

## FRANCHISE DISCLOSURE DOCUMENT



### **Set the Stage, Inc.**

A Utah Corporation  
10446 S 1055 W, Ste 101  
South Jordan, Utah 84096  
801-750-1700  
WeSetTheStage.com

The franchise offered is for a business operated under the “Set the Stage®” service mark that provides staging services, interior design services, and furniture and decor products for sale or lease to home sellers, real estate agents, builders, developers, real estate investors, and consumers.

The total investment necessary to begin operation of a Set the Stage® franchise is \$204,150 to \$261,345. This includes \$173,500 to \$203,500 that must be paid to the franchisor or affiliate.

This 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 any binding agreement with, or make any payment to, the Franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive this Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in a different format, contact Courtney Clark at 10446 S 1055 W, Ste 101, South Jordan, Utah 84096; (801) 750-1700; or [courtney@wesetthestage.com](mailto:courtney@wesetthestage.com).

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 contracts carefully. Show your contract and this Disclosure Document to an advisor, like a lawyer or accountant.

Buying a franchise is a complex investment. The information in this Franchise 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 Franchise 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, D.C. 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: April 30, 2026

## 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:

<b>QUESTION</b>	<b>WHERE TO FIND INFORMATION</b>
<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 Exhibits B-1 and B-2.
<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 C includes financial statements of Franchisor. 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 Set the Stage 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 Set the Stage franchisee?</b>	Item 20 and Exhibits B-1 and B-2 list 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 arbitration and/or litigation only in Utah. 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 Utah than in your own state.
2. **Mandatory Minimum Payments.** You must make minimum royalty payments or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
3. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
4. **Financial Condition.** The franchisor’s financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor’s financial ability to provide services and support to you.
5. **Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

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 MANDATED BY SECTION 8 OF  
MICHIGAN'S FRANCHISE INVESTMENT LAW**

To the extent the Michigan Franchise Investment Law, Mich. Comp. Laws §§ 445.1501 – 445.1546 applies, the terms of this Addendum apply.

**THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.**

- (a) A prohibition on the right of a franchisee to join an association of franchises.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in the Michigan Franchise Investment Law. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity which in no event need be more than thirty (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 five (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 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 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) Failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards. The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
  - (ii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
  - (iii) 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 THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENFORCEMENT BY THE ATTORNEY GENERAL.**

If the franchisee has any questions regarding this notice, those questions should be directed to the Michigan Department of Attorney General, Corporate Oversight Division, Attn.: Franchise, G. Mennen Williams Building, 5th Floor, 525 West Ottawa Street, Lansing, Michigan 48913, telephone: (517) 373-7117.

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## **ITEM 1. THE FRANCHISOR, AND ANY PREDECESSORS AND AFFILIATES**

To simplify the language in this Disclosure Document, “Company,” “we,” “us,” “our,” or the “Franchisor,” means Set The Stage, Inc. “You,” “your,” or the “Franchisee,” means the person, corporation, limited liability company, partnership, or other business entity that buys the franchise. If you are a corporation, limited liability company, partnership, or other entity, these terms also include your shareholders, members, partners, and owners who must sign a personal guaranty agreeing to comply with all provisions of the Franchise Agreement.

### **The Franchisor**

Set The Stage, Inc. is a Utah corporation formed in May 2021. Our principal business address is 10446 S 1055 W, Ste 101, South Jordan, Utah 84096. We only do business under our corporate name and the name Set the Stage and do not do business under any other names.

Although our affiliate entity, Set The Stage Salt Lake Valley, LLC, has operated a Set the Stage businesses since October 2016 neither we nor any of our other affiliates currently operate a business of the type being franchised. In May 2022, we began offering franchises for Set the Stage businesses. We do not conduct business in any other line of business nor do we offer franchises in any other line of business.

Please refer to Exhibit A for a listing of agents for service of process.

### **Predecessors**

On October 31, 2016, the principals of the Franchisor acquired a staging company doing business under the trade name “The Key Design.” The Key Design, LLC began doing business under the registered trademark “Set The Stage<sup>®</sup>” in June 2019.

### **Parents and Affiliates**

We are wholly-owned by our predecessor and parent company, The Key Design, LLC, a Utah limited liability company with an address at 10446 S 1055 W, Ste 101, South Jordan, Utah 84096. Our affiliate, Set the Stage Salt Lake Valley, LLC, which is a Utah limited liability company with address at 14550 Center Point Way, Bluffdale UT 84065, is also wholly-owned by The Key Design, LLC,. This affiliate operates a business substantially similar to the business you will operate as a franchisee. None of these affiliates have offered franchises in any line of business. The Key Design, LLC and Set the Stage Salt Lake Valley, LLC may also provide products and services to you.

### **Franchise Brokers**

The Franchisor makes use of one or more franchise brokers to offer and sell its franchises. Only those identified on your Receipt Page are authorized to offer or sell a franchise on behalf of the Franchisor.

