section. A non-controlling ownership interest in you or your owners (determined as of the date on which the proposed transfer will occur) may be transferred if the proposed transferee and its direct and indirect owners (if the transferee is an Entity) are of good character and meet our then applicable standards for Seniors Blue Book franchise owners (including no ownership interest in or performance of services for a Competitive

Business). If the proposed transfer is of this Agreement or a controlling ownership interest in you or one of your owners, or is one of a series of transfers (regardless of the time period over which these transfers take place), which in the aggregate transfer this Agreement or a controlling ownership interest in you or one of your owners, then all of the following conditions must be met before or concurrently with the effective date of the transfer:

- (1) the transferee has sufficient business experience, aptitude, and financial resources to operate the Seniors Blue Book Business;
- (2) you have paid all Royalty, National Fund, and other amounts owed to us, our affiliates, and third-party vendors;
- (3) you have submitted all required reports and statements;
- (4) you have not violated any provision of this Agreement or any other agreement with us during both the 60-day period before you requested our consent;
- (5) you have not violated any provision of this Agreement or any other agreement with us during the period between your request and the effective date of the transfer;
- (6) neither the transferee nor its owners (if the transferee is an Entity) or affiliates have an ownership interest (direct or indirect) in or perform services for a Competitive Business;
- (7) the transferee (or its Managing Owner, or, if applicable, Designated Manager) satisfactorily complete our training program;
- (8) the transferee shall (if the transfer is of this Agreement), or you shall (if the transfer is of a controlling ownership interest in you or one of your owners), sign our then current form of franchise agreement and related documents, including but not limited to our then current form of Owners Agreement or other guarantee, any and all of the provisions of which may differ materially from any and all of those contained in this Agreement;
- (9) you or the transferee pays us a transfer fee (“**Transfer Fee**”) in the amount of \$5,000 if the transfer is made to an existing Seniors Blue Book franchisee or \$10,000 if the transfer is made to a third-party buyer, including a \$1,000 nonrefundable deposit that is due upon the request for approval of the transfer.
- (10) you and your transferring owners sign a general release, in a form satisfactory to us, of any and all claims against us and our shareholders, officers, directors, employees, and agents;
- (11) we have determined that the purchase price and payment terms will not adversely affect the transferee’s operation of the Seniors Blue Book Business;
- (12) if you or your owners finance any part of the purchase price, you and/or your owners agree that all of the transferee’s obligations under promissory notes, agreements or security interests reserved in the Seniors Blue Book Business are subordinate to the transferee’s obligation to pay Royalty and National Fund contributions and other amounts due to us, our affiliates, and third-party vendors and otherwise to comply with this Agreement;

(13) you and your transferring owners (and your and their spouses and other immediate family members) will not, for two years beginning on the transfer's effective date, engage in any of the activities proscribed in Section 15E below;

(14) you and your transferring owners will not directly or indirectly at any time or in any manner (except with respect to other Seniors Blue Book Businesses you own and operate) identify yourself or themselves or any business as a current or former Seniors Blue Book Franchise or as one of our franchise owners; use any Mark, any colorable imitation of a Mark, or other indicia of a Seniors Blue Book Franchise in any manner or for any purpose; or utilize for any purpose any trade name, trade or service mark, or other commercial symbol that suggests or indicates a connection or association with us; and

(15) you will reimburse us upon receipt of our invoice for any broker or other placement fees we incur as a result of the transfer.

We may review all information regarding the Seniors Blue Book Business that you give the transferee, correct any information that we believe is inaccurate, and give the transferee copies of any reports that you have given us or we have made regarding the Seniors Blue Book Business. You must reimburse us for any costs or fees we incur related to any transfer that is not completed.

#### 12D. TRANSFER TO A WHOLLY-OWNED CORPORATION OR LIMITED LIABILITY COMPANY.

Notwithstanding Section 12C above, if you are in full compliance with this Agreement, you may transfer this Agreement to a corporation or limited liability company which conducts no business other than the Seniors Blue Book Business and, if applicable, other Seniors Blue Book Businesses, in which you maintain management control, and of which you own and control 100% of the equity and voting power of all issued and outstanding ownership interests, provided that all of the Seniors Blue Book Business's assets are owned, and the Seniors Blue Book Business is conducted, only by that single corporation or limited liability company. The corporation or limited liability company must expressly assume all of your obligations under this Agreement. Transfers of ownership interests in the corporation or limited liability company are subject to Section 12C above. You agree to remain personally liable under this Agreement as if the transfer to the corporation or limited liability company did not occur. If you transfer pursuant to the terms of this Section 12D, you will not be required to pay a Transfer Fee but will be required to reimburse us for any legal expenses that we incur.

#### 12E. TRANSFER DUE TO DEATH OR DISABILITY.

If you are an individual, upon your death or permanent disability or, if you are an Entity, upon the death or permanent disability of the Managing Owner, the executor, administrator, conservator, guardian, or other personal representative must transfer your interest in this Agreement, or the Managing Owner's ownership interest in you, to a third party acceptable to us (which may be your or the Managing Owner's heirs, beneficiaries, or devisees). That transfer must be completed within a reasonable time, not to exceed nine months from the date of death or disability, and is subject to all of the terms and conditions in this Section 12. The new individual or Managing Owner must complete our standard training program at your sole expense. A failure to transfer your interest in this Agreement or the Managing Owner's ownership interest in you within this time period is a breach of this Agreement. We shall have the right, in our sole discretion, to appoint an Interim Manager to operate the Seniors Blue Book Business, and exercise Step-In Rights upon your or your Managing Owner's death or permanent disability in accordance with Section 14C until your interest or the Managing Owner's interest shall have been transferred in accordance with this Section 12E. The term "**disability**" means a mental or physical disability, impairment, or condition that is

reasonably expected to prevent or actually does prevent you or the Managing Owner from supervising the management and operation of the Seniors Blue Book Business.

#### 12F. EFFECT OF CONSENT TO TRANSFER.

Our consent to a transfer of this Agreement and the Seniors Blue Book Business, or any interest in you or your owners, is not a representation of the fairness of the terms of any contract between you and the transferee, a guarantee of the Seniors Blue Book Business or transferee's prospects of success, or a waiver of any claims we have against you (or your owners) or of our right to demand the transferee's full compliance with this Agreement.

#### 12G. OUR RIGHT OF FIRST REFUSAL.

If you or any of your owners at any time determine to sell or transfer for consideration an interest in this Agreement and the Seniors Blue Book Business, or an ownership interest in you (except to or among your current owners, which is not subject to this Section), in a transaction that otherwise would be allowed under Sections 12B and 12C above, you or your owners agree to obtain from a responsible and fully disclosed buyer, and send to us a true and complete copy of a bona fide, executed written offer (which may include a letter of intent) relating exclusively to an interest in you or in this Agreement and the Seniors Blue Book 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 dollar amount, and the proposed buyer must submit with its offer an earnest money deposit equal to 5% or more of the offering price.

The right of first refusal process will not be triggered by a proposed transfer that would not be allowed under Sections 12B and 12C above. We may require you or your owners to send us copies of any materials or information sent to the proposed buyer or transferee regarding the possible transaction.

We may, by written notice delivered to you or your selling owner(s) within 30 days after we receive both an exact copy of the offer and we have received to our satisfaction all other information we request concerning the offer and the proposed purchaser, elect to purchase the interest offered for the price and on the terms and conditions contained in the offer, provided that:

- (1) we may substitute cash for any form of payment proposed in the offer (such as ownership interests in a privately-held entity);
- (2) our credit will be deemed equal to the credit of any proposed buyer (meaning that, if the proposed consideration includes promissory notes, we or our designee may provide promissory notes with the same terms as those offered by the proposed buyer);
- (3) we will have an additional 30 days to prepare for closing after notifying you of our election to purchase; and
- (4) we must receive, and you and your owners agree to make, all customary representations and warranties given by the seller of the assets of a business or the ownership interests in a legal entity, as applicable, including, without limitation, representations and warranties regarding: (a) ownership and condition of and title to ownership interests and/or assets; (b) liens and encumbrances relating to ownership interests and/or assets; and (c) validity of contracts and the liabilities, contingent or otherwise, of the entity whose assets or ownership interests are being purchased.

We have the unrestricted right to assign this right of first refusal to a third party, who then will have the rights described in this Section 12G.

If we do not exercise our right of first refusal, you or your owners may complete the sale to the proposed buyer on the original offer's terms, but only if we otherwise approve the transfer in accordance with (and you, your owners, if applicable, and the transferees comply with) Sections 12B and 12C above.

If you do not complete the sale to the proposed buyer within 60 days after we notify you 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 you agree to tell us promptly), we or our designee will have an additional right of first refusal during the 30-day period following either the expiration of the 60-day period or our 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 or our designee's option.

### 13. EXPIRATION OF THIS AGREEMENT.

#### 13A. YOUR RIGHT TO ACQUIRE A SUCCESSOR FRANCHISE.

Upon expiration of this Agreement, if you meet certain conditions and subject to the terms and conditions of this Agreement, then you will have the option to acquire a successor franchise to operate the Seniors Blue Book Business for an additional ten-year term. The qualifications and conditions for the successor term are described below.

When this Agreement expires:

(1) if you and each of your owners have substantially complied with this Agreement during its term, which includes satisfying all monetary obligations owed by you to us, our affiliates, or your suppliers or creditors, whether pursuant to this Agreement or otherwise; and

(2) if you and each of your owners are, both on the date you give us written notice of your election to acquire a successor franchise (as provided in Section 13B below) and on the date on which the term of the successor franchise would commence, in full compliance with this Agreement and all System Standards; and

(3) provided that you maintain possession of and agree to remodel, refurbish or replace any Operating Assets at our request, and otherwise modify the Seniors Blue Book Business as we require to comply with System Standards then applicable for new Seniors Blue Book Businesses;

then you have the option to acquire a successor franchise commencing immediately upon the expiration of this Agreement. You must execute the then current form of franchise agreement (“**Successor Franchise Agreement**”) and all other agreements, legal instruments and documents then customarily used by us in the renewal of our franchises. The Successor Franchise Agreement and these other agreements, legal instruments and documents may contain provisions that differ materially from any and all of those contained in this Agreement, including, but not limited to, higher Royalty, advertising contributions, and different Territory boundaries. If you are signing this franchise agreement as a Successor Franchise Agreement, the references to “**Term**” shall mean the applicable renewal term of the Successor Franchise Agreement. We have the right to refuse to renew the license granted under this Agreement if we have given you written notice three or more times for failure to comply with the terms of this Agreement, whether or not such failure is subsequently cured. Upon execution of a Successor Franchise Agreement, you will pay us a successor franchise fee (“**Successor Franchise Fee**”) of \$12,000 for a comparable territory.

If you and each of your owners are not, both on the date you give us written notice of your election to acquire a successor franchise and on the date on which the term of the successor franchise commences, in full compliance with this Agreement and all System Standards, you acknowledge that we need not grant you a successor franchise, whether or not we had, or chose to exercise, the right to terminate this Agreement during its term under Section 14B.

### 13B. GRANT OF A SUCCESSOR FRANCHISE.

You agree to give us written notice (“**Your Notice**”) of your election to acquire a successor franchise no more than 12 months and no less than six months before this Agreement expires. We agree to give you written notice (“**Our Notice**”), not more than six months after we receive your notice, of our decision:

- (1) to grant you a successor franchise;
- (2) to grant you a successor franchise on the condition that you correct existing deficiencies of the Seniors Blue Book Business or in your operation of the Seniors Blue Book Business;
- (3) not to grant you a successor franchise based on our determination that you and your owners have not substantially complied with this Agreement during its term or were not in full compliance with this Agreement and all System Standards on the date you gave us written notice of your election to acquire a successor franchise; or
- (4) not grant you a successor because we no longer maintain a franchise program for Seniors Blue Book Businesses.

If applicable, Our Notice will state the actions you must take to correct operating deficiencies and the time period in which you must correct these deficiencies.

If we elect not to grant you a successor franchise, Our Notice will describe the reasons for our decision. If we elect to grant you a successor franchise, your right to acquire a successor franchise is subject to your full compliance with all of the terms and conditions of this Agreement through the date of its expiration, in addition to your compliance with the obligations described in Our Notice.

If Our Notice states that you must remodel the Seniors Blue Book Business and/or must cure certain deficiencies of the Seniors Blue Book Business or its operation as a condition to our granting you a successor franchise, we will give you written notice of our decision not to grant a successor franchise, based upon your failure to complete the remodeling and/or to cure those deficiencies, not less than 90 days before this Agreement expires, provided, however, that we need not give you this 90 days’ notice if we decide not to grant you a successor franchise due to your breach of this Agreement during the 90-day period before it expires. We may extend this Agreement’s term for the time period necessary to give you either reasonable time to correct deficiencies or the 90 days’ notice of our refusal to grant a successor franchise. If you fail to notify us of your election to acquire a successor franchise within the prescribed time period, we need not grant you a successor franchise.

### 13C. AGREEMENTS/RELEASES.

If you satisfy all of the other conditions for a successor franchise, you and your owners agree to execute the Successor Franchise Agreement. You and your owners further agree to sign, in a form satisfactory to us, guarantees and general releases of any and all claims against us and our shareholders,

officers, directors, employees, agents, successors, and assigns. We will consider your or your owners' failure to sign these agreements and releases and to deliver them to us for acceptance and execution within 30 days after their delivery to you to be an election not to acquire a successor franchise.

#### 14. TERMINATION OF AGREEMENT.

##### 14A. TERMINATION BY YOU.

If you and your owners are fully complying with this Agreement and we materially fail to comply with this Agreement and do not correct the failure within 30 days after you deliver written notice of the material failure to us or, if we cannot correct the failure within 30 days after your notice, you may terminate this Agreement effective an additional 30 days after you deliver to us written notice of termination.

Your termination of this Agreement other than according to this Section 14A will be deemed a termination without cause and a breach of this Agreement.

##### 14B. TERMINATION BY US.

We may terminate this Agreement, effective upon delivery of written notice of termination to you, if:

(1) you or any of your owners have made or make any material misrepresentation or omission in acquiring the Seniors Blue Book Franchise or operating the Seniors Blue Book Business;

(2) you do not open the Seniors Blue Book Business for business within six (6) months after the Effective Date;

(3) your Managing Owner, or, if applicable, Designated Manager and/or other required attendees do not satisfactorily complete the initial training program and you fail to appoint a Managing Owner or Designated Manager within 30 days that is capable of completing the initial training program to our satisfaction;

(4) you abandon or fail to actively operate the Seniors Blue Book Business for three or more days, not including state recognized holidays, during any 12-month period, unless you close the Seniors Blue Book Business for a purpose we approve or pursuant to the terms of this Agreement;

(5) you or your owners make or attempt to make any transfer in violation of Section 12;

(6) you or any of your owners are or have been convicted of, or plead or have pleaded guilty or no contest to, a felony;

(7) you fail to maintain the insurance we require and do not correct the failure within ten days after we deliver written notice of that failure to you;

(8) you or any of your owners engage in any dishonest or unethical conduct that, in our opinion, adversely affects the Seniors Blue Book Business's reputation or the goodwill associated with the Marks;

(9) you or any of your owners knowingly make any unauthorized use or disclosure of any part of the Brand Standards Manual or any other Confidential Information;

(10) you violate any health, safety, or sanitation law, ordinance, or regulation, or operate the Seniors Blue Book Business in an unsafe manner, and do not begin to cure the violation immediately, and correct the violation within 24 hours, after you receive notice from us or any other party;

(11) you violate any other applicable law, regulation, ordinance, or consent decree, or fail to maintain any bond, license, or permit, and do not cure such violation or failure within 48 hours after we or any applicable government agency deliver notice to you of that violation or failure;

(12) you fail to pay us, our suppliers, or our affiliates any amounts due and do not correct the failure within ten days after we deliver written notice of that failure to you;

(13) you fail to pay when due any federal or state income, service, sales, or other taxes due on the Seniors Blue Book Business operation, unless you are in good faith contesting your liability for these taxes;

(14) you or any of your owners: (a) fail on three or more separate occasions within any 12 consecutive month period to comply with this Agreement, whether or not we notify you of the failures, and, if we do notify you of the failures, whether or not you correct the failures after our delivery of notice to you; or (b) fail on two or more separate occasions within any 12 consecutive month period to comply with the same obligation under this Agreement, whether or not we notify you of the failures, and, if we do notify you of the failures, whether or not you correct the failures after our delivery of notice to you;

(15) you make an assignment for the benefit of creditors or admit in writing your insolvency or inability to pay your debts generally as they become due; you consent to the appointment of a receiver, trustee, or liquidator of all or the substantial part of your property; the Seniors Blue Book Business is attached, seized, subjected to a writ or distress warrant, or levied upon, unless the attachment, seizure, writ, warrant, or levy is vacated within 30 days; or any order appointing a receiver, trustee, or liquidator of you or the Seniors Blue Book Business is not vacated within 30 days following the order's entry;

(16) you or any of your owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you or any of your owners otherwise violate any such law, ordinance, or regulation;

(17) you or any of your owners fail to comply with any other provision of this Agreement or any System Standard and do not correct the failure within 30 days after we deliver written notice of the failure to you;

(18) there is a termination of any other franchise agreement or other agreement between you or your affiliates and us or any of our affiliates;

(19) you have three or more incidences of insufficient funds or returned checks in any one calendar year;

(20) you fail to publish a Guide in any 14-month period, within the timeframes specified in the Brand Standards Manual; or

(21) you indicate in writing to us your intention to consummate any of the preceding actions.

#### 14C. STEP-IN RIGHTS; ASSUMPTION OF MANAGEMENT.

In addition to the rights described above, in order to prevent any interruption of the operations which would cause harm to the Seniors Blue Book Business, thereby depreciating the value thereof, we have the right, but not the obligation, to step-in and designate an individual of our choosing (“**Interim Manager**”) for so long as we deem necessary and practical to temporarily manage the Seniors Blue Book Business: (i) if you fail to comply with any provision of this Agreement and do not cure the failure within the time period specified by this Agreement or by us; (ii) if we determine in our sole judgment that the operation of the Seniors Blue Book Business is in jeopardy; (iii) if we determine in our sole discretion that operational problems require that we operate the Seniors Blue Book Business; (iv) if you abandon or fail to actively operate the Seniors Blue Book Business; (v) upon yours or the Managing Owner’s absence, termination, illness, death, incapacity, or disability; or (vi) if we deem you or the Managing Owner incapable of operating the Seniors Blue Book Business (“**Step-in Rights**”). If we exercise the Step-In Rights:

(1) you agree to pay us, in addition to all other amounts due under this Agreement, an amount equal to \$200 per day that the Interim Manager manages the Seniors Blue Book Business, for up to 60 days after the Interim Manager assumes management, plus the Interim Manager’s direct out-of-pocket costs and expenses;

(2) all monies from the operation of the Seniors Blue Book Business during such period of operation by the Interim Manager shall be kept in a separate account, and the expenses of the Seniors Blue Book Business, including the fee paid to the Interim Manager, shall be charged to said account;

(3) you acknowledge that the Interim Manager will have a duty to utilize only reasonable efforts and will not be liable to you or your owners for any debts, losses, or obligations the Seniors Blue Book Business incurs, or to any of your creditors for any supplies, products, or other assets or services the Seniors Blue Book Business purchases, while Interim Manager manages it;

(4) the Interim Manager will have no liability to you except to the extent directly caused by its gross negligence or willful misconduct. We will have no liability to you for the activities of an Interim Manager unless we are grossly negligent in appointing the Interim Manager, and you agree to indemnify and hold harmless us, the Interim Manager, and any representative of us who may act hereunder, from any and all acts which we may perform or omissions, as regards the interests of you or third parties; and

(5) you agree to pay all of our reasonable attorney’s fees and costs incurred as a consequence of our exercise of the Step-In Rights.

Nothing contained herein shall prevent us from exercising any other right which we may have under this Agreement, including, without limitation, termination.

15. OUR AND YOUR RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION OF THIS AGREEMENT.

15A. PAYMENT OF AMOUNTS OWED TO US.

You agree to pay us within 15 days after this Agreement expires or is terminated, or on any later date that we determine, the amounts due to us (or our affiliates), Royalties, National Fund contributions, interest, and all other amounts owed to us (and our affiliates) which then are unpaid.

15B. DE-IDENTIFICATION.

When this Agreement expires or is terminated:

(1) you may not directly or indirectly at any time or in any manner (except with other Seniors Blue Book Businesses you own and operate) identify yourself or any business as a current or former Seniors Blue Book Business or as one of our current or former franchise owners; use any Mark, any colorable imitation of a Mark, or other indicia of a Seniors Blue Book Business in any manner or for any purpose; or use for any purpose any trade name, trade or service mark, or other commercial symbol that indicates or suggests a connection or association with us;

(2) you agree to take the action required to cancel or assign all fictitious or assumed name or equivalent registrations relating to your use of any Mark;

(3) you agree to deliver to us, at your expense, within 30 days all signs, sign faces, sign-cabinets, marketing materials, forms and other materials containing any Mark or otherwise identifying or relating to a Seniors Blue Book Business, and if you fail to do so in the required time period, you agree to allow us, without liability to you or third parties for trespass or any other claim, to remove any signs or other materials containing any Marks from the Seniors Blue Book Business;

(4) you acknowledge that all telephone numbers, facsimile numbers, social media websites, Internet addresses and email addresses (collectively “**Identifiers**”) used in the operation of your Seniors Blue Book Business constitute our assets, and upon termination or expiration of this Agreement, you will take such action within five days to cancel or assign to us or our designee as determined by us, all of your right, title and interest in and to such Identifiers and will notify the telephone company and all listing agencies of the termination or expiration of your right to use any Identifiers, and any regular, classified or other telephone directory listing associated with the Identifiers and to authorize a transfer of the same to, or at our direction. You agree to take all action required to cancel all assumed name or equivalent registrations related to your use of the Marks. You acknowledge that, we have the sole rights to, and interest in, all Identifiers used by you to promote your Seniors Blue Book Business and/or associated with the Marks. You hereby irrevocably appoint us, with full power of substitution, as your true and lawful attorney-in-fact, which appointment is coupled with an interest, to execute such directions and authorizations as may be necessary or prudent to accomplish the foregoing. You further appoint us to direct the telephone company, postal service, registrar, Internet Service Provider, listing agency, website operator, or any other third party to transfer such Identifiers to us or our designee. The telephone company, postal service, registrar, Internet Service Provider, listing agency, website operator, or any other third party may accept such direction by us pursuant to this Agreement as conclusive evidence of our rights to the Identifiers and our authority to direct their transfer; and

(5) you agree to deliver to us copies of the entire customer files for each customer, which includes referrals, credit card and bank information, and any other customer information;

(6) you agree to give us, within 30 days after the expiration or termination of this Agreement, evidence satisfactory to us of your compliance with these obligations; and

(7) you agree to comply with all applicable laws in connection with the closure or de-identification of the Seniors Blue Book Business, including, without limitation, laws which require you to refund payments received for gift certificates or similar prepaid goods and/or services to customers.

#### 15C. CONFIDENTIAL INFORMATION.

You agree that, when this Agreement expires or is terminated, you will immediately cease using any of our Confidential Information (including computer software or similar technology and digital passwords and identifications that we have licensed to you or that otherwise are proprietary to us or the System) in any business or otherwise and return to us all copies of the Brand Standards Manual and any other confidential materials that we have loaned you, as well as any client data that you may have.

#### 15D. CLIENTS.

If this Agreement is being terminated or expiring without renewal, we may contact clients of the Seniors Blue Book Business and offer such clients continued rights to use one or more Seniors Blue Book Businesses on such terms and conditions we deem appropriate, which in no event will include assumption of any then-existing liability arising or relating to those clients or act or failure to act by you or the Seniors Blue Book Business.

#### 15E. COVENANT NOT TO COMPETE.

Upon termination or expiration of this Agreement, you and your owners agree that, for the Post-Term Restricted Period, neither you nor any of your owners (or your or their spouses) will have any direct or indirect interest as an owner (whether of record, beneficially, or otherwise), investor, partner, director, officer, employee, consultant, representative, or agent in any Competitive Business (as defined in Section 7 above) located within a 100 mile radius from all other Seniors Blue Book Businesses that are operating or under construction.

These restrictions also apply after transfers, as provided in Section 12C above. If any person restricted by this Section refuses voluntarily to comply with these obligations, the Post-Term Restricted Period for that person will be tolled during the period of noncompliance and shall commence with the entry of a court order enforcing this provision. You and your owners expressly acknowledge that you possess skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, our enforcing the covenants made in this Section will not deprive you of your personal goodwill or ability to earn a living.

For purposes of this Section, “**Post-Term Restricted Period**” means, with respect to you, a period of two years after the termination, expiration or transfer of this Agreement; provided, however, that if a court of competent jurisdiction determines that the two-year Post-Term Restricted Period is too long to be enforceable, then the “**Post-Term Restricted Period**” means, with respect to you, a period of one year after the termination, expiration or transfer of this Agreement. “**Post-Term Restricted Period**” means, with respect to an owner (if Franchisee is an Entity), a period of two years after the earlier to occur of (i) the termination, expiration or transfer of this Agreement or (ii) the owner’s transfer of his or her entire ownership interest in the Seniors Blue Book Franchise or the Entity that is the franchisee, as applicable; provided, however, that if a court of competent jurisdiction determines that the two-year Post-Term Restricted Period is too long to be enforceable, then the “**Post-Term Restricted Period**” means, with

respect to an owner, a period of one year after the earlier to occur of (i) the termination, expiration or transfer of this Agreement or (ii) the owner's transfer of his or her entire ownership interest in the Seniors Blue Book Franchise or the Entity that is the franchisee, as applicable.

#### 15F. OUR RIGHT TO PURCHASE THE SENIORS BLUE BOOK BUSINESS.

(1) Exercise of Option. Upon any termination or expiration of this Agreement, whether lawful or unlawful, we have the option, exercisable by giving you written notice within 30 days after the date of termination or expiration, to purchase the Seniors Blue Book Business. We have the unrestricted right to assign this option to purchase. If we purchase the Seniors Blue Book Business, we are entitled to all customary warranties and representations in our asset purchase, including, without limitation, representations and warranties as to ownership and condition of and title to assets; liens and encumbrances on assets; validity of contracts and agreements; and liabilities affecting the assets, contingent or otherwise.

(2) Purchase Price. The purchase price for the Seniors Blue Book Business will be its fair market value, provided that these items will not include any value for:

- (a) the Seniors Blue Book Franchise or any rights granted by this Agreement;
- (b) goodwill attributable to our Marks, brand image, and other intellectual property; or
- (c) participation in the network of Seniors Blue Book Businesses.

We may exclude from the assets purchased any Operating Assets and supplies that are not reasonably necessary (in function or quality) to the Seniors Blue Book Business's operation or that we have not approved as meeting standards for Seniors Blue Book Businesses, and the purchase price will reflect these exclusions.

(3) Appraisal. If we and you cannot agree on fair market value, fair market value will be determined by three independent appraisers, each of whom will conduct a separate appraisal and, in doing so, be bound by the criteria specified in subparagraph (3). We will appoint one appraiser, you will appoint one appraiser, and these two appraisers will appoint the third appraiser. You and we agree to select our respective appraisers within 15 days after we notify you that we wish to exercise our purchase option (if you and we have not agreed on fair market value before then), and the two appraisers so chosen are obligated to appoint the third appraiser within 15 days after the last of them is appointed. You and we will bear the costs of our own appraisers and share equally the fees and expenses of the third appraiser. The appraisers must complete their appraisals within 30 days after the third appraiser's appointment. The purchase price will be the average of the three independent appraisals.

(4) Closing. We or our assignee will pay the purchase price at the closing, which will take place not later than 60 days after the purchase price is determined, although we or our assignee may decide after the purchase price is determined not to purchase the Seniors Blue Book Business. We may set off against the purchase price, and reduce the purchase price by, any and all amounts you or your owners owe us or our affiliates. At the closing, you agree to deliver instruments transferring to us or our assignee:

- (a) good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to us), with all sales and other transfer taxes paid by you;
- (b) all of the Seniors Blue Book Business's licenses and permits which may be assigned or transferred; and
- (c) accounts receivable from Client Lists in computer readable format.

If you cannot deliver clear title to all of the purchased assets, or if there are other unresolved issues, we and you will close the sale through an escrow. You and your owners further agree to execute general releases, in a form satisfactory to us, of any and all claims against us and our owners, officers, managers, employees, agents, successors, and assigns.

#### 15G. CONTINUING OBLIGATIONS.

All of our and your and your owners' obligations which expressly or by their nature survive this Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire.

#### 15H. GENERAL EXPIRATION PROCEDURES.

You must follow any procedures established by us to ensure the expiration of this Agreement or any successor term thereof creates the least disruption possible to the System, including those procedures set forth in the Brand Standards Manual.

### 16. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.

#### 16A. INDEPENDENT CONTRACTORS.

You and we understand and agree that this Agreement does not create a fiduciary relationship between you and us, that you and we are and will be independent contractors, and that nothing in this Agreement is intended to make either you or us a general or special agent, co-venturer, partner, employer or employee of the other for any purpose. You and we intend by this Agreement to establish between you and us only the relationship of franchisor and franchisee. You agree to identify yourself conspicuously in all dealings with clients, suppliers, public officials, Seniors Blue Book Business personnel, and others as the Seniors Blue Book Business's owner under a franchise we have granted and to place notices of independent ownership on the forms, business cards, stationery, advertising, and other materials we require from time to time. You will use your legal name on all documents for use with employees and contractors, including but not limited to, employment applications, time cards, pay checks, and employment and independent contractor agreements and will not use the Marks on these documents. Upon our request, you and each employee will sign an employment relationship acknowledgment form within seven days stating that you alone are the employer and operate the Seniors Blue Book Business. You will not hold yourself out as our agent, employee or co-venturer. You have 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 our agent or representative for any purpose whatsoever. Neither you nor we have the power to bind or obligate the other except specifically as stated in this Agreement.