## **The Franchised Business**

The franchise offered is for the operation of a business operated under the “Set the Stage®” service mark that provides staging services, interior design services, and furniture and decor products for sale or lease to home sellers, real estate agents, builders, developers, real estate investors, and consumers. These businesses are referred to in this Disclosure Document as a “Franchised Business.” The Franchise Business also includes providing home furnishing products to home buyers and consultation services to the general public. Staging is the furnishing of residential or commercial real estate space on a temporary basis to facilitate the ultimate sale. Business comes primarily from referrals by real estate professionals and real property owners and managers. We encourage you to enter into strategic alliances with real estate agents, homebuilders, home sellers, real estate investors, real estate brokers, and other service-oriented businesses in your territory that can give you referrals.

The Franchise Business provides services and products using a unique system under the “Set the Stage®” service mark and logo and other trademarks, trade names, service marks, and commercial symbols we may authorize (the “Marks”). You will operate your Franchised Business using our unique operating system, which, in addition includes our technology system, Franchised Business website within our brand website, and other know-how, information, trade secrets, and confidential information, as well as our standards, designs, methods of trademark and service mark usage, and research and development (the “System”). You are required to purchase certain products and services from us, our affiliates, or specific suppliers. By granting you a franchise, we are only granting you a right to use our System and Marks. We may change or otherwise modify the System at any time as we see fit.

## **Franchise Agreement**

If we approve your application to become a Set the Stage franchisee, you must sign our Franchise Agreement for each Franchised Business in the form attached to this Disclosure Document as Exhibit D. Each Franchise Agreement grants you the right to operate 1 Franchised Business in your Operating Territory. You may not operate an additional Franchised Business, whether in your Operating Territory or elsewhere, unless you acquire additional franchise rights from us and sign another Franchise Agreement. The Franchised Business you operate may only provide the products and services we authorize. You must follow all of our policies and procedures in operating your Franchised Business. We can change and modify our policies at any time.

## **Market and Competition**

Competition to our franchisees comes from other staging companies that perform some of the same or similar services, as well as entities that sell or lease furniture and other home décor items directly.

Revenues can be seasonal with home buying trends and demand and cyclical with local real estate market conditions. For example, there may be fewer homes on the market during winter months in colder states. Additionally, based on current cyclical real estate market conditions, shifts in business have mostly been regarding the turnaround time for the staged furnishings. In a seller’s

market, homes typically go under contract faster and with quicker closings; while in a buyer's market, homes typically are on the market longer and may result in extension of staging contracts.

### **Industry-Specific Regulations**

Your Franchised Business will be subject to many federal, state, and local laws, regulations, and licensing requirements. You must comply with all laws, regulations, and licensing requirements that apply to your Franchised Business. You are responsible for investigating and evaluating the federal, state, and local laws that may apply to the structuring and operation of your Franchised Business, and the federal, state, and local restrictions regarding the ownership of your Franchised Business and the individuals that may or may not provide services through your Franchised Business. We require you to consult with an attorney regarding the laws and regulations and the permit, license, and certificate requirements that may apply to your Franchised Business before signing a Franchise Agreement with us.

If required by your state, you may need to obtain and maintain an active contractor's license. If so, you are required to submit proof of your current contractor's license annually in conjunction with confirmation of payment of taxes and proof of insurance. In some states, certain interior design services may require professional licensing, certification, or registration. There are no other regulations specific to the industry that we are aware of. You must comply with all laws that apply to businesses in general.

### **Franchisor Business Operations**

The Franchisor was established and began offering franchises for this business model in 2022. Since that time, the Franchisor has focused exclusively on the development, support, and expansion of its franchise system. The Franchisor provides its franchisees with comprehensive initial training, ongoing operational guidance, and business support designed to promote consistency, efficiency, and adherence to system standards.

The Franchisor's activities are limited to franchising and supporting the operation of this specific business concept. The Franchisor has not offered, and does not currently offer, franchises in any other line of business. Additionally, neither the Franchisor nor any of its predecessors has engaged in franchising activities outside of this system.

## **ITEM 2. BUSINESS EXPERIENCE**

### **President/CEO, and Co-Founder:** Courtney Clark

Courtney Clark has been our President/CEO since April 2025, located in Salt Lake City, Utah. She was previously our CCO from June 2022 to April 2025 and our CEO since our formation in August 2021 to June 2022. Ms. Clark has also served as Director of Operations of The Key Design, LLC in South Jordan, Utah since October 2016. She is also currently CEO and Chairwoman of The Key Design, LLC , since May 2022, located in South Jordan, Utah.

**Vice President of Training and Development:** Destini Madsen

Destini Madsen has been our Vice President of Training and Development since April 2025, located in Salt Lake City, Utah. She has held previous positions for us, as Lead Stager, Project Manager, Studio Manager, and Training Director, from 2016 to the present, located in Salt Lake City, Utah.

**Vice President of Operations:** Brittany Dulock

Brittany Dulock has been our Vice President of Operations since June 2025, located in Salt Lake City, Utah. From January 2020 to August 2023 she served as Sure Start Coach at Neighborly and from September 2023 to December 2024 she served as Director of Franchise Development for Neighborly, located in Waco, TX.