We will not have the power to hire or fire your employees. You expressly agree, and will never contend otherwise, that our authority under this Agreement to certify certain of your employees or independent contractors for qualification to perform certain functions for the Seniors Blue Book Business

does not directly or indirectly vest in us the power to hire, fire or control any such employee or independent contractor. You alone are solely responsible for all hiring and employment decisions and functions relating to the Seniors Blue Book Business, including, without limitation, those related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision, and discipline of employees and contractors, regardless of whether you have received advice from us on these subjects or not. You agree that any direction you receive from us regarding employment policies should be considered as examples, that you alone are responsible for establishing and implementing your own policies, and that you understand that you should do so in consultation with local legal counsel well-versed in employment law.

All employees or independent contractors hired by or working for you will be your employees or independent contractors alone and will not for any purpose, be deemed our employees or subject to our control, most particularly with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state or federal governmental agency. You and we will each file our own tax, regulatory and payroll reports, and be responsible for all employee benefits and workers' compensation payments with respect to our respective employee's and operations, and will save and indemnify the other from any liability of any nature whatsoever by virtue thereof. You acknowledge and agree, and will never contend otherwise, that you alone will exercise day-to-day control over all operations, activities and elements of the Seniors Blue Book Business and that under no circumstance shall we do so or be deemed to do so. You further acknowledge and agree, and will never contend otherwise, that the various requirements, restrictions, prohibitions, specifications and procedures of the System which you are required to comply with under this Agreement, whether set forth in the Brand Standards Manual or otherwise, do not directly or indirectly constitute, suggest, infer or imply that we control any aspect or element of the day-to-day operations of the Seniors Blue Book Business, which you alone control, but only constitute standards you must adhere to when exercising your control of the day-to-day operations of the Seniors Blue Book Business.

#### 16B. NO LIABILITY FOR ACTS OF OTHER PARTY.

We and you may not make any express or implied agreements, warranties, guarantees, or representations, or incur any debt, in the name or on behalf of the other or represent that our respective relationship is other than franchisor and franchisee. We will not be obligated for any damages, claim or obligation to any person or property, directly or indirectly arising out of your operation of the Seniors Blue Book Business or the business you conduct under this Agreement, whether or not caused by your negligent or willful action or failure to act, or your use of the Marks in a manner not in accordance with this Agreement. You must not use any of the Marks in signing any contract or in applying for any license or permit or in a manner that may result in our liability for your debts or obligations. You will not hold yourself out as our agent, employee or co-venturer.

#### 16C. TAXES.

We will have no liability for any sales, use, service, occupation, excise, gross revenue, income, property, or other taxes, whether levied upon you or the Seniors Blue Book Business, due to the business you conduct (except for our income taxes). You are responsible for paying these taxes and must reimburse us for any taxes that we must pay to any state taxing authority on account of either your operation or payments that you make to us. You and we will file our own tax, regulatory and payroll reports, and be responsible for all employee benefits and workers compensation payments with respect to our respective employees and operations, and we will save and indemnify one another from any and all liability of any nature whatsoever by virtue thereof.

## 16D. INDEMNIFICATION.

You, and each of your owners listed in Attachment B, agree that you will, at all times, indemnify, exculpate, defend, and hold harmless, to the fullest extent permitted by law, us, our successor, assigns and affiliates, and our and their respective shareholders, directors, officers, employees, agents, representatives, independent contractors, servants, successors, assignees and employees of each of them (“**Indemnified Parties**”) against, and to reimburse any one or more of the Indemnified Parties for, all obligations, damages, losses and expenses incurred in connection with any action, suit, proceeding, claim, demand, investigation, or inquiry (formal or informal), or any settlement thereof, directly or indirectly arising out of or based upon the Seniors Blue Book Business’s operation, the business you conduct under this Agreement, or your breach of this Agreement, including, without limitation: (i) those alleged to be or found to have been caused by the Indemnified Party’s negligence, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by our gross negligence or willful misconduct in a final, un-appealable ruling issued by a court or arbitrator with competent jurisdiction; (ii) the infringement, alleged infringement or any other violation by you, your owners or principals of any patent, mark, copyright, or other proprietary right owned or controlled by third parties due to your unauthorized use of all or any portion of the Marks and/or System; (iii) your, or your owners’, violation, breach, or asserted violation of any federal, state, or local law, regulation, ruling or industry standard; (iv) your or your owners’, libel, slander, or any other form of defamation; and (v) your employment or other contractual relationship with your employees, workers, managers, or independent contractors, including but not limited to any allegation, claim, finding, or ruling that we are an employer or joint employer of your employees; (vi) your, or your owners’ violation or breach of any warranty, representation, agreement, or obligation in this Agreement or in any other agreement between you and us or our affiliates; and (vii) any acts, errors, or omissions, or those by any of your affiliates, any of your principals, officers, directors, shareholders, agents, representatives, independent contractors, or employees in the operation of any motor vehicle or in the establishment or implementation of security for the Seniors Blue Book Business.

For purposes of this indemnification, “**claims**” include all obligations, damages (actual, consequential, 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, arbitration, or alternative dispute resolution is commenced. Each Indemnified Party may defend any claim against it and agree to settlements or take any other remedial, corrective, or other actions and such actions will affect your obligation to indemnify pursuant to this Section. We have the right to defend any such action or claim against us at your expense.

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 any insurer or other third party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim for indemnity under this Section. You agree that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover under this Section.

## 17. ENFORCEMENT.

### 17A. SECURITY INTEREST.

As security for the performance of your obligations under this Agreement, including payments owed to us for purchase by you, you grant us a security interest in all of the assets of the Seniors Blue Book Business, including but not limited to the Vehicle, inventory, fixtures, furniture, equipment, accounts, supplies, contracts, and proceeds and products of all those assets. You agree to execute such other

documents as we may reasonably request in order to further document, perfect, and record our security interest. If you default in any of your obligations under this Agreement, we may exercise all rights of a secured creditor granted to us by law, in addition to our other rights under this Agreement and at law. If a third-party lender requires that we subordinate our security interest in the assets of the Seniors Blue Book Business as a condition to lending you working capital for the operation of the Seniors Blue Book Business, we will agree to subordinate pursuant to terms and conditions determined by us.

#### 17B. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS.

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 is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, un-appealable ruling issued by any court, agency, or tribunal with competent jurisdiction, that ruling will not impair the operation of, 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, you and we 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 its termination or our refusal to enter into a Successor Franchise Agreement, or some other action that this Agreement does not require, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any System Standard is invalid, 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 provision or System Standard to the extent required to be valid and enforceable or delete the unlawful provision in its entirety. You agree 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.

#### 17C. WAIVER OF OBLIGATIONS.

We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice to the other or another effective date stated in the notice of waiver. Any waiver granted will be without prejudice to any other rights we or you have, will be subject to continuing review, and may be revoked at any time and for any reason effective upon delivery of ten days' prior written notice.

We and you will not waive or impair any right, power, or option this Agreement reserves (including, without limitation, our right to demand exact compliance with every term, condition, and covenant or to declare any breach to be a default and to terminate this Agreement before its term expires) because of any custom or practice at variance with this Agreement's terms; our or your failure, refusal, or neglect to exercise any right under this Agreement or to insist upon the other's compliance with this Agreement, including, without limitation, any System Standard; our waiver of or failure to exercise any right, power or option, whether of the same, similar or different nature, with other Seniors Blue Book Franchises; the existence of franchise agreements for other Seniors Blue Book Franchises which contain provisions different from those contained in this Agreement; or our acceptance of any payments due from you after any breach of this Agreement. No special or restrictive legend or endorsement on any check or similar item

given to us will be a waiver, compromise, settlement, or accord and satisfaction. We are authorized to remove any legend or endorsement, which then will have no effect.

Neither we nor you will be liable for loss or damage or be in breach of this Agreement if our or your failure to perform our or your obligations results from: (1) compliance with the orders, requests, regulations, or recommendations of any federal, state, or municipal government; (2) acts of God; (3) fires, strikes, embargoes, riots, war, acts of terrorism, or similar events; or (4) any other similar event or cause. Any delay resulting from any of these causes will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that these causes will not excuse payments of amounts owed at the time of the occurrence or payment of Royalties or National Fund contributions due afterward.

#### 17D. COSTS AND ATTORNEY'S FEES.

You shall pay all costs and expenses (including reasonable fees of attorneys and other engaged professionals) incurred by us in successfully enforcing this Agreement, issuing notices of default under the terms of this Agreement, or obtaining any remedy arising from the breach of this Agreement. The existence of any claims, demands or actions which you may have against us, whether arising from this Agreement or otherwise, shall not constitute a defense to our enforcement of your, or any equitable owners if you are a legal entity, representations, warranties, covenants, agreements, or obligations herein. Additionally, the substantially prevailing party in any arbitration or litigation arising out of or relating to this Agreement shall be entitled to recover from the other party all damages, costs, and expenses, including court costs and reasonable attorney's fees, incurred by the substantially prevailing party in successfully enforcing any provision of this Agreement.

#### 17E. RIGHTS OF PARTIES ARE CUMULATIVE.

Our and your rights under this Agreement are cumulative, and our or your exercise or enforcement of any right or remedy under this Agreement will not preclude our or your exercise or enforcement of any other right or remedy which we or you are entitled by law to enforce.

#### 17F. DISPUTE RESOLUTION.

(1) Mediation. Except as otherwise provided in this Agreement, any claim, dispute or controversy arising out of or in any way related to this Agreement, or the making, performance, breach, interpretation, or termination thereof, shall first be subject to non-binding mediation in the principal city closest to our principal place of business (currently Draper, Utah). Mediation shall not defer or suspend our exercise of any termination right under Section 14. Non-binding mediation hereunder shall be concluded within 60 days of the issuance of the request, or such longer period as may be agreed upon by the parties in writing ("**Mediation Termination Date**") under the auspices of the American Arbitration Proceeding ("**AAA**") or such other mediator as we deem acceptable in our sole discretion using AAA's commercial mediation procedures then in effect. All aspects of the mediation process shall be treated as confidential, shall not be disclosed to others, and shall not be offered or admissible in any other proceeding or legal action whatsoever. The parties shall bear their own costs of mediation, and shall share equally in the cost of the mediator or mediation service. No arbitration may be commenced on any claim subject to mediation under this Section prior to the Mediation Termination Date, whether or not the mediation has been commenced. Mediation under this Section is not intended to alter or suspend the rights or obligations of the parties under this Agreement or to determine the validity or effect of any provision of this Agreement, but is intended to furnish the parties an opportunity to resolve disputes amicably, expeditiously and in a cost-effective manner on mutually acceptable terms. The non-binding mediation provided for hereunder shall be commenced by the party requesting mediation

giving written notice of the request for mediation to the party with whom mediation is sought. The request shall specify with reasonable particularity the matters for which non-binding mediation is sought. Non-binding mediation hereunder shall be conducted by a mediator or mediation program designated by us in writing. We shall make the designation within a reasonable time after issuance of the request.

(2) Arbitration. If a dispute is not resolved through mediation as described in Section 17F(1) above, then following the Mediation Termination Date, such dispute shall be submitted to final and binding arbitration as the sole and exclusive remedy for any such controversy or dispute. Without limiting the generality of anything contained herein, the following shall be subject to mediation and then binding arbitration: any controversy or dispute arising out of, or relating to the Seniors Blue Book Franchise or this Agreement including, but not limited to, any claim by you or any Persons in Privity with or claiming through, for or in the right of you, concerning the entry into, performance under, or termination of, this Agreement or any other agreement entered into by us, or our subsidiaries or Affiliates, and you; any claim against a past or present employee, officer, director, member, shareholder or agent of us; any claim of breach of this Agreement; and any claims arising under state or federal laws. “**Persons in Privity**” are defined as any person(s) or entities with or claiming through, on behalf of or in the right of you include but are not limited to, spouses and other family members, domestic partners, heirs, executors, representatives, successors and assigns. The right and duty of the parties to this Agreement to resolve any disputes by arbitration shall be governed exclusively by the Federal Arbitration Act, as amended, and arbitration shall take place according to the commercial arbitration rules (in effect as of the date the demand for arbitration is filed) of, and under the auspices of, AAA or such other arbitrator as we deem acceptable in our sole discretion. The arbitration, which shall be held before a single arbitrator, shall be held in the AAA office in or nearest to our principal place of business (currently Draper, Utah), or at such other location as shall be mutually agreed upon by the parties in writing.

A single arbitrator shall be selected by the parties from a panel of neutral arbitrators provided by the arbitration service and shall be chosen by the striking method. Each party shall bear its own costs of arbitration; however, the fees of the arbitrator shall be divided equally between the parties. The arbitrator shall have no authority to amend or modify the terms of this Agreement. The award or decision by the arbitrator shall be final and binding on the parties and may be enforced by judgment or order of a court having subject matter jurisdiction in the state where the arbitration took place. Parties to arbitration under this Agreement shall not include, by consolidation, joinder or in any other manner, any person other than you and any Person in Privity with or claiming through, in the right of or for you or us, unless both parties consent in writing. To the extent permitted by applicable law, no issue of fact or law shall be given preclusive or collateral estoppel effect in any arbitration hereunder, except to the extent such issue may have been determined in another proceeding between us and you or any Person in Privity with or claiming through, in the right of or on behalf of us or you. The parties agree that any arbitration arising out of a dispute relating to this Agreement is only a matter between us and you and no other franchisees. You agree not to join or attempt to join other franchisees or other third parties in any arbitration proceeding and to not participate in any “class action” litigation or arbitration proposed or asserted by any other franchisee(s).

(3) Injunctive Relief. Nothing in Sections 17F(1) and 17F(2) of this Agreement shall bar our right to seek injunctive relief without the posting of any bond or security to obtain the entry of temporary and permanent injunctions and orders of specific performance enforcing the provisions of this Agreement, which claims shall not be subject to mediation or arbitration. Either party also shall be able to seek injunctive relief to prohibit any act or omission by the other party or its employees that constitutes a violation of any applicable law, is dishonest or misleading to

your customers or to the public, or which may impair the goodwill associated with the Marks. In addition, in order to protect from violations that would cause immediate loss and damages or irreparable harm, we, without first seeking mediation or arbitration, shall have the right to seek:

- (a) an action to secure injunctive relief or specific performance and any related incidental damages;
- (b) an action for disputes or claims related to or based on our protected intellectual property rights in the Marks, Copyrighted Materials and the System;
- (c) an action for issues related to the disclosure or misuse of Confidential Information; or
- (d) an action for any claim related to a violation of the restrictive covenants or post-termination obligations contained in this Agreement;

If a judicial action is expressly permitted by Section 17F(3) of this Agreement, any such action brought by you against us will be brought exclusively, and any such action brought by us against you may be brought, in the federal or state court in the principal city closest to our principal place of business (currently Draper, Utah) when the action is commenced. The parties consent to the exercise of personal jurisdiction over them by such court to carry out this provision and waive all questions and objections they would otherwise have concerning such matters. The prevailing party will be entitled to recover its costs and reasonable attorneys' fees incurred by it in obtaining such relief.