**ITEM 3. LITIGATION**

**Pending Actions**

Set the Stage, Inc. v. Cameron Wheat, Third Judicial District Court in Salt Lake City, Utah, Case No. 250904643. On June 11, 2025, we filed a complaint against Cameron Wheat alleging breach of contract and of the contractual covenant of good faith and fair dealing, conversion, and tortious interference with contractual relations. We also sought declaratory judgment and injunctive relief. At the hearing relating to the temporary restraining order and preliminary injunction, the judge ruled in our favor, including a finding of a reasonable likelihood of success on our claims, and required Mr. Wheat to restore use and function to the Set the Stage App that was the subject of our claims. Mr. Wheat has made counterclaims alleging breach of his employment contract and claiming unpaid wages, while also seeking declaratory relief. Following the issuance of the injunction we requested, the case has now entered written discovery, and we will vigorously prosecute our claims and defend against the counterclaim allegations.

Other than this action, no litigation is required to be disclosed in this Item.

**ITEM 4. BANKRUPTCY**

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

**ITEM 5. INITIAL FEES**

**Initial Franchise Fee**

You must pay us an initial franchise fee (the “Initial Franchise Fee”) of \$59,500 for each Franchised Business. The Initial Franchise Fee must be paid upon signing of the Franchise Agreement.

We have a veteran’s program that offers a reduced Initial Franchise Fee to veterans who received an honorable discharge from a branch of the United States military. If you qualify for this discount, we will reduce the Initial Franchise Fee by 10% for the first Franchised Business to be developed by you and your affiliates. We may modify or terminate this program at any time, but no

modification or termination will affect any Franchise Agreement you sign during the time the applicable program is offered.

A reduced Initial Franchise Fee may be available in connection with multiple franchises purchased in the same transaction and at the same time: the Initial Franchise Fee for the second franchise is \$40,000; for the third franchise is \$40,000; for the fourth is \$35,000; and for additional franchises it is \$30,000 for each additional unit. This multi-outlet discount is only available for franchises purchased in a single transaction and at the same time.

### **Launch Support Fee**

You must pay us a launch support fee (the “Launch Support Fee”) of \$15,000 for services provided to you in marketing and preparing your Franchised Business for its launch. The Launch Support Fee must be paid before attending Set the Stage University which is required for a new franchise or a transferred franchise. The Launch Support Fee applies to a new franchised location and at the time of sale or transfer.

### **Starter Package**

You must purchase from us a Set The Stage Starter Package (the “Starter Package”) at a cost of between \$99,000 and \$129,000. The Starter Package fee must be paid within 14 days of signing the Franchise Agreement.

The Starter Package includes initial materials used in the operation of the Franchised Business, including 5 to 7 complete Furnishings Packages (including furniture, textiles, and decor), each sufficient to stage a moderate-sized space. The Starter Package also includes staging materials, staging equipment (including storage containers, totes and linen bags), staging supplies (including packing materials for up to 6 months), staging tool bags (including tools and supplies), basic location signage, and branded team items. The introductory marketing tools, website portal and operations template are also included. The range of Starter Package fees reflects certain variable costs, that will be determined at the time of curating and sourcing the Starter Package based on the current vendor rates as well as applicable tax, tariff, and freight shipping costs.

Upon payment of the Initial Franchise Fee, the Launch Support Fee, and the Starter Package fee in full, all materials included in the Starter Package will be ordered for the Franchisee and scheduling of the initial training program will begin. The Initial Franchise Fee, the Launch Support Fee, and the Starter Package fee are fully earned by us when you sign the Franchise Agreement. The initial fees are uniform except as described above and are not refundable.

In our fiscal year ending December 31, 2025, the range of Initial Franchise Fees paid by our franchisees was \$93,550 to \$174,500.

**ITEM 6. OTHER FEES**

<b>Name of Fee (1)</b>	<b>Amount of Fee</b>	<b>When Due</b>	<b>Remarks</b>
Franchise Royalty (2)	6% of Gross Revenues, subject to required minimum Royalties	Monthly, within 15 days after calendar month for which due.	(Note 2)
Project Support Fee (3)	Actual cost	When incurred	This fee is to support National Accounts.
Advertising & Promotion Fee (4)	Up to 2% of Gross Revenues, at Franchisor discretion	Monthly, within 15 days after calendar month for which due.	Contributed to the Marketing Fund (Note 4)
Supplies and Inventory and Equipment Purchases	Varies depending on the type and quantity purchased	Upon demand	You must purchase certain supplies and inventory and equipment used in the Franchised Business from us or our affiliate. We currently estimate you will purchase between \$16,000 to \$56,000 per year.
Advertising Violation Fine	\$500 fine per violation	Upon demand after your advertising default.	Fine for advertising outside the your Operating Territory or using unapproved advertising materials
Revenue Misclassification Fee	\$250 fee per incident	Upon demand after incorrect classification of revenue	Fee per incident for incorrect classification of revenue.
Late Fees, Convenience Fees, Penalties, and Interest (5)	Late payment, \$250 or 10% if greater; Late reporting, \$250; Convenience, 3.5%; Interest, 12%	Upon demand after your payment or reporting default.	(Note 5)
Transfer Fees (6)	Greater of \$15,000 or 5% of gross sale or transfer price, except to a spouse or child of Franchisee (for which a reduced fee of \$500 applies).	Upon any assignment, sale or transfer of the franchise	(Note 6)
Re-Training Fee (6)	\$5,000 plus cost of travel	At the Franchisee's discretion if there is non-compliance.	(Note 6)