(4) Rights Cumulative. No right or remedy conferred upon or reserved to either party is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

#### 17G. GOVERNING LAW.

**ALL MATTERS RELATING TO ARBITRATION WILL BE GOVERNED BY THE FEDERAL ARBITRATION ACT (9 U.S.C. §§ 1 ET SEQ.). EXCEPT TO THE EXTENT GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.), OR OTHER FEDERAL LAW, THIS AGREEMENT, THE FRANCHISE, AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN US AND YOU WILL BE GOVERNED BY THE LAWS OF THE STATE OF OUR PRINCIPAL BUSINESS ADDRESS, WHICH IS CURRENTLY THE STATE OF COLORADO, WITHOUT REGARD TO ITS CONFLICT OF LAWS RULES, EXCEPT THAT ANY COLORADO LAW, OR THE LAW OF THE STATE OF OUR PRINCIPAL BUSINESS ADDRESS, REGULATING THE SALE OF FRANCHISES OR GOVERNING THE RELATIONSHIP OF A FRANCHISOR AND ITS FRANCHISEE WILL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS SECTION.**

#### 17H. CONSENT TO JURISDICTION.

**SUBJECT TO SECTIONS 17F AND 17G ABOVE AND THE PROVISIONS BELOW, WE AND YOU (AND YOUR OWNERS) AGREE THAT ALL ACTIONS ARISING UNDER THIS AGREEMENT OR OTHERWISE AS A RESULT OF THE RELATIONSHIP BETWEEN YOU AND US MUST BE COMMENCED IN THE STATE OR FEDERAL COURT OF GENERAL**

**JURISDICTION WHICH IS CLOSEST TO WHERE OUR PRINCIPAL OFFICE THEN IS LOCATED (CURRENTLY DRAPER, UTAH), AND WE AND YOU (AND EACH OWNER) IRREVOCABLY CONSENT TO THE JURISDICTION OF THOSE COURTS AND WAIVE ANY OBJECTION TO EITHER THE JURISDICTION OF OR VENUE IN THOSE COURTS. NONETHELESS, WE AND YOU (AND YOUR OWNERS) AGREE THAT ANY OF US MAY ENFORCE ANY ARBITRATION ORDERS AND AWARDS IN THE COURTS OF THE STATE OR STATES IN WHICH YOU ARE DOMICILED OR THE SENIORS BLUE BOOK BUSINESS IS LOCATED.**

**17I. WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.**

**EXCEPT FOR YOUR OBLIGATION TO INDEMNIFY US FOR THIRD PARTY CLAIMS UNDER SECTION 16D, AND EXCEPT FOR PUNITIVE DAMAGES AVAILABLE TO EITHER PARTY UNDER FEDERAL LAW, WE AND YOU (AND YOUR 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 YOU, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.**

**WE AND YOU IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF US.**

**17J. BINDING EFFECT.**

This Agreement is binding upon us and you and our and your respective executors, administrators, heirs, beneficiaries, permitted assigns, and successors in interest. Subject to our right to modify the Brand Standards Manual and System Standards, this Agreement may not be modified except by a written agreement signed by both our and your duly-authorized officers.

**17K. LIMITATIONS OF CLAIMS.**

**EXCEPT FOR CLAIMS ARISING FROM YOUR NON-PAYMENT OR UNDERPAYMENT OF AMOUNTS YOU OWE US, ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR OUR RELATIONSHIP WITH YOU WILL BE BARRED UNLESS A JUDICIAL OR ARBITRATION PROCEEDING IS COMMENCED WITHIN ONE YEAR FROM THE DATE ON WHICH THE PARTY ASSERTING THE CLAIM KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THE CLAIMS. HOWEVER, THE PARTIES AGREE THAT, IN ORDER TO COMPLY WITH THIS PROVISION, EITHER PARTY MAY COMMENCE A JUDICIAL OR ARBITRATION PROCEEDING BEFORE A RELATED MEDIATION PROCEEDING IS DECLARED COMPLETED.**

**17L. CONSTRUCTION.**

The preambles and exhibits are a part of this Agreement which, together with the System Standards contained in the Brand Standards Manual (which may be periodically modified, as provided in this Agreement), and the related documents, constitutes our and your entire agreement, and there are no other oral or written understandings or agreements between us and you, or oral or written representations by us, relating to the subject matter of this Agreement, the franchise relationship, or the Seniors Blue Book Business. Any understandings or agreements reached, or any representations made, before this Agreement

are superseded by this Agreement. Nothing in this or in any related agreement is intended to disclaim the representations we made in the FDD that we furnished to you.

Any policies that we adopt and implement from time to time to guide us in our decision-making are subject to change, are not a part of this Agreement, and are not binding on us.

Except as expressly provided in this Agreement, nothing in this Agreement is intended or deemed to confer any rights or remedies upon any person or legal entity not a party to this Agreement.

Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any of your actions or requests, we have the absolute right to refuse any request you make or to withhold our approval of any of your proposed, initiated, or completed actions that require our approval.

The headings of the sections and paragraphs are for convenience only and do not define, limit, or construe the contents of these sections or paragraphs.

References in this Agreement to “**we**,” “**us**,” and “**our**,” with respect to all of our rights and all of your obligations to us under this Agreement, include any of our affiliates with whom you deal. The term “**affiliate**” means any person or entity directly or indirectly owned or controlled by, under common control with, or owning or controlling you or us. The term “**control**” means the power to direct or cause the direction of management and policies.

If two or more persons are at any time the owners of the Seniors Blue Book Business, whether as partners or joint venture, their obligations and liabilities to us will be joint and several. References to “**owner**” mean any person holding a direct or indirect ownership interest (whether of record, beneficially or otherwise) or voting rights in you (or a transferee of this Agreement and the Seniors Blue Book Franchise or an ownership interest in you), including, without limitation, any person who has a direct or indirect interest in you (or a transferee), this Agreement or the Seniors Blue Book Franchise and any person who has any other legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in their revenue, profits, rights, or assets.

References to a “**controlling ownership interest**” in you or one of your owners (if an Entity) mean the percent of the voting shares or other voting rights that results from dividing 100% of the ownership interests by the number of owners. In the case of a proposed transfer of an ownership interest in you or one of your owners, the determination of whether a “controlling ownership interest” is involved must be made as of both immediately before and immediately after the proposed transfer to see if a “controlling ownership interest” will be transferred (because of the number of owners before the proposed transfer) or will be deemed to have been transferred (because of the number of owners after the proposed transfer).

“**Person**” means any natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative, or other legal or functional entity.

Unless otherwise specified, all references to a number of days shall mean calendar days and not business days.

The term “**Seniors Blue Book Business**” includes all of the assets of the Seniors Blue Book Business you operate under this Agreement, including its revenue.

This Agreement may be executed in multiple copies, each of which will be deemed an original.

## 17M. SURVIVAL.

You and we agree that the terms of this Section 17 shall expressly survive any termination or expiration of this Agreement.

## 18. NOTICES AND PAYMENTS.

All written notices, reports, and payments permitted or required to be delivered by this Agreement or the Brand Standards Manual will be deemed to be delivered:

- (1) at the time delivered by hand;
- (2) at the time delivered via computer transmission and, in the case of the Royalty, National Fund contributions, and other amounts due, at the time we actually receive payment;
- (3) one business day after transmission by facsimile or other electronic system if the sender has confirmation of successful transmission;
- (4) one business day after being placed in the hands of a nationally recognized commercial courier service for next business day delivery; or
- (5) three business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid.

Any notice to us must be sent to the address specified on the first page of this Agreement, although we may change this address for notice by giving you notice of the new address. Any written notice that we send to you may be sent only to the Managing Owner, or, if applicable, the Designated Manager at the address listed in Attachment A to the Agreement. You may change the person and/or address for notice only by giving us 30 days' prior written notice by any of the means specified in subparagraphs (a) through (e) above.

Any required 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 days before then) will be deemed delinquent.

## 19. COMPLIANCE WITH ANTI-TERRORISM LAWS.

You and your owners agree to comply, and to assist us to the fullest extent possible in our efforts to comply, with Anti-Terrorism Laws (defined below). In connection with that compliance, you and your owners certify, represent, and warrant that none of your property or interests is subject to being blocked under, and that you and your owners otherwise are not in violation of, any of the Anti-Terrorism Laws. "Anti-Terrorism Laws" mean Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Any violation of the Anti-Terrorism Laws by you or your owners, or any blocking of your or your owners' assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Agreement, as provided in Section 14B above.

## 20. ELECTRONIC MAIL.

You acknowledge and agree that exchanging information with us by email is efficient and desirable for day-to-day communications and that we and you may utilize email for such communications. You

authorize the transmission of email by us and our employees, vendors, and affiliates (“**Official Senders**”) to you during the term of this Agreement.

You further agree that: (a) Official Senders are authorized to send emails to those of your employees as you may occasionally authorize for the purpose of communicating with us; (b) you will cause your officers, directors, and employees to give their consent to Official Senders’ transmission of emails to them; (c) you will require such persons not to opt out or otherwise ask to no longer receive emails from Official Senders during the time that such person works for or is affiliated with you; and (d) you will not opt out or otherwise ask to no longer receive emails from Official Senders during the term of this Agreement.

The consent given in this Section 20 shall not apply to the provision of notices by either party under this Agreement pursuant to Section 18 using email unless the parties otherwise agree in a written document manually signed by both parties.

*(Signatures on following page)*

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement on the dates noted below, to be effective as of the Effective Date.

**SENIORS BLUE BOOK FRANCHISING  
LLC**, a Colorado limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
\*Date: \_\_\_\_\_

\*(Effective Date of this Agreement)

**FRANCHISEE:**

Sign here if you are taking the franchise as an  
**INDIVIDUAL(S)**  
(Note: Use these blocks if you are not an Entity, as  
defined in Section 1C)

Sign here if you are taking the franchise as a  
**CORPORATION, LIMITED LIABILITY  
COMPANY OR PARTNERSHIP**

\_\_\_\_\_  
**Signature**  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
Print Name of Legal Entity  
By: \_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Signature**  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
**Signature**  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
**Signature**  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

**ATTACHMENT A TO FRANCHISE AGREEMENT**

**FRANCHISE DATA SHEET**

1. **Effective Date.** The Effective Date of the Agreement is: \_\_\_\_\_, 20\_\_.
  
2. **Franchisee.** The franchisee identified in the introductory paragraph of the Agreement is:  
\_\_\_\_\_
  
3. **Notice Address.** Franchisee’s address for notices as set forth in Section 18 of the Agreement shall be as follows:  
  
Attn: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  
4. **Initial Franchise Fee.** The Initial Franchise Fee set forth in Section 3A of this Agreement shall be: \$\_\_\_\_\_.
  
5. **Protected Territory.** The Territory referred to in Section 1E of this Agreement shall be the geographic area listed below and as depicted on the map below:

---

*(Signature Page Follows)*

**SENIORS BLUE BOOK FRANCHISING**  
LLC, a Colorado limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISEE:**

Sign here if you are taking the franchise as an  
**INDIVIDUAL(S)**  
(Note: Use these blocks if you are not an Entity, as  
defined in Section 1C)

\_\_\_\_\_  
**Signature**  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
**Signature**  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
**Signature**  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
**Signature**  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Sign here if you are taking the franchise as a  
**CORPORATION, LIMITED LIABILITY  
COMPANY OR PARTNERSHIP**

\_\_\_\_\_  
Print Name of Legal Entity  
By: \_\_\_\_\_  
**Signature**

Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**ATTACHMENT B TO FRANCHISE AGREEMENT**

**STATEMENT OF OWNERSHIP**

**Franchisee:** \_\_\_\_\_

**Form of Ownership  
(Check One)**

**Individual**     **Partnership**     **Corporation**     **Limited Liability Company**

If a **Partnership**, provide name and address of each partner showing percentage owned, whether active in management, and indicate the state in which the partnership was formed.

If a **Corporation**, give the state and date of incorporation, the names and addresses of each officer and director, and list the names and addresses of every shareholder showing what percentage of stock is owned by each.

If a **Limited Liability Company**, give the state and date of formation, the name and address of the manager(s), and list the names and addresses of every member and the percentage of membership interest held by each member.

State and date formed or incorporated: \_\_\_\_\_

**Management (managers, officers, board of directors, etc.):**

Name	Title

**Members, Stockholders, Partners\*:**

Name	Address	Percentage Owned

**\*If any members, stockholders or partners are entities, please list the owners of such entities up through the individuals.**

**Identification of Managing Owner.** Your Managing Owner as of the Effective Date is \_\_\_\_\_ . You may not change the Managing Owner without prior written approval.

**Identification of Designated Manager.** Your Designated Manager, if applicable, as of the Effective Date is \_\_\_\_\_ . You may not change the Designated Manager without prior written approval.

Franchisee acknowledges this Statement of Ownership applies to the Franchise authorized under the Agreement and is current and complete as of the Effective Date.

Use additional sheets if necessary. Any and all changes to the above information must be reported to Franchisor in writing.

**SENIORS BLUE BOOK FRANCHISING  
LLC, a Colorado limited liability company**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISEE:**

Sign here if you are taking the franchise as an  
**INDIVIDUAL(S)**  
(Note: Use these blocks if you are not an Entity, as  
defined in Section 1C)

Sign here if you are taking the franchise as a  
**CORPORATION, LIMITED LIABILITY  
COMPANY OR PARTNERSHIP**

\_\_\_\_\_  
**Signature**  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
Print Name of Legal Entity  
By: \_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Signature**  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
**Signature**  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
**Signature**  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

## ATTACHMENT C TO FRANCHISE AGREEMENT

### OWNERS AGREEMENT

As a condition to the execution by Seniors Blue Book Franchising LLC (“we” or “us”), of a Franchise Agreement with \_\_\_\_\_ (“Franchisee”), each of the undersigned individuals (“Owners”), who constitute all of the owners of a direct or indirect beneficial interest in Franchisee, as well as their respective spouses, covenant and agree to be bound by this Owners Agreement (“Owners Agreement”).

#### **1. Acknowledgments.**

1.1 Franchise Agreement. Franchisee entered into a franchise agreement with us effective as of \_\_\_\_\_, 20\_\_ (“Franchise Agreement”). Capitalized words not defined in this Owners Agreement will have the same meanings ascribed to them in the Franchise Agreement.

1.2 Role of Owners. Owners are the beneficial owners or spouses of the beneficial owners of all of the direct and indirect equity interest, membership interest, or other equity controlling interest in Franchisee and acknowledge there are benefits received and to be received by each Owner, jointly and severally, and for themselves, their heirs, legal representatives and assigns. Franchisee’s obligations under the Franchise Agreement, including the confidentiality and non-compete obligations, would be of little value to us if Franchisee’s direct and indirect owners were not bound by the same requirements. Under the provisions of the Franchise Agreement, Owners are required to enter into this Owners Agreement as a condition to our entering into the Franchise Agreement with Franchisee. Owners will be jointly and severally liable for any breach of this Owners Agreement.

#### **2. Non-Disclosure and Protection of Confidential Information.**

2.1 Confidentiality. Under the Franchise Agreement, we will provide Franchisee with specialized training, proprietary trade secrets, and other Confidential Information relating to the establishment and operation of a franchised business. The provisions of the Franchise Agreement governing Franchisee’s non-disclosure obligations relating to our Confidential Information are hereby incorporated into this Owners Agreement by reference, and Owners agree to comply with each obligation as though fully set forth in this Owners Agreement as a direct and primary obligation of Owners. Further, we may seek the same remedies against Owners under this Owners Agreement as we may seek against Franchisee under the Franchise Agreement. Any and all information, knowledge, know-how, techniques, and other data, which we designate as confidential, will also be deemed Confidential Information for purposes of this Owners Agreement.

2.2 Immediate Family Members. Owners acknowledge that they could circumvent the purpose of Section 2.1 by disclosing Confidential Information to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). Owners also acknowledge that it would be difficult for us to prove whether Owners disclosed the Confidential Information to family members. Therefore, each Owner agrees that he or she will be presumed to have violated the terms of Section 2.1 if any member of his or her immediate family uses or discloses the Confidential Information or engages in any activities that would constitute a violation of the covenants listed in Section 3, below, if performed by Owners. However, Owners may rebut this presumption by furnishing evidence conclusively showing that Owners did not disclose the Confidential Information to the family member.

### **3. Covenant Not To Compete.**

3.1 Non-Competition During and After the Term of the Franchise Agreement. Owners acknowledge that as a participant in our system, they will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures and techniques which we have developed. The provisions of the Franchise Agreement governing Franchisee's restrictions on competition both during the term of the Franchise Agreement and following the expiration or termination of the Franchise Agreement are hereby incorporated into this Owners Agreement by reference, and Owners agree to comply with and perform each such covenant as though fully set forth in this Owners Agreement as a direct and primary obligation of Owners. Further, we may seek the same remedies against Owners under this Owners Agreement as we may seek against Franchisee under the Franchise Agreement.

3.2 Construction of Covenants. The parties agree that each such covenant related to non-competition will be construed as independent of any other covenant or provision of this Owners Agreement. If all or any portion of a covenant referenced in this Section 3 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in a final decision to which we are a party, Owners agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 3.

3.3 Our Right to Reduce Scope of Covenants. Additionally, we have the right, in our sole discretion, to unilaterally reduce the scope of all or part of any covenant referenced in this Section 3 of this Owners Agreement, without Owners' consent (before or after any dispute arises), effective when we give Owners written notice of this reduction. Owners agree to comply with any covenant as so modified.

### **4. Guarantee.**

4.1 Payment. Owners will pay us (or cause us to be paid) all monies payable by Franchisee under the Franchise Agreement on the dates and in the manner required for payment in the relevant agreement.

4.2 Performance. Owners unconditionally guarantee full performance and discharge by Franchisee of all of Franchisee's obligations under the Franchise Agreement on the date and times and in the manner required in the relevant agreement.

4.3 Indemnification. Owners will indemnify, defend and hold harmless us, all of our affiliates, and the respective shareholders, directors, partners, employees, and agents of such entities, against and from all losses, damages, costs, and expenses which we or they may sustain, incur, or become liable for by reason of: (a) Franchisee's failure to pay the monies payable (to us or any of our affiliates) pursuant to the Franchise Agreement, or to do and perform any other act, matter, or thing required by the Franchise Agreement; or (b) any action by us to obtain performance by Franchisee of any act, matter, or thing required by the Franchise Agreement.

4.4 No Exhaustion of Remedies. Owners acknowledge and agree that we will not be obligated to proceed against Franchisee or exhaust any security from Franchisee or pursue or exhaust any remedy, including any legal or equitable relief against Franchisee, before proceeding to enforce the obligations of the Owners as guarantors under this Owners Agreement, and the enforcement of such obligations can take place before, after, or contemporaneously with, enforcement of any of Franchisee's debts or obligations under the Franchise Agreement.

4.5 Waiver of Notice. Without affecting Owners' obligations under this Section 4, we can extend, modify, or release any of Franchisee's indebtedness or obligation, or settle, adjust, or compromise any claims against Franchisee, all without notice to the Owners. Owners waive notice of amendment of the Franchise Agreement and notice of demand for payment or performance by Franchisee.

4.6 Effect of Owner's Death. Upon the death of an Owner, the estate of such Owner will be bound by the obligations in this Section 4, but only for defaults and obligations hereunder existing at the time of death; and the obligations of any other Owners will continue in full force and effect.

## **5. Transfers.**

Owners acknowledge and agree that we have granted the Franchise Agreement to Franchisee in reliance on Owners' business experience, skill, financial resources and personal character. Accordingly, Owners agree not to sell, encumber, assign, transfer, convey, pledge, merge or give away any direct or indirect interest in this Franchisee, unless Owners first comply with the sections in the Franchise Agreement regarding transfers. Owners acknowledge and agree that any attempted transfer of an interest in Franchisee requiring our consent under the Franchise Agreement for which our express written consent is not first obtained will be a material breach of this Owners Agreement and the Franchise Agreement.

## **6. Notices.**

6.1 Method of Notice. Any notices given under this Owners Agreement shall be in writing and delivered in accordance with the provisions of the Franchise Agreement.

6.2 Notice Addresses. Our current address for all communications under this Owners Agreement is:

Seniors Blue Book Franchising LLC  
12228 South 1840 East  
Draper, UT 84020

The current address of each Owner for all communications under this Owners Agreement is designated on the signature page of this Owners Agreement. Any party may designate a new address for notices by giving written notice to the other parties of the new address according to the method set forth in the Franchise Agreement.

## **7. Enforcement of This Owners Agreement.**

7.1 Dispute Resolution. Any claim or dispute arising out of or relating to this Owners Agreement shall be subject to the dispute resolution provisions of the Franchise Agreement. This agreement to engage in such dispute resolution process shall survive the termination or expiration of this Owners Agreement.

7.2 Choice of Law; Jurisdiction and Venue. This Owners Agreement and any claim or controversy arising out of, or relating to, any of the rights or obligations under this Owners Agreement, and any other claim or controversy between the parties, will be governed by the choice of law and jurisdiction and venue provisions of the Franchise Agreement.

7.3 Provisional Remedies. We have the right to seek from an appropriate court any provisional remedies, including temporary restraining orders or preliminary injunctions to enforce Owners' obligations

under this Owners Agreement. Owners acknowledge and agree that there is no adequate remedy at law for Owners' failure to fully comply with the requirements of this Owners Agreement. Owners further acknowledge and agree that, in the event of any noncompliance, we will be entitled to temporary, preliminary, and permanent injunctions and all other equitable relief that any court with jurisdiction may deem just and proper. If injunctive relief is granted, Owners' only remedy will be the court's dissolution of the injunctive relief. If the injunctive relief was wrongfully issued, Owners expressly waive all claims for damages they incurred as a result of the wrongful issuance.

## **8. Miscellaneous.**

8.1 No Other Agreements. This Owners Agreement constitutes the entire, full and complete agreement between the parties, and supersedes any earlier or contemporaneous negotiations, discussions, understandings or agreements. There are no representations, inducements, promises, agreements, arrangements, or undertakings, oral or written, between the parties relating to the matters covered by this Owners Agreement, other than those in this Owners Agreement. No other obligations, restrictions or duties that contradict or are inconsistent with the express terms of this Owners Agreement may be implied into this Owners Agreement. Except for unilateral reduction of the scope of the covenants permitted in Section 3.3 (or as otherwise expressly provided in this Owners Agreement), no amendment, change or variance from this Owners Agreement will be binding on either party unless it is mutually agreed to by the parties and executed in writing. Time is of the essence.

8.2 Severability. Each provision of this Owners Agreement, and any portions thereof, will be considered severable. If any provision of this Owners Agreement or the application of any provision to any person, property or circumstances is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Owners Agreement will be unaffected and will still remain in full force and effect. The parties agree that the provision found to be invalid or unenforceable will be modified to the extent necessary to make it valid and enforceable, consistent as much as possible with the original intent of the parties (i.e. to provide maximum protection for us and to effectuate the Owners' obligations under the Franchise Agreement), and the parties agree to be bound by the modified provisions.

8.3 No Third-Party Beneficiaries. Nothing in this Owners Agreement is intended to confer upon any person or entity (other than the parties and their heirs, successors and assigns) any rights or remedies under or by reason of this Owners Agreement.

8.4 Construction. Any term defined in the Franchise Agreement which is not defined in this Owners Agreement will be ascribed the meaning given to it in the Franchise Agreement. The language of this Owners Agreement will be construed according to its fair meaning, and not strictly for or against either party. All words in this Owners Agreement refer to whatever number or gender the context requires. If more than one party or person is referred to as you, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation

8.5 Binding Effect. This Owners Agreement may be executed in counterparts, and each copy so executed and delivered will be deemed an original. This Owners Agreement is binding on the parties and their respective heirs, executors, administrators, personal representatives, successors and (permitted) assigns.

8.6 Successors. References to "Franchisor" or "the undersigned," or "you" include the respective parties' heirs, successors, assigns or transferees.

8.7 Nonwaiver. Our failure to insist upon strict compliance with any provision of this Owners Agreement shall not be a waiver of our right to do so. Delay or omission by us respecting any breach or default shall not affect our rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Owners Agreement shall be cumulative.

8.8 No Personal Liability. You agree that fulfillment of any and all of our obligations written in the Franchise Agreement or this Owners Agreement, or based on any oral communications which may be ruled to be binding in a court of law, shall be our sole responsibility and none of our owners, officers, agents, representatives, nor any individuals associated with us shall be personally liable to you for any reason.

8.9 Owners Agreement Controls. In the event of any discrepancy between this Owners Agreement and the Franchise Agreement, this Owners Agreement shall control.

*(Signatures on following page)*

IN WITNESS WHEREOF, the parties have entered into this Owners Agreement as of the effective date of the Franchise Agreement.

**OWNERS:**

\_\_\_\_\_  
(Insert Name of Owner)

\_\_\_\_\_  
(Insert Name of Spouse)

\_\_\_\_\_  
(Insert Name of Owner)

\_\_\_\_\_  
(Insert Name of Spouse)

\_\_\_\_\_  
(Insert Name of Owner)

\_\_\_\_\_  
(Insert Name of Spouse)

\_\_\_\_\_  
(Insert Name of Owner)

\_\_\_\_\_  
(Insert Name of Spouse)

(Rev. 042418)

Seniors Blue Book Franchising LLC hereby accepts the agreements of the Owner(s) hereunder.

**SENIORS BLUE BOOK FRANCHISING LLC**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT D**

**FRANCHISE DISCLOSURE QUESTIONNAIRE**

## FRANCHISE DISCLOSURE QUESTIONNAIRE

**(This questionnaire is not to be used for any franchise sale in or to residents of California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin)**

As you know, Seniors Blue Book Franchising LLC (“we” or “us”), and you are preparing to enter into a Franchise Agreement for the operation of a Seniors Blue Book franchise. **You cannot sign or date this questionnaire the same day as the Receipt for the Franchise Disclosure Document, but you must sign and date it the same day you sign the Franchise Agreement.** Please review each of the following questions carefully and provide honest responses to each question. If you answer “No” to any of the questions below, please explain your answer in the table provided below.

**Do not sign this Questionnaire if you are a resident of Maryland or the franchise is to be operated in Maryland.**

1.        Yes\_\_ No\_\_    Have you received and personally reviewed the Franchise Agreement and each attachment or exhibit attached to it that we provided?
  
2.        Yes\_\_ No\_\_    Have you received and personally reviewed the Franchise Disclosure Document and each attachment or exhibit attached to it that we provided?
  
3.        Yes\_\_ No\_\_    Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it?
  
4.        Yes\_\_ No\_\_    Do you understand all the information contained in the Franchise Disclosure Document and Franchise Agreement?
  
5.        Yes\_\_ No\_\_    Have you reviewed the Franchise Disclosure Document and Franchise Agreement with a lawyer, accountant, or other professional advisor, or have you had the opportunity for such review and chosen not to engage such professionals?
  
6.        Yes\_\_ No\_\_    Have you had the opportunity to discuss the benefits and risks of developing and operating a Seniors Blue Book Franchise with an existing Seniors Blue Book franchisee?
  
7.        Yes\_\_ No\_\_    Do you understand the risks of developing and operating a Seniors Blue Book Franchise?
  
8.        Yes\_\_ No\_\_    Do you understand the success or failure of your Seniors Blue Book Franchise will depend in large part upon your skills, abilities, and efforts, and those of the persons you employ, as well as many factors beyond your control such as competition, interest rates, the economy, inflation, labor and supply costs, and other relevant factors?
  
9.        Yes\_\_ No\_\_    Do you understand all disputes or claims you may have arising out of or relating to the Franchise Agreement must be arbitrated in Colorado, if not resolved informally or by mediation (subject to state law)?
  
10.      Yes\_\_ No\_\_    Do you understand that you must satisfactorily complete the initial training program before we will allow your Seniors Blue Book Franchise to open or

consent to a transfer of the Seniors Blue Book Franchise to you?

11. Yes\_\_ No\_\_ Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a Seniors Blue Book Franchise that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
12. Yes\_\_ No\_\_ Do you agree that no employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement and any addendum, concerning advertising, marketing, media support, marketing penetration, training, support service, or assistance that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
13. Yes\_\_ No\_\_ Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a Seniors Blue Book Franchise will generate that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
14. Yes\_\_ No\_\_ Do you understand that the Franchise Agreement, including each attachment or exhibit to the Franchise Agreement, contains the entire agreement between us and you concerning the Seniors Blue Book Franchise?
15. Yes\_\_ No\_\_ Do you understand that we are relying on your answers to this questionnaire to ensure that the franchise sale was made in compliance of state and federal laws?