Name of Fee (1)	Amount of Fee	When Due	Remarks
Renewal (7)	\$5,000	Upon renewal	(Note 7)
Additional Training (8)	\$300 per day, plus travel, lodging and meals.	Before additional training begins.	(Note 8)
Annual Review Costs (8)	Up to \$37.50 per hour (for up to 1 week per year), plus our reasonable, actual costs of transportation, lodging, and meals	Upon demand	You must pay these costs for the designated representative during the Annual Review (up to 1 week per year).
Annual Summit/Meeting Registration Fee	Varies (estimated between \$900 to \$1,500)	Before conference begins	You must attend our annual conferences and are responsible for your own travel, lodging, and meals.
Operational Assistance Fee	Up to \$300 per day plus our reasonable, actual costs of transportation, lodging, and meals	As needed	Paid at Franchisee's request for additional services
Technology and Software Fees (9)	\$375 per month per user. All technology and software fees are subject to a yearly 15% increase.	Monthly, within 15 days after calendar month for which due.	(Note 9). A minimum of 2 users are required.
Insurance	Varies	Upon demand	If we obtain insurance coverage for you, you must reimburse us for the costs of the premiums.
Indemnification	Varies	When incurred	You must reimburse us if we are sued or held liable for claims arising from your Franchised Business.
Audit Fees (10)	Actual cost	When incurred	(Note 10)
Attorney Fees and Litigation Costs	Actual cost	When incurred	Payable following your breach of any obligation you have to us, or if we are successful in defending any claim you bring against us.
Warehouse Relocation Fee (11)	\$500	When incurred	Franchisor

(1) All of these fees apply to each franchise purchased and are imposed by and are payable to Franchisor. All fees are non-refundable and are uniformly imposed. However, in the past we have charged different fees, we have added fees, and in certain situations reduced or waived fees. Existing franchisees who have signed earlier franchise agreements may have different fees. You must pay fees and other amounts due to us via electronic funds transfer or other similar

means. To implement this procedure you must sign an agreement authorizing us 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 that may be owing. A sample form of this authorization is attached to this Disclosure Document as Exhibit G. If your state, or any governmental body in your state, charges a tax on any fee you owe to us or to our affiliates, then you must pay an additional amount equal to the amount of this tax. This does not apply to any federal or Utah income taxes we or our affiliates have to pay, nor does this apply to franchisees residing or located in Washington.

“Gross Revenues” means all receipts or benefits of every kind and nature whatsoever received by you directly or indirectly in connection with the operation of the Franchised Business, including all revenue from all sources, including design income, pre-consult fees, and furniture, fixtures and other inventory sales, but does not include taxes paid by clients, credit card rebates or credit card fees.

(2) **Franchise Royalty.** The Franchise Royalty is the greater of 6% of Gross Revenues or a minimum royalty amount. We will auto-withdraw from your bank account the amount to cover Royalty Fee payments. We reserve the right to charge your credit card and assess a 3.5% convenience fee on the outstanding balance if auto-withdraw is unsuccessful to cover Royalty Fee payments, or any past due amounts, penalties or interest.

Minimum royalty fees will apply to any month in which 6% of your Gross Revenues is less than the designated minimum royalty fee. The Minimum royalty fees commences the date you sign the Franchise Agreement. The minimum royalty fees apply through the term of your Franchise Agreement. The following schedule governs these minimum royalty fees per unit:

# of Units of Territories	Months 1-6	Months 7-12	Months 13-24	Months 25-36	Months 37-48	Months 49-60	Months 60-72	Months 73-End
1 or 2 Units	\$0	\$500	\$1,000	\$1,100	\$1,200	\$1,300	\$1,400	\$1,500
3 Units	\$0	\$750	\$1,250	\$1,350	\$1,450	\$1,550	\$1,650	\$1,750
4 Units	\$0	\$1,000	\$1,500	\$1,600	\$1,700	\$1,800	\$1,900	\$2,000
5 Units or more	\$0	1,250	\$1,750	\$1,850	\$1,950	\$2,050	\$2,150	\$2,250

(3) **Project Support Fee.** This fee relates to National Accounts, accounts requiring more than the normal capability of a single Franchisee or that operate in multiple markets including those outside the service area of a single Franchisee. In this situation, the Franchisee may refer the account to the Franchisor, who may accept it as a National Account and pool the resources of multiple Franchisees and negotiate a separate Project Support Fee to be paid from the account.

(4) **Advertising & Promotion Fee.** This is a monthly fee which is assessed by the Franchisor in an amount up to 2% of monthly Gross Revenues. It is managed by the Franchisor and intended to promote the brand including the utilization of third parties related to business objectives.

(5) **Late Fees, Convenience Fees, Interest.** Late payment, greater of \$250 or 10% of late payment; late reporting, \$250 per report; convenience fee, 3.5% of failed auto withdrawal; interest, 12% of amounts owed or maximum amount allowed by law, if lesser.

(6) **Transfer and Re-Training Fee.** You may not transfer your franchise without our prior written consent. If we consent to a transfer of the franchise by you, a fee of the greater of \$15,000 or 5% of the transfer transaction/sale price for the Franchised Business (or any interest in the Franchised Business or you) must be paid, by either you or the approved transferee to reimburse us for our reasonable legal, accounting, credit, or other investigation expenses. This transfer fee is nonrefundable and is payable at the time of the approved transfer. Any Franchisee who is not in compliance with the Franchise Agreement may be required to attend re-training at the cost of \$5,000 plus travel.

(7) **Renewal.** The Franchise Agreement may be renewed subject to compliance with the Franchise Agreement, including the payment to Franchisor of a \$5,000 renewal fee.

(8) **Additional Training.** The prevailing 8-hour per day rate is currently \$300 plus travel, lodging and meals of our trainer when requested by you and approved by us. Additional training can be between 1 and 5 days in length, with an estimated cost of \$300-\$1,500 (this does not include travel, lodging and meals of our trainer, which are estimated to be \$100-\$250 per day). If training is performed at a Company owned location, travel, lodging and meals of our trainer are not required. Your travel, lodging and meals are your responsibility in addition to the amount due for the additional training. The current rate for additional training is \$300 per 8-hour day or \$37.50 per hour. Franchisor has the discretion to adjust Additional Training rates to accommodate for labor rate adjustments in the job market such as inflation or the increase in standard wages.

(9) **Technology and Software Fees.** You are required to sign up for, pay for, and utilize and any and all software or technology tools as required by Set the Stage. As this time, you must subscribe to and use certain technology platforms designated by the Franchisor to operate the franchise system (“System Technology”). These platforms support core operational functions such as staging/project and inventory management, vendor management, customer relationship management, internal communications, reporting, training, marketing support, and other operational tools required to operate the business.

The Technology Fee disclosed in the “Other Fees” table represents the monthly cost of the required System Technology currently used in the franchise system. These costs include operational applications provided or managed by the Franchisor, system hosting and support, business email services, website or digital presence tools, reporting platforms, and franchise management systems.

Technology Fees are generally calculated based on the number of authorized or active users associated with the franchise location. Certain systems may require minimum user levels or minimum account configurations to operate the franchise. The current system configuration assumes a minimum number of operational application users and business email accounts for the franchise owner and initial team members. Franchisees will be billed for at least the minimum required system configuration even if fewer individuals are actively using the system. Technology Fees are subject to an annual increase of 15% upon 30 days’ prior notice to you. Adjustments are compounded annually and cumulative including increases in any given year of greater than 15% to adjust for prior years when no increase, or an increase of less than the permitted percentage increase, was implemented.

The Franchisor may periodically review and audit system accounts and platform usage to verify user counts. Additional users above the minimum levels, or users determined by the Franchisor to be active within the system, may result in additional Technology Fees for the applicable month based on usage during the preceding month. Each individual using the System Technology must have a unique user account assigned to that individual. Shared accounts or credentials are not permitted where individual user accounts are required by the system.

Certain additional software tools used in operating the business may be obtained directly by the Franchisee from third-party providers. These may include accounting software, payment processing services, design or marketing tools, communications platforms, and payroll systems. Some of these services may be required to operate the business, while others are optional but commonly used by franchisees. The estimated fee ranges disclosed reflect typical usage levels based on the Franchisor’s experience but may vary depending on vendor pricing, team size and usage levels. Technology platforms, vendors, system components, and associated costs may change from time to time as the Franchisor updates, improves, or replaces elements of the franchise system. Any required technology platforms implemented by the Franchisor will fall within the general categories and fee ranges disclosed in this Item.

(10) **Audit Fees.** You are required by the Franchise Agreement to submit to us certain financial reports and information. We have the right to audit or cause to be audited these financial reports and information at our expense. However, if the audit discloses an understatement of 2% or more of the Gross Revenues of the Franchised Business for any period, you are required to reimburse us for the costs of the audit.

(11) **Warehouse Fee.** You are required to submit a relocation request to us if you relocate your Warehouse. Review and approval of the relocated warehouse and franchised location is \$500.