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

\_\_\_\_\_  
Signature of Franchise Applicant

\_\_\_\_\_  
Signature of Franchise Applicant

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Name (please print)

Date \_\_\_\_\_

Date \_\_\_\_\_

EXPLANATION OF ANY NEGATIVE RESPONSES (REFER TO QUESTION NUMBER):

Question Number	Explanation of Negative Response

Rev. 071823

**EXHIBIT E**  
**BRAND STANDARDS MANUAL**  
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**EXHIBIT F**

**LIST OF CURRENT AND FORMER FRANCHISEES**

**Current Franchisees as of September 30, 2024:**

Last Name	First Name	Entity Name	Address	City	State	Zip Code	Phone	Email
<b>ALABAMA</b>								
Gaudet, Marr & Leslie	Neal, Justin & Christopher	Gulf Coast Senior Media LLC	6721 Rolling Green Dr.	Mobile	AL	36695	(504) 957-0960	ngaudet@westmobilehomecare.com, justin@seniorsbluebook.com chris.leslie@seniorsbluebook.com
<b>CONNECTICUT</b>								
Raitanen	Carol		577 Town St.	Moodus	CT	06469	(203) 303-7400	carol@seniorsbluebook.com
<b>FLORIDA</b>								
Sapp	Lee	Vertical Force, Inc.	PO Box 568413	Orlando	FL	33285	(407) 601-4256	lee@seniorsbluebook.com
<b>IDAHO</b>								
Freston	Cody	Seniors Blue Book of Idaho LLC	8128 S. Rafael Way	Boise	ID	83709	(208) 922-6917	cody@seniorsbluebook.com
<b>KANSAS</b>								
Brewer	Kirsten	SBBKC LLC	8200 W 143 <sup>rd</sup> Terr.	Overland Park	KS	66223	(913) 980-4082	kirsten@seniorsbluebook.com
<b>MASSACHUSETTS</b>								
Arayas	Susan	Seniors Blue Book of Massachusetts LLC	PO Box 200	Sudbury	MA	01776	(978) 443-8318	susan@seniorsbluebook.com
<b>MINNESOTA</b>								
Beck	Janell	Seniors Blue Book of Twin Cities	1001 Twelve Oaks Center Dr. Suite 1030 C	Wayzata	MN	55391	(612) 619-9934	janell@seniorsbluebook.com
<b>MISSISSIPPI</b>								
Newman	LeAnn	Newman Resources LLC	P.O. Box 10073	Gulfport	MS	39505	(228) 596-6565	leann@seniorsbluebook.com
<b>PENNSYLVANIA</b>								
Garret	Apryl & Chad	GEG Publishing LLC	2004 Red Coach Rd.	Allison Park	PA	15101	(412) 551-5951	apryl@seniorsbluebook.com and chad@seniorsbluebook.com
Gartman	Chris & Cynthia	Resource Printing LLC	35 Conifer Ln.	York	PA	17406	(717) 344-5580	chris.gartman@seniorsbluebook.com
<b>TEXAS</b>								
Warshawsky	Kathleen	KDWM LLC	2220 Coit Rd. Suite. 480-216	Plano	TX	75075	(972) 382-9900	kathleen@seniorsbluebook.com
<b>UTAH</b>								
Polich	Toni	Aging Well Senior Expo LLC	1848 E. Frontier Road	Holladay	UT	84121	(801) 651-8664	Toni@seniorsbluebook.com

**Franchisees with Unopened Outlets as of September 30, 2024:**

None

**Former Franchisees:**

The name and last known address of every franchisee who had a Seniors Blue Book Franchise transferred, terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under our Franchise Agreement during the period October 1, 2023 to September 30, 2024, or who has not communicated with us within ten weeks of the Issuance Date of this Franchise Disclosure Document are listed below. If you buy this Franchise, your contact information may be disclosed to other buyers when you leave the Franchise System.

Last Name	First Name	Entity Name	Address	City	State	Zip Code	Phone	Email
ILLINOIS								
Brewer <sup>(1)</sup>	Kirsten	SBBKC LLC	8200 W 143 <sup>rd</sup> Terr.	Overland Park	KS	66223	(913) 980-4082	kirsten@seniorsbluebook.com

<sup>(1)</sup>Franchisee ceased operations of two outlets in Illinois, but currently operates one outlet in Kansas.

**EXHIBIT G**  
**STATE ADDENDA**  
**AND AGREEMENT RIDERS**

## STATE ADDENDA AND AGREEMENT RIDERS

### ADDENDUM TO FRANCHISE AGREEMENT, SUPPLEMENTAL AGREEMENTS, AND FRANCHISE DISCLOSURE DOCUMENT FOR CERTAIN STATES FOR SENIORS BLUE BOOK FRANCHISING LLC

The following modifications are made to the Seniors Blue Book Franchising LLC (“**Franchisor,**” “**us,**” “**we,**” or “**our**”) Franchise Disclosure Document (“**FDD**”) given to franchisee (“**Franchisee,**” “**you,**” or “**your**”) and may supersede, to the extent then required by valid applicable state law, certain portions of the Franchise Agreement between you and us dated \_\_\_\_\_, 20\_\_\_\_ (“**Franchise Agreement**”). When the term “**Franchisor’s Choice of Law State**” is used, it means Colorado. When the term “Supplemental Agreements” is used, it means “none”.

Certain states have laws governing the franchise relationship and franchise documents. Certain states require modifications to the FDD, Franchise Agreement and other documents related to the sale of a franchise. This State Specific Addendum (“**State Addendum**”) will modify these agreements to comply with the state’s laws. The terms of this State Addendum will only apply if you meet the requirements of the applicable state independently of your signing of this State Addendum. The terms of this State Addendum will override any inconsistent provision of the FDD, Franchise Agreement or any Supplemental Documents. This State Addendum only applies to the following states: California, Hawaii, Illinois, Iowa, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Ohio, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

If your state requires these modifications, you will sign this State Addendum along with the Franchise Agreement and any Supplemental Agreements.

#### **CALIFORNIA**

**The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.**

The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the Franchise be delivered together with the FDD 14 days prior to execution of the agreement.

California Corporations Code Section 31125 requires us to give to you an FDD approved by the Department of Financial Protection and Innovation before we ask you to consider a material modification of your Franchise Agreement.

The Franchise Agreement contains a provision requiring binding arbitration with the costs being awarded to the prevailing party. The arbitration will occur in Colorado. 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 the Franchise Agreement restricting venue to a forum outside the State of California. The Franchise Agreement may contain a mediation provision. If so, the parties shall each bear their own costs of mediation and shall share equally the filing fee and the mediator’s fees.

The Franchise Agreement requires the application of the law of Colorado. This provision may not be enforceable under California law.

Neither Franchisor nor any other person listed in Item 2 of the FDD 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 such association or exchange.

California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer, or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the California Franchise Investment Law, the California Franchise Investment Law will control.

The Franchise Agreement provides for termination upon bankruptcy. Any such provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. SEC. 101 et seq.).

Under California Business and Professions Code Section 16600, every contract by which anyone is restrained from engaging in a lawful profession, trade, or business of any kind is to that extent void, except as otherwise provided in that Chapter. The Franchise Agreement contains a covenant not to compete provision which extends beyond the termination or expiration of the Franchise. Such provisions may not be enforceable under California law.

Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable. Any such provisions contained in the Franchise Agreement may not be enforceable.

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

Our website 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](http://www.dfpi.ca.gov).

Item 6 is amended to state that the maximum interest rate which may be charged in California is 10% annually.

No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

## **HAWAII**

The following is added to the Cover Page:

**THIS FRANCHISE WILL BE/HAS 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 IN THIS FRANCHISE DISCLOSURE DOCUMENT 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 YOU OR SUBFRANCHISOR AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY YOU OR SUBFRANCHISOR OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY YOU, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.**

**THIS FRANCHISE 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 US AND YOU.**

Registered agent in the state authorized to receive service of process:

Commissioner of Securities of the State of Hawaii  
Department of Commerce and Consumer Affairs  
Business Registration Division  
335 Merchant Street, Room 203  
Honolulu, Hawaii 96813

The status of the Franchisor's franchise registrations in the states which require registration is as follows:

1. States in which this proposed registration is effective are listed in Exhibit I of the FDD on the page entitled, "State Effective Dates".
2. States which have refused, by order or otherwise, to register these Franchises are:  
  
None
3. States which have revoked or suspended the right to offer the Franchises are:  
  
None
4. States in which the proposed registration of these Franchises has been withdrawn are:  
  
None

## **ILLINOIS**

Sections 4 and 41 and Rule 608 of the Illinois Franchise Disclosure Act states that court litigation must take place before Illinois federal or state courts and all dispute resolution arising from the terms of this Agreement or the relationship of the parties and conducted through arbitration or litigation shall be subject to Illinois law. The FDD, Franchise Agreement and Supplemental Agreements are amended accordingly.

The governing law or choice of law clause described in the FDD and contained in the Franchise Agreement and Supplemental Agreements is not enforceable under Illinois law. This governing law clause shall not be construed to negate the application of Illinois law in all situations to which it is applicable.

Section 41 of the Illinois Franchise Disclosure Act states that “any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void.” The Franchise Agreement is amended accordingly. To the extent that the Franchise Agreement would otherwise violate Illinois law, such Agreement is amended by providing that all litigation by or between you and us, arising directly or indirectly from the Franchise relationship, will be commenced and maintained in the state courts of Illinois or, at our election, the United States District Court for Illinois, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements, and Illinois law will pertain to any claims arising under the Illinois Franchise Disclosure Act.

Item 17.v, Choice of Forum, of the FDD is revised to include the following: “provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 4 of the Illinois Franchise Disclosure Act.”

Item 17.w, Choice of Law, of the FDD is revised to include the following: “provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 4 of the Illinois Franchise Disclosure Act.”

The termination and non-renewal provisions in the Franchise Agreement and the FDD may not be enforceable under Sections 19 and 20 of the Illinois Franchise Disclosure Act.

Under Section 705/27 of the Illinois Franchise Disclosure Act, no action for liability under the Illinois Franchise Disclosure Act can be maintained unless brought before the expiration of three years after the act or transaction constituting the violation upon which it is based, the expiration of one year after you become aware of facts or circumstances reasonably indicating that you may have a claim for relief in respect to conduct governed by the Act, or 90 days after delivery to you of a written notice disclosing the violation, whichever shall first expire. To the extent that the Franchise Agreement is inconsistent with the Illinois Franchise Disclosure Act, Illinois law will control and supersede any inconsistent provision(s).

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.

### Fee Deferral

The Illinois Attorney General’s Office has imposed the deferral requirement because of our financial condition. Item 5 and Item 7 of the FDD and Section 3 of the Franchise Agreement are hereby revised to state that payment of all initial fees shall be postponed until after all of franchisor’s initial obligations are complete and the Franchise is open for business.

See the last page of this Exhibit G for your required signature.

## INDIANA

Item 8 of the FDD is amended to add the following:

Under Indiana Code Section 23-2-2.7-1(4), we will not accept any rebates from any person with whom you do business or associate in relation to transactions between you and the other person, other than for compensation for services rendered by us, unless the rebate is properly accounted for and submitted to you.

Item 17 of the FDD is amended to add the following:

Indiana Code 23-2-2.7-1(7) makes it unlawful for us to unilaterally terminate your Franchise Agreement unless there is a material violation of the Franchise Agreement and termination is not in bad faith.

Indiana Code 23-2-2.7-1(5) prohibits us to require you to agree to a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Act.

The “Summary” column in Item 17.r. of the FDD is deleted and the following is inserted in its place:

No competing business for two years within the Territory.

The “Summary” column in Item 17.t. of the FDD is deleted and the following is inserted in its place:

Notwithstanding anything to the contrary in this provision, you do not waive any right under the Indiana Statutes with regard to prior representations made by us.

The “Summary” column in Item 17.v. of the FDD is deleted and the following is inserted in its place:

Litigation regarding Franchise Agreement in Indiana; other litigation in Franchisor’s Choice of Law State. This language has been included in this Franchise Disclosure Document as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement, including all venue provisions, is fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

The “Summary” column in Item 17.w. of the FDD is deleted and the following is inserted in its place:

Indiana law applies to disputes covered by Indiana franchise laws; otherwise Franchisor’s Choice of Law State law applies.

Despite anything to the contrary in the Franchise Agreement, the following provisions will supersede and apply to all Franchises offered and sold in the State of Indiana:

1. The laws of the State of Indiana supersede any provisions of the FDD, the Franchise Agreement, or Franchisor’s Choice of Law State law, if such provisions are in conflict with Indiana law.
2. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the Franchise without good cause or in bad faith, good cause being defined under law as including any material breach of the Franchise Agreement, will supersede the provisions of the Franchise Agreement

relating to termination for cause, to the extent those provisions may be inconsistent with such prohibition.

3. Any provision in the Franchise Agreement that would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Indiana Deceptive Franchise Practices Law is void to the extent that such provision violates such law.
4. The covenant not to compete that applies after the expiration or termination of the Franchise Agreement for any reason is hereby modified to the extent necessary to comply with Indiana Code 23-2-2.7-1 (9).
5. The following provision will be added to the Franchise Agreement:

No Limitation on Litigation. Despite the foregoing provisions of this Agreement, any provision in the Agreement which limits in any manner whatsoever litigation brought for breach of the Agreement will be void to the extent that any such contractual provision violates the Indiana Deceptive Franchise Practices Law.

## **IOWA**

Any provision in the Franchise Agreement or Compliance Questionnaire which would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Iowa Business Opportunity Promotions Law (Iowa Code Ch. 551A) is void to the extent that such provision violates such law.

The following language will be added to the Franchise Agreement:

### **NOTICE OF CANCELLATION**

\_\_\_\_\_ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within three business days from the above date. If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within ten business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.

If you cancel, you must make available to the seller at your residence or business address, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do not agree to return the goods to the seller or if the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to Seniors Blue Book Franchising LLC, 12228 South 1840 East, Draper, UT 84020, or send a fax to Seniors Blue Book Franchising LLC at (888) 448-9842 not later than midnight of the third business day after the Effective Date.

I hereby cancel this transaction.

Franchisee: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

## **MARYLAND**

### AMENDMENTS TO FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT

Item 17 of the FDD and the Franchise Agreement are amended to state: “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.”

Representations in the Franchise Agreement 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.

Item 17 of the FDD and sections of the Franchise Agreement are amended to state that you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the Franchise.

The Franchise Agreement and Franchise Disclosure Questionnaire are amended to state that 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.

The Franchise 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.).

## **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.**

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- (a) A prohibition on your right to join an association of franchisees.
- (b) A requirement that you assent to a release, assignment, novation, waiver, or estoppel which deprives you of rights and protections provided in this act. This shall not preclude you, after entering into a Franchise Agreement, from settling any and all claims.

(c) A provision that permits us to terminate a Franchise prior to the expiration of its term except for good cause. Good cause shall include your failure 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 such failure.

(d) A provision that permits us to refuse to renew your Franchise without fairly compensating you by repurchase or other means for the fair market value at the time of expiration of your inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to us and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the Franchise business are not subject to compensation. This subsection applies only if: (i) the term of the Franchise is less than five years; and (ii) you are prohibited by the Franchise Agreement 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 you do not receive at least six months' advance notice of our intent not to renew the Franchise.

(e) A provision that permits us 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 arbitration or litigation be conducted outside the State of Michigan. This shall not preclude you from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits us to refuse to permit a transfer of ownership of a Franchise, except for good cause. This subdivision does not prevent us 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 our then-current reasonable qualifications or standards.

(ii) the fact that the proposed transferee is a competitor of us or our subfranchisor.

(iii) the unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) your or proposed transferee's failure to pay any sums owing to us or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

(h) A provision that requires you to resell to us items that are not uniquely identified with us. This subdivision does not prohibit a provision that grants to us 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 us the right to acquire the assets of a Franchise for the market or appraised value of such assets if you have breached the lawful provisions of the Franchise Agreement and have failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits us to directly or indirectly convey, assign, or otherwise transfer our obligations to fulfill contractual obligations to you unless 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:

State of Michigan  
Department of Attorney General  
Consumer Protection Division  
Attn: Franchise  
670 Law Building  
525 W. Ottawa Street  
Lansing, Michigan 48913  
Telephone Number: (517) 373-7117

**MINNESOTA**

Despite anything to the contrary in the Franchise Agreement, the following provisions will supersede and apply to all Franchises offered and sold in the State of Minnesota:

1. Any provision in the Franchise Agreement which would require you to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22 will be void to the extent that such contractual provision violates such law.
2. 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.
3. Minnesota Statute Section 80C.21 and Minnesota Rule 2860.4400J prohibit the franchisor from requiring litigation to be conducted outside of Minnesota. In addition, nothing in the FDD or Franchise 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 Minnesota.
4. Minn. Rule Part 2860.4400J prohibits a franchisee from waiving his rights to a jury trial or waiving his 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. Any provision in the Franchise Agreement which would require you to waive your rights to any procedure, forum or remedies provided for by the laws of the State of Minnesota is deleted from any agreement relating to Franchises offered and sold in the State of Minnesota; provided, however, that this paragraph will not affect the obligation in the Franchise Agreement relating to arbitration. A franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. A court will determine if a bond is required.
5. With respect to Franchises governed by Minnesota law, we will comply with Minnesota Statute Section 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 non-renewal

of the Franchise Agreement; and that consent to the transfer of the Franchise will not be unreasonably withheld.