**ITEM 7. ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT**

<b>Expenditure</b>	<b>Low Amount</b>	<b>High Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payable</b>
Initial Franchise Fee (1)	\$59,500	\$59,500	Lump Sum	Pay upon signing Franchise Agreement.	Franchisor
Starter Package (2)	\$99,000	\$129,000	Lump Sum	14 days after signing the Franchise Agreement	Franchisor
Launch Support Fee (3)	\$15,000	\$15,000	Lump Sum	Prior to attending Set the Stage University	Franchisor
Rent – 3 Months (4)	\$6,600	\$9,600	As Incurred	As Incurred	Third Parties

<b>Expenditure</b>	<b>Low Amount</b>	<b>High Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payable</b>
Infrastructure, Improvements, and Tools (4)	\$2,500	\$5,325	As Incurred	As Incurred	Third Parties
Vehicle (5)	\$0	\$2,500	Monthly	Before Use	Third Parties
Technology Hardware (6)	\$350	\$1,300	Lump Sum	As Incurred	Third Parties
Technology Services and Software (7)	\$0	\$120	Annually	As Incurred	Third Parties
Insurance (8)	\$2,000	\$2,500	Annually	As Incurred	Third Parties
Marketing Expenses (9)	\$2,700	\$3,500	As Incurred	As Incurred	Third Parties
Training Attendance Expenses	\$1,500	\$3,000	As Incurred	As Incurred	Third Parties
Additional Funds - 3 Months (10)	\$15,000	\$30,000	As Incurred	As Incurred	Third Parties
<b>TOTAL (11)</b>	<b>\$204,150</b>	<b>\$261,345</b>			

(1) The Initial Franchise Fee is described in Item 5.

(2) The Starter Package is described in Item 5. All furnishings necessary to begin operations are included in the Starter Package. This inventory should last for at least 60 stages unless sold to consumers throughout the course of those stages, if maintained properly. At this time, new inventory will need to be purchased to replace sold items. Our estimates assume you do not require any additional inventory during the first 3 months of operation.

(3) The Launch Support Fee is paid to us prior to attending Set the Stage University which is required for a new franchise or a transferred franchise. This fee applies to a new franchised location and at the time of sale or transfer.

(4) Real estate costs depend on location, size, visibility, economic conditions, accessibility, competitive market conditions, and whether you are leasing or buying. Your initial business office location should be your leased warehouse also used for storing staging furnishings. Rent is estimated at \$2,200 to \$3,200 per month for a suitable warehouse, depending on factors such as size, condition and location of the leased premises and local economic real estate conditions. The minimum size of your warehouse should be 1,800 square feet.

Our estimates also assume the location has been prepped with heating/cooling delivery systems, lighting, electrical, bathrooms, finished ceilings, carpeted floors where staging furnishings are stored, and interior walls are prepped for painting, etc., and that you do not receive any tenant improvements or allowances from your landlord. You will have additional build-out costs if you receive the premises in any other condition than what we have assumed. Simple wood (painted and carpeted) platforms for furniture, rugs, and wall art need to be constructed (plans provided).

If you choose to purchase, rather than rent, real estate on which a building suitable for your Franchised Business already is constructed or could be constructed, your real estate costs will be higher.

(5) Although professional movers are the recommended means to move furnishings, a vehicle may be suitable for smaller loads. Our low estimate assumes you use professional movers for larger loads and already have a suitable van, SUV, truck for smaller loads. If you do not already have a suitable vehicle, you may need to purchase or lease one, and the high estimate assumes you lease a small moving box truck and includes the first 3 months of lease payments plus a downpayment. This amount is an estimate based on reasonable interest rates, type of vehicle, and other factors.

(6) A laptop computer is required for operating the business. A PC running a current Microsoft Windows operating system or a MacBook running a current macOS operating system is recommended to ensure compatibility with the System Technology used in the franchise system. You may also be required to use a smartphone or mobile device compatible with the System Technology to support certain operational functions, including communication, scheduling, application access, and field operations. You will be provided with system email accounts and will be required to use standard office productivity tools to access and manage communications, documents, and operational workflows. You must maintain reliable high-speed internet access to support daily business operations. You will also need access to a printer for business use. Most franchisees already have the necessary equipment; however, if you do not, the estimated cost to obtain a suitable laptop and related equipment that meets our minimum specifications is approximately \$1,300. You will also incur ongoing monthly internet service costs.

(7) In addition to the System Technology provided or designated by us, you are required to maintain certain third-party software necessary for operating the business. You are required to subscribe to and use QuickBooks Online (or another accounting software approved by us) for bookkeeping, invoicing, and financial reporting. This software is used to support financial management and may integrate with other system tools used within the franchise. You must provide us with user access to your accounting system. The Franchisor may be granted “reports-only” or similar restricted access to review financial data and support system reporting and compliance requirements. You may also use additional third-party tools, such as payment processing systems or point-of-sale software, which may charge transaction-based or subscription fees. These tools are selected and maintained by you, subject to any system requirements established by us.

(8) You must carry the types and amounts of insurance we specify. We currently require you to carry business insurance, including commercial general liability, automobile

liability insurance, business personal property insurance, and workers compensation. Insurance costs will vary based on policy limits, types of policies, nature and value of physical assets, number of employees, square footage of your Franchised Business, and other factors pertinent to risk exposure.

(9) The initial marketing efforts require significant driving to real estate brokerages for agent pop-ins and brokerage presentations to promote our service, as well as, visiting potential clients such as builders and investors. This expense is significant particularly during the initial period of operation.