6. Item 13 of the FDD is hereby amended to state that we will protect your rights under the Franchise Agreement to use the Marks, or indemnify you from any loss, costs, or expenses arising out of any third-party claim, suit or demand regarding your use of the Marks, if your use of the Marks is in compliance with the provisions of the Franchise Agreement and our System standards.
7. Minnesota Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release. As a result, the FDD and the Franchise Agreement, which require you to sign a general release prior to renewing or transferring your Franchise, are hereby deleted from the Franchise Agreement, to the extent required by Minnesota law.
8. The following language will appear as a new paragraph of the Franchise Agreement:

No Abrogation. Pursuant to Minnesota Statutes, Section 80C.21, nothing in the dispute resolution section of this Agreement will in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80.C.
9. Minnesota Statute Section 80C.17 states that no action for a violation of Minnesota Statutes, Sections 80C.01 to 80C.22 may be commenced more than three years after the cause of action accrues. To the extent that the Franchise Agreement conflicts with Minnesota law, Minnesota law will prevail.
10. Item 6 of the FDD and Section 3E of the Franchise Agreement are hereby amended to limit the Insufficient Funds Charge to \$30 per occurrence pursuant to Minnesota Statute 604.113.

## **NEW YORK**

1. 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 SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CAN NOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**

2. The following is added at the end of Item 3:

With the exception of what is stated above, the following applies 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 the 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.

3. 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 General Business Law Sections 687(4) and 687(5) be satisfied.

4. 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.

5. The following is added to the end of the "Summary" sections of Item 17(v), titled "**Choice of forum,**" and Item 17(w), titled "**Choice of law**":

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

6. Franchise Questionnaires and Acknowledgements - 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.

7. Receipts - Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

## **NORTH DAKOTA**

Sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring that you sign a general release, estoppel or waiver as a condition of renewal and/or assignment may not be enforceable as they relate to releases of the North Dakota Franchise Investment Law.

Sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring resolution of disputes to be outside North Dakota may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Sections of the FDD, the Franchise Agreement, and the Supplemental Agreements relating to choice of law may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any section of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to liquidated damages and/or termination penalties may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to a waiver of trial by jury may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to a waiver of exemplary and punitive damages may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Item 17(r) of the FDD and Sections 7 and 15E of the Franchise Agreement disclose the existence of certain covenants restricting competition to which Franchisee must agree. The Commissioner has held that covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statute, are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The FDD and the Franchise Agreement are amended accordingly to the extent required by law.

**OHIO**

The following language will be added to the front page of the Franchise Agreement:

You, the purchaser, may cancel this transaction at any time prior to midnight of the fifth business day after the date you sign this agreement. See the attached notice of cancellation for an explanation of this right.

Initials \_\_\_\_\_ Date \_\_\_\_\_

**NOTICE OF CANCELLATION**

\_\_\_\_\_ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten business days following the seller’s receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller’s expense and risk. If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to Seniors Blue Book Franchising LLC, 12228 South 1840 East, Draper, UT 84020, or send a fax to Seniors Blue Book Franchising LLC at (888) 448-9842 not later than midnight of the fifth business day after the Effective Date.

I hereby cancel this transaction.

Franchisee:

Date: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Its: \_\_\_\_\_

**RHODE ISLAND**

§ 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.” The FDD, the Franchise Agreement, and the Supplemental Agreements are amended accordingly to the extent required by law.

The above language has been included in this FDD as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement and the Supplemental Agreements, including all choice of law provisions, are fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement, the Supplemental Agreements, and all other documents signed by them, including, but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

## **SOUTH DAKOTA**

Intentionally left blank.

## **VIRGINIA**

Item 17(h). The following is added to Item 17(h):

“Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement or Supplemental Agreements involve the use of undue influence by the Franchisor to induce a franchisee to surrender any rights given to franchisee under the Franchise, that provision may not be enforceable.”

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the FDD for Seniors Blue Book Franchising LLC for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure. The following statements are added to Item 8 and Item 17.h.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

## **WASHINGTON**

### **ADDENDUM TO FRANCHISE AGREEMENT AND FRANCHISE DISCLOSURE DOCUMENT**

The state of Washington has a statute, RCW 19.100.180, which may supersede the Franchise Agreement and Supplemental Agreements 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. The FDD, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

In any arbitration involving a Franchise purchased in Washington, the arbitration site shall be either in Washington or in a place as mutually agreed upon at the time of the arbitration, or as determined by the arbitrator. The FDD, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail. The FDD, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act 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, rights or remedies under the Act such as a right to a jury trial may not be enforceable. The FDD, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer. The FDD, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

The State of Washington's Non-Compete Act, HB 1450 (effective January 1, 2020) may supersede the Franchise Disclosure Document, the Franchise Agreement, and Supplemental Agreements in your relationship with the franchisor as it pertains to your covenant not to compete.

### **WISCONSIN**

The Wisconsin Fair Dealership Law, Chapter 135 of the Wisconsin Statutes supersedes any provision of the Franchise Agreement if such provision is in conflict with that law. The Franchise Disclosure Document, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

*(Signatures on following page)*

**APPLICABLE ADDENDA**

If any one of the preceding Addenda for specific states (“**Addenda**”) is checked as an “Applicable Addenda” below, then that Addenda shall be incorporated into the Franchise Disclosure Document, Franchise Agreement and any other specified agreement(s) entered into by us and the undersigned Franchisee. To the extent any terms of an Applicable Addenda conflict with the terms of the Franchise Disclosure Document, Franchise Agreement and other specified agreement(s), the terms of the Applicable Addenda shall supersede the terms of the Franchise Agreement.

- |                          |            |                          |              |                          |              |
|--------------------------|------------|--------------------------|--------------|--------------------------|--------------|
| <input type="checkbox"/> | California | <input type="checkbox"/> | Michigan     | <input type="checkbox"/> | Rhode Island |
| <input type="checkbox"/> | Hawaii     | <input type="checkbox"/> | Minnesota    | <input type="checkbox"/> | South Dakota |
| <input type="checkbox"/> | Illinois   | <input type="checkbox"/> | New York     | <input type="checkbox"/> | Virginia     |
| <input type="checkbox"/> | Iowa       | <input type="checkbox"/> | North Dakota | <input type="checkbox"/> | Washington   |
| <input type="checkbox"/> | Indiana    | <input type="checkbox"/> | Ohio         | <input type="checkbox"/> | Wisconsin    |
| <input type="checkbox"/> | Maryland   |                          |              |                          |              |

Dated: \_\_\_\_\_, 20\_\_\_\_

**FRANCHISOR:**

SENIORS BLUE BOOK FRANCHISING LLC

By: \_\_\_\_\_

Title: \_\_\_\_\_

**FRANCHISEE:**

\_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Rev. 071823

## **EXHIBIT H**

### **CONTRACTS FOR USE WITH THE SENIORS BLUE BOOK FRANCHISE**

The following contracts contained in Exhibit H are contracts that Franchisee is required to utilize or execute after signing the Franchise Agreement in the operation of the Seniors Blue Book Business. The following are the forms of contracts that Seniors Blue Book Franchising LLC uses as of the Issuance Date of this Franchise Disclosure Document. If they are marked “Sample,” they are subject to change at any time.

**EXHIBIT H-1**

**SENIORS BLUE BOOK FRANCHISE**

**SAMPLE GENERAL RELEASE AGREEMENT**

**WAIVER AND RELEASE OF CLAIMS**

This Waiver and Release of Claims (“Release”) is made as of \_\_\_\_\_, 20\_\_\_\_  
by \_\_\_\_\_, a(n) \_\_\_\_\_  
 (“Franchisee”), and each individual holding an ownership interest in Franchisee (collectively with Franchisee, “Releasor”) in favor of Seniors Blue Book Franchising LLC, a Colorado limited liability company (“Franchisor,” and together with Releasor, the “Parties”).

**WHEREAS**, Franchisor and Franchisee have entered into a Franchise Agreement (“Agreement”) pursuant to which Franchisee was granted the right to own and operate a Seniors Blue Book business;

**WHEREAS**, (Franchisee has notified Franchisor of its desire to transfer the Agreement and all rights related thereto, or an ownership interest in Franchisee, to a transferee/enter into a successor franchise agreement/amend the Agreement) or (the Agreement is being terminated/or indicate other reason for the requirement of this waiver and release), and Franchisor has consented to such (transfer/successor franchise agreement/amendment/termination/other reason); and

**WHEREAS**, as a condition to Franchisor’s consent to (transfer the Agreement/enter into a successor franchise agreement/amend the Agreement/terminate the Agreement/other reason), Releasor has agreed to execute this Release upon the terms and conditions stated below.

**NOW, THEREFORE**, in consideration of Franchisor’s consent, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, Releasor hereby agrees as follows:

1. **Representations and Warranties**. Releasor represents and warrants that it is duly authorized to enter into this Release and to perform the terms and obligations herein contained, and has not assigned, transferred, or conveyed, either voluntarily or by operation of law, any of its rights or claims against Franchisor or any of the rights, claims, or obligations being terminated and released hereunder. Each individual executing this Release on behalf of Franchisee represents and warrants that he/she is duly authorized to enter into and execute this Release on behalf of Franchisee. Releasor further represents and warrants that all individuals that currently hold a direct or indirect ownership interest in Franchisee are signatories to this Release.

2. **Release**. Releasor and its subsidiaries, affiliates, parents, divisions, successors and assigns, and all persons or firms claiming by, through, under, or on behalf of any or all of them, hereby release, acquit, and forever discharge Franchisor, any and all of its affiliates, parents, subsidiaries, or related companies, divisions, and partnerships, and its and their past and present officers, directors, agents, partners, shareholders, employees, representatives, successors and assigns, and attorneys, and the spouses of such individuals (collectively, the “Released Parties”), from any and all claims, liabilities, damages, expenses, actions, or causes of action which Releasor may now have or has ever had, whether known or unknown, past or present, absolute or contingent, suspected or unsuspected, of any nature whatsoever, including without limiting the generality of the foregoing, all claims, liabilities, damages, expenses, actions, or causes of action directly or indirectly arising out of or relating to the execution and

performance of the Agreement and the offer and sale of the franchise related thereto, except to the extent such liabilities are payable by the applicable indemnified party in connection with a third-party claim. Releasor represents and warrants to the Released Parties, and agrees, that it may later learn of new or different facts, but that still, it is Releasor's intention to fully, finally, and forever release all of the claims that are released above. This includes the Releasor's waiver of state laws that might apply to limit a release (such as Calif. Civil Code Section 1542, which states that "[a] general release does not extend to claims which the creditor does not know or suspect exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor").

3. Nondisparagement. Releasor expressly covenants and agrees not to make any false representation of facts, or to defame, disparage, discredit, or deprecate any of the Released Parties or otherwise communicate with any person or entity in a manner intending to damage any of the Released Parties, their business, or their reputation.

4. Confidentiality. Releasor agrees to hold in strictest confidence and not disclose, publish, or use the existence of, or any details relating to, this Release to any third party without Franchisor's express written consent, except as required by law.

5. Miscellaneous.

a. Releasor agrees that it has read and fully understands this Release and that the opportunity has been afforded to Releasor to discuss the terms and contents of said Release with legal counsel and/or that such a discussion with legal counsel has occurred.

b. This Release shall be construed and governed by the laws of the State of Colorado.

c. Each individual and entity that comprises Releasor shall be jointly and severally liable for the obligations of Releasor.

d. In the event that it shall be necessary for any Party to institute legal action to enforce or for the breach of any of the terms and conditions or provisions of this Release, the prevailing Party in such action shall be entitled to recover all of its reasonable costs and attorneys' fees.

e. All of the provisions of this Release shall be binding upon and inure to the benefit of the Parties and their current and future respective directors, officers, partners, attorneys, agents, employees, shareholders, and the spouses of such individuals, successors, affiliates, and assigns. No other party shall be a third-party beneficiary to this Release.

f. This Release constitutes the entire agreement and, as such, supersedes all prior oral and written agreements or understandings between and among the Parties regarding the subject matter hereof. This Release may not be modified except in a writing signed by all of the Parties. This Release may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

g. If one or more of the provisions of this Release shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect or impair any other provision of this Release, but this Release shall be construed as if such invalid, illegal, or unenforceable provision had not been contained herein.

h. Releasor agrees to do such further acts and things and to execute and deliver such additional agreements and instruments as any Released Party may reasonably require to consummate, evidence, or confirm the Release contained herein in the matter contemplated hereby.

i. This Release is inapplicable with respect to claims arising under the Washington Franchise Investment Protection Act, chapter 19.100 RCW, and the rules adopted thereunder in accordance with RCW 19.100.220.

**IN WITNESS WHEREOF**, Releasor has executed this Release as of the date first written above.

**FRANCHISEE:**

\_\_\_\_\_, a  
\_\_\_\_\_

Sign: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

**FRANCHISEE'S OWNERS:**

Date \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Typed or Printed Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Typed or Printed Name

Rev. 060524

## EXHIBIT H-2

### SENIORS BLUE BOOK FRANCHISE

#### SAMPLE SYSTEM PROTECTION AGREEMENT

This System Protection Agreement (“Agreement”) is entered into by the undersigned (“you” or “your”) in favor of Seniors Blue Book Franchising LLC, a Colorado limited liability company, and its successors and assigns (“us”, “we” or “our”), 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: (i) sells or offers to sell products the same as or similar to the type of products sold by you in and/or from the Franchisee Territory (including, but not limited to, the products we authorize); or (ii) provides or offers to provide services the same as or similar to the type of services sold by you in and/or from the Franchisee Territory (including, but not limited to, the services we authorize), but excludes a Seniors Blue Book business operating pursuant to a franchise agreement with us.

“*Copyrights*” means all works and materials for which we or our affiliate have secured common law or registered copyright protection and that we allow franchisees to use, sell, or display in connection with the marketing and/or operation of a Seniors Blue Book business or the solicitation or offer of a Seniors Blue Book franchise, whether now in existence or created in the future.

“*Franchisee*” means the Seniors Blue Book franchisee for which you are a manager or officer.

“*Franchisee Territory*” means the territory granted to you pursuant to a franchise agreement with us.

“*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 Seniors Blue Book business, including, but not limited to, methods, techniques, specifications, proprietary practices and procedures, policies, marketing strategies, and information comprising the System and the Manual.

“*Manual*” means our confidential operations manual for the operation of a Seniors Blue Book business, which may be periodically modified by us.