(10) The additional funds reflect anticipated initial expenses you are likely to incur during the first 3 months of operation of your Franchised Business. These expenses include payroll, additional furniture, project managers, or additional business support. Your expenditures will depend on factors like your business skills and experience, general and local economic conditions, competition, the prevailing wage rate, the amount of revenue you generate during the initial period, how well your business is performing, and the number of hours you are willing to invest in your Franchise. These expenses do not include any draw or salary for the owners of the franchise or any other cost or expense separately included above. These expenses also do not include any franchise fees that you would pay to us during this period as we assumed you will not have any cash flow from payments by clients during this period.

(11) Your actual costs will depend on factors such as: your experience and business expertise, how specifically you follow Franchisor's methods of operations, your management abilities, local economic conditions, the acceptance of our services in the local area, the prevailing wage rate, the number of employees, competition, and sales abilities. These estimates are based on the initial phase of operations or approximately 3 months. We relied on franchisor and franchisees combined experience to compile these estimates, the length of the initial phase, as well as the cost to new franchisees. We do not offer financing for any part of the initial investment. The availability and terms of financing will depend on factors like the availability of financing generally, your credit worthiness, your relationship with local banks, your business experience, and any additional collateral you may offer to a lender to secure the loan. Our estimates do not include any finance charges, interest, or debt service obligations.

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

We will grant you access to online copies of our Operations Manual at the mandatory training course described in Item 11, below. We may amend the Operations Manual at any time, including changes that may affect minimum requirements for your franchise operations. You will strictly follow the requirements of the Operations Manual as we amend them. You will immediately carry out all changes at your cost, unless we otherwise specify. We may reasonably designate minimum standards for operations and designate guidelines, as specified in the Operations Manual. The Operations Manual is confidential, copyrighted, and our exclusive property.

The Operations Manual contains our system and related specifications, standards, operating procedures, accounting and bookkeeping methods, marketing programs and ideas, advertising layouts, advertising guidelines, operation requirements, public relations guidelines, service guidelines and other rules that we may prescribe.

We and our franchisees have an interest in ensuring the proper marketing and promotion of Franchisor services and in protecting the quality and integrity of our brand and our system, including knowhow and trade secrets. To protect our common interests, we require you to purchase certain products and services from us, from our designs, from suppliers or distributors we approve, or under our specifications.

### **Required Purchases and Suppliers**

You must purchase all staging furniture and decor (non-furniture items – rugs, lamps, wall art, accessories, faux plants, etc.) from approved distributors and approved suppliers. Any other suggested vendors, suppliers or distributor accounts in the Furnishings Industry must be approved by us.

You must purchase additional support items (after included items are consumed) from us or our approved or designated suppliers and all advertising materials, clothing, and any equipment, products, inventory, or other items that bear our name, marks, or approved logo in them. Due to the nature of our equipment and supplies, and for branding conformity, you must purchase all storage containers, totes, linen bags, and tool bags from us. Other equipment and supplies may be purchased from other sources.

The initial equipment and supplies for operations comes as part of the Starter Package. The Starter Package includes your initial inventory of equipment and supplies; advertising and marketing materials such as business cards and brochures; administrative material such as office forms and routine administration forms; access to our Operations Manual (including but not limited to business information, training guides, forms, etc.).

We are currently among the approved suppliers for the items listed above. We may approve other suppliers for the equipment or supplies outlined above or require you to use another supplier for such items.

All specifications that we require of you and lists of approved suppliers will be included in the Operations Manual. We will, upon request, provide them to approved suppliers and suppliers seeking approval. We will use our best judgment to set and modify specifications to maintain the integrity and quality of our franchise system.

We may derive revenue from our purchasing or distribution cooperatives and arrangements, buying groups, and by providing products and services to you. This revenue results from sales to our franchisees of products bearing our names and mark and the equipment outlined above. We intend to earn a profit on any items or services we sell to you, including those described above. We also reserve the right to receive rebates, price adjustments, or discounts on products or services sold to you by recommended or approved suppliers. In our fiscal year ended December 31, 2025, we received \$59,929 in the form of rebates and credits from suppliers for purchases by our franchisees. Our officers do not own any interest in any of our approved suppliers, other than any affiliates of ours.

We estimate that approximately 2% to 5% of Franchisor total revenues will be from products purchased from us or our distributors, by our franchisees. We estimate that purchases from approved suppliers or Franchisors will be from 50% to 100% of the total purchases you make to

establish and operate your franchise. In our fiscal year ended December 31, 2025, we received \$1,852,000 in revenues from the sales or leases of required goods and services to our franchisees, or about 58% of our total revenues of \$3,191,312.

### **Computer Hardware and Equipment**

You must lease, purchase, or otherwise acquire, from sources of your choice and at your expense, the following minimum computer equipment, software, and hardware: a laptop computer running a current Microsoft Windows operating system or a MacBook running a current macOS operating system capable of processing Google Business Software and Google Drive or Microsoft 365 (Word, Excel, PowerPoint), antivirus software, internet browsers (such as Chrome, Safari, and Firefox), remote backup methods (such as DropBox), and other programs we may require; a smartphone or tablet with sufficient capacity and storage for taking pictures of homes to be staged and compatible with specific applications we require; high-speed Internet access; and (iv) a printer.

### **Insurance**

You are required to obtain and keep in force the following insurance:

(A) Insurance on the generally accepted “all risk” form insuring all personal property, leasehold improvements, and assets of every description and kind you use in the franchised business, for the full insurable value thereof;

(B) Commercial general liability insurance with a limit of not less than \$1,000,000 per occurrence (combined single limit for bodily injury and property damage) with respect to the activities you and any employee or other person performing work on your behalf conducts;

(C) Automobile liability insurance with limits of not less than \$1,000,000 per accident for all owned, hire, and non-owned vehicles you, your employees, or any other person performing work on your behalf operate; and

(D) Workers’ compensation insurance as required by state law, and employers’ liability insurance with limits of not less than \$100,000 per person;

All insurance policies must be written by responsible insurers approved by us and licensed to conduct business in your Operating Territory, and must name Franchisor as an additional insured (on a primary, non-contributory, basis), and must provide that we receive 30 days’ written notice before termination, expiration, or cancellation. You must submit to us a copy or certificate or other acceptable proof of such insurance at least 10 days before you begin operation of the franchise and each year. During the term of your Franchise Agreement, we may increase the minimum insurance limits and require different or additional kinds of insurance to reflect changes in insurance standards, normal business practices, court awards, and other relevant circumstances. If you at any time fail or refuse to maintain in effect any insurance coverage required by the Franchise Agreement, we may, at our option, obtain such insurance coverage on your behalf, and you will promptly execute any applications or other forms or instruments required to obtain any such insurance and, on demand, reimburse us for any and all costs or expenses we incur and premiums we pay related to such insurance.

## **Approved Products and Services**

You may not sell any products, services, or activities other than those specifically recognized and approved by us as part of our franchise system without our prior written approval. The only approved services and products Franchisor has currently approved are: Vacant Home Staging, Model/Parade Home Staging, Vacation Nightly Rental Staging and Equipping, Pre-Listing Consultations, Love Your Space Consultations, and Furniture and Decor Sales. For liability reasons, neither Franchisor nor Franchisee is permitted to engage in typical Interior Design Services for compensation, including but not limited to: Reconstruction and remodeling consulting and design, interior and exterior hard finishes, etc.

Except as stated above, you may purchase or lease any other goods, services, supplies, fixtures, equipment, inventory, or real estate from any supplier, provided they meet any specification we provided.

## **Approval of Alternative Specifications or Suppliers**

If you want to purchase items or services for your Franchised Business that differ from our specifications or from a supplier we have not approved or for which we have not designated a single supplier, you must notify us in writing. If we request, you must submit samples and other information we require for testing or to otherwise determine whether the product, material, or supply meets our specifications and quality standards. We do not impose any fee for our consideration.

Although we do not make available the criteria we review when approving suppliers, we consider various factors including whether the product or service is consistent with our concept and brand; how the supplier and/or their products or services would enhance our brand; if the product or service is already available through other sources; would approval of another vendor enhance competition or dilute our ability to maximize pricing benefits for our franchisees; and is the product of a commercial quality with a proven record of durability. We will generally notify you of our approval or disapproval within 30 days of our receipt of all the information and samples we request. If we revoke approval of any supplier or any item offered by a supplier, we will send you written notice of our revocation of an approved supplier or item.

## **Material Benefits and Negotiated Prices**

We currently provide material benefits to franchisees based on use of designated or approved sources including access to preferred pricing, the right to renew or transfer your franchise rights, and the right to obtain additional franchises. We may negotiate purchase arrangements with suppliers and distributors of approved products for the benefit of our franchisees.

## **Cooperatives**

We do not have any purchasing or distribution cooperatives as of the issuance date of this Franchise Disclosure Document.

## ITEM 9. FRANCHISEE’S OBLIGATIONS

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

Obligation	Section in Franchise Agreement	Franchise Disclosure Document Item
a. Site selection and acquisition/ lease	Section 3	Item 12
b. Pre-opening purchases / leases	Section 4, 7, 8	Items 7, 8
c. Site development and other pre-opening requirements	Section 4, 6	Items 11, 12
d. Initial and ongoing training	Section 7, 8	Items 6, 7, 11
e. Opening	Section 6	Items 6, 11
f. Fees	Section 4, 6, 7, 8, 9, 10, 12	Items 5, 6, 7
g. Compliance with standards and policies / Operations Manual	Section 7, 9	Items 6, 8, 16
h. Trademarks and proprietary information	Sections 8, 9, 11, 17	Items 13, 14
i. Restrictions on products / services offered	Section 7, 8, 9	Item 16
j. Warranty and customer service requirements	Section 9, 17	Item 8, 17
k. Territorial development and sales quotas	Section 8	Items 11, 12
l. Ongoing product / service purchases	Section 8, 9	Items 6, 8
m. Maintenance, appearance and remodeling requirements	Section 9	Items 11
n. Insurance	Section 10	Items