“*Marks*” means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a Seniors Blue Book business, including “SENIORS BLUE BOOK,” and any other trademarks, service marks, or trade names that we designate for use by a Seniors Blue Book business. The term “Marks” also includes any distinctive trade dress used to identify a Seniors Blue Book business, whether now in existence or hereafter created.

“*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 franchisees); and/or (iii) inducing or attempting to induce any customers of ours (or of one of our affiliates or franchisees) to transfer their business to you or to any other person that is not then a franchisee of ours.

“*Restricted Period*” means the two-year period after you cease to be a manager or officer of Franchisee’s Seniors Blue Book business; 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 one-year period after you cease to be a manager or officer of Franchisee’s Seniors Blue Book business.

“*Restricted Territory*” means the geographic area within: (i) a 100-mile radius from Franchisee’s Seniors Blue Book business (and including the premises of the approved location of Franchisee); and (ii) a 100-mile radius from all other Seniors Blue Book businesses that are operating or under development as of the beginning of the *Restricted Period*; provided, however, that if a court of competent jurisdiction determines that the foregoing *Restricted Territory* is too broad to be enforceable, then the “*Restricted Territory*” means the geographic area within a 50-mile radius from Franchisee’s Seniors Blue Book business (and including the premises of the approved location of Franchisee).

“*System*” means our system for the establishment, development, operation, and management of a Seniors Blue Book business, including Know-how, proprietary programs and products, Manual, and operating system.

**2. Background.** You are a manager or officer of Franchisee. As a result of this relationship, you may gain knowledge of our System. You understand that protecting the Intellectual Property and our System are vital to our success and that of our franchisees and that you could seriously jeopardize our entire 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 Seniors Blue Book business operated by Franchisee; (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 a manager or officer of Franchisee’s Seniors Blue Book business. You further agree that you will not use all or part of the Intellectual Property or all or part of the System for any purpose other than the performance of your duties for Franchisee and within the scope of your employment or other engagement with Franchisee. These restrictions on Know-how, Intellectual Property and the System shall not apply to any information which is information publicly known or becomes lawfully known in the public domain other than through a breach of this Agreement or is required or compelled by law to be disclosed, provided that you will give reasonable notice to us to allow us to seek protective or other court orders.

**4. Unfair Competition During Relationship.** You agree not to unfairly compete with us at any time while you are a manager or officer of Franchisee’s Seniors Blue Book business by engaging in any Prohibited Activities.

**5. 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 or provides competitive goods or services to customers who are 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.

**6. 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, grandparent 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.

**7. 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.**

**8. Breach.** You agree that failure to comply with the terms of this Agreement will cause substantial and irreparable damage to us and/or other Seniors Blue Book franchisees 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, our owners or our affiliates, or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

**9. Miscellaneous.**

a. If we pursue legal remedies 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 Colorado, 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. If 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.

*(Signature on following page)*

EXECUTED on the date stated below.

Date \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Typed or Printed Name

Rev. 120619

**EXHIBIT H-3**

**SENIORS BLUE BOOK FRANCHISE**

**SAMPLE CONFIDENTIALITY AGREEMENT**

This Confidentiality Agreement (“Agreement”) is entered into by the undersigned (“you”) in favor of Seniors Blue Book Franchising LLC, a Colorado limited liability company, and its successors and assigns (“us”), 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(s) have secured common law or registered copyright protection and that we allow Seniors Blue Book franchisees to use, sell, or display in connection with the marketing and/or operation of a Seniors Blue Book Business, whether now in existence or created in the future.

“*Franchisee*” means the Seniors Blue Book franchisee for which you are an employee, independent contractor, agent, representative, or supplier.

“*Intellectual Property*” means, collectively or individually, our Marks, Copyrights, Know-how, Manual, 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 Seniors Blue Book Business, including, but not limited to, methods, techniques, specifications, proprietary practices and procedures, policies, marketing strategies, and information comprising the System and the Manual.

“*Manual*” means our confidential operations manual for the operation of a Seniors Blue Book Business.

“*Marks*” means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a Seniors Blue Book Business, including “SENIORS BLUE BOOK” and any other trademarks, service marks, or trade names that we designate for use by a Seniors Blue Book Business. The term “Marks” also includes any distinctive trade dress used to identify a Seniors Blue Book Business, whether now in existence or hereafter created.

“*Seniors Blue Book Business*” means a business that generates a senior resources publication and advertising directory and other related products and services using our Intellectual Property.

“*System*” means our system for the establishment, development, operation, and management of a Seniors Blue Book Business, including Know-how, proprietary programs and products, confidential operations manuals, and operating system.

**2. Background.** You are an employee, independent contractor, agent, representative, or supplier of Franchisee. Because of this relationship, you may gain knowledge of our Intellectual Property. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees, and that you could seriously jeopardize our entire Franchise System if you were to use such Intellectual Property in any way other than as described in this Agreement. In order to avoid such damage, you agree to comply with this Agreement.

**3. Know-How and Intellectual Property: Nondisclosure and Ownership.** You agree: (i) you will not use the Intellectual Property in any business or capacity other than for the benefit of the

Seniors Blue Book Business operated by Franchisee or in any way detrimental to us or to the Franchisee; (ii) you will maintain the confidentiality of the Intellectual Property at all times; (iii) you will not make unauthorized copies of documents containing any Intellectual Property; (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 Intellectual Property; and (v) you will stop using the Intellectual Property immediately if you are no longer an employee, independent contractor, agent, representative, or supplier of Franchisee. You further agree that you will not use the Intellectual Property for any purpose other than the performing your duties for Franchisee and within the scope of your employment or other engagement with Franchisee.

The Intellectual Property is and shall continue to be the sole property of Seniors Blue Book Franchising LLC. You hereby assign and agree to assign to us any rights you may have or may acquire in such Intellectual Property. Upon the termination of your employment or engagement with Franchisee, or at any time upon our or Franchisee's request, you will deliver to us or to Franchisee all documents and data of any nature pertaining to the Intellectual Property, and you will not take with you any documents or data or copies containing or pertaining to any Intellectual Property.

**4. Immediate Family Members.** You acknowledge you could circumvent the purpose of this Agreement by disclosing Intellectual Property 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 Intellectual Property to family members. Therefore, you agree you will be presumed to have violated the terms of this Agreement if any member of your immediate family uses or discloses the Intellectual Property. However, you may rebut this presumption by furnishing evidence conclusively showing you did not disclose the Intellectual Property 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 this Agreement will cause substantial and irreparable damage to us and/or other Seniors Blue Book franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation 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 you may have against us or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

#### **7. Miscellaneous.**

a. Although this Agreement is entered into in favor of Seniors Blue Book Franchising LLC, you understand and acknowledge that your employer/employee, independent contractor, agent, representative, or supplier relationship is with Franchisee and not with us, and for all purposes in connection with such relationship, you will look to Franchisee and not to us.

b. If we pursue legal remedies against you because you have breached this Agreement and prevail against you, you agree to pay our reasonable attorney fees and costs in doing so.

c. This Agreement will be governed by, construed, and enforced under the laws of Colorado, and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.

d. Each section of this Agreement, including each subsection and portion, is severable. If 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.

EXECUTED on the date stated below.

Date \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Typed or Printed Name

Rev. 032916

**EXHIBIT H-4**

**SENIORS BLUE BOOK FRANCHISE**

**SAMPLE APPROVAL OF REQUESTED ASSIGNMENT**

This Approval of Requested Assignment (“**Agreement**”) is entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, between Seniors Blue Book Franchising LLC (“**Franchisor**”), a Colorado limited liability company, \_\_\_\_\_ (“**Former Franchisee**”), the undersigned owners of Former Franchisee (“**Owners**”) and \_\_\_\_\_, a [State] [Corporation/Limited Liability Company] (“**New Franchisee**”).

**RECITALS**

WHEREAS, Franchisor and Former Franchisee entered into that certain franchise agreement dated \_\_\_\_\_, 20\_\_\_\_ (“**Former Franchise Agreement**”), in which Franchisor granted Former Franchisee the right to operate a Seniors Blue Book franchise located at \_\_\_\_\_ (“**Franchised Business**”); and

WHEREAS, Former Franchisee desires to assign (“**Requested Assignment**”) the Franchised Business to New Franchisee, New Franchisee desires to accept the Requested Assignment of the Franchised Business from Former Franchisee, and Franchisor desires to approve the Requested Assignment of the Franchised Business from Former Franchisee to New Franchisee upon the terms and conditions contained in this Agreement, including that New Franchisee sign Franchisor’s current form of franchise agreement together with all exhibits and attachments thereto (“**New Franchise Agreement**”), contemporaneously herewith.

NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements herein contained, the parties hereto hereby covenant, promise, and agree as follows:

1. Payment of Fees. In consideration for the Requested Assignment, Former Franchisee acknowledges and agrees to pay Franchisor the Transfer Fee, as required under the Franchise Agreement (“**Franchisor’s Assignment Fee**”).

2. Assignment and Assumption. Former Franchisee hereby consents to assign all of its rights and delegate its duties with regard to the Former Franchise Agreement and all exhibits and attachments thereto from Former Franchisee to New Franchisee, subject to the terms and conditions of this Agreement, and conditioned upon New Franchisee’s signing of the New Franchise Agreement pursuant to Section 5 of this Agreement.

3. Consent to Requested Assignment of Franchised Business. Franchisor hereby consents to the Requested Assignment of the Franchised Business from Former Franchisee to New Franchisee upon receipt of the Franchisor’s Assignment Fee from Former Franchisee and the mutual execution of this Agreement by all parties. Franchisor waives its right of first refusal set forth in the Former Franchise Agreement.

4. Termination of Rights to the Franchised Business. The parties acknowledge and agree that effective upon the date of this Agreement, the Former Franchise Agreement shall terminate and all of

Former Franchisee's rights to operate the Franchised Business are terminated and that from the date of this Agreement only New Franchisee shall have the sole right to operate the Franchised Business under the New Franchise Agreement. Former Franchisee and the undersigned Owners agree to comply with all of the covenants in the Former Franchise Agreement that expressly or by implication survive the termination, expiration, or transfer of the Former Franchise Agreement. Unless otherwise precluded by state law, Former Franchisee shall execute Franchisor's current form of General Release Agreement.

5. New Franchise Agreement. New Franchisee shall execute the New Franchise Agreement for the Franchised Business (as amended by the form of Addendum prescribed by Franchisor, if applicable), and any other required contracts for the operation of a Seniors Blue Book franchise as stated in Franchisor's Franchise Disclosure Document.

6. Franchisee's Contact Information. Former Franchisee agrees to keep Franchisor informed of its current address and telephone number at all times during the three year period following the execution of this Agreement.

7. Acknowledgement by New Franchisee. New Franchisee acknowledges and agrees that the purchase of the rights to the Franchised Business ("**Transaction**") occurred solely between Former Franchisee and New Franchisee. New Franchisee also acknowledges and agrees that Franchisor played no role in the Transaction and that Franchisor's involvement was limited to the approval of Requested Assignment and any required actions regarding New Franchisee's signing of the New Franchise Agreement for the Franchised Business. New Franchisee agrees that any claims, disputes, or issues relating New Franchisee's acquisition of the Franchised Business from Franchisee are between New Franchisee and Franchisee, and shall not involve Franchisor.

8. Representation. Former Franchisee warrants and represents that it has not heretofore assigned, conveyed, or disposed of any interest in the Former Franchise Agreement or Franchised Business. Buyer hereby represents that it received Franchisor's Franchise Disclosure Document and did not sign the New Franchise Agreement or pay any money to Franchisor or its affiliate for a period of at least 14 calendar days after receipt of the Franchise Disclosure Document.

9. Notices. Any notices given under this Agreement shall be in writing, and if delivered by hand, or transmitted by U.S. certified mail, return receipt requested, postage prepaid, or via telegram or telefax, shall be deemed to have been given on the date so delivered or transmitted, if sent to the recipient at its address or telefax number appearing on the records of the sending party.

10. Further Actions. Former Franchisee and New Franchisee each agree to take such further actions as may be required to effectuate the terms and conditions of this Agreement, including any and all actions that may be required or contemplated by the Former Franchise Agreement.

11. Affiliates. When used in this Agreement, the term "**Affiliates**" has the meaning as given in Rule 144 under the Securities Act of 1933.

12. Miscellaneous. This Agreement may not be changed or modified except in a writing signed by all of the parties hereto. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same document. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

13. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Colorado.

**IN WITNESS WHEREOF**, the parties have executed this Agreement under seal, with the intent that this be a sealed instrument, as of the day and year first above written.

**FRANCHISOR:**

SENIORS BLUE BOOK FRANCHISING LLC

By: \_\_\_\_\_

Title: \_\_\_\_\_

**FORMER FRANCHISEE:**

\_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

**NEW FRANCHISEE:**

\_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Rev. 031821

**EXHIBIT I**

**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:

<b>State</b>	<b>Effective Date</b>
Minnesota	Pending

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 J**

**RECEIPT**

**RECEIPT**  
**(Retain This Copy)**

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Seniors Blue Book Franchising LLC offers you a franchise, it must provide this disclosure document to you 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.

Under Iowa law, if applicable, Seniors Blue Book Franchising LLC must provide this disclosure document to you at your first personal meeting to discuss the franchise. Michigan requires Seniors Blue Book Franchising LLC to give you this disclosure document at least ten business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. New York requires you to receive this disclosure document at the earlier of the first personal meeting or ten business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Seniors Blue Book Franchising LLC 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, DC 20580, and the appropriate state agency identified on Exhibit A.

The name, principal business address, and telephone number of each franchise seller offering the franchise is:
Oliver Hersch, 12228 South 1840 East, Draper, Utah 84020; Phone: (800) 201-9989

Issuance Date: **January 28, 2025**

I received a disclosure document issued **January 28, 2025** which included the following exhibits:

- Exhibit A List of State Administrators/Agents for Service of Process
- Exhibit B Financial Statements
- Exhibit C Franchise Agreement
- Exhibit D Franchise Disclosure Questionnaire
- Exhibit E Brand Standards Manual Table of Contents
- Exhibit F List of Current and Former Franchisees
- Exhibit G State Addenda and Agreement Riders
- Exhibit H Contracts for use with the Seniors Blue Book Franchise
- Exhibit I State Effective Dates
- Exhibit J Receipt

_____	_____	_____
Date	Signature	Printed Name
_____	_____	_____
Date	Signature	Printed Name

Rev. 012417

**PLEASE RETAIN THIS COPY FOR YOUR RECORDS.**

**RECEIPT**  
**(Our Copy)**

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Seniors Blue Book Franchising LLC offers you a franchise, it must provide this disclosure document to you 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.

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If Seniors Blue Book Franchising LLC 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, DC 20580, and the appropriate state agency identified on Exhibit A.

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- Exhibit I State Effective Dates
- Exhibit J Receipt

\_\_\_\_\_  
Date Signature Printed Name

\_\_\_\_\_  
Date Signature Printed Name

Rev. 012417

**Please sign this copy of the receipt, date your signature, and return it to Seniors Blue Book Franchising LLC, 12228 South 1840 East, Draper, UT 84020.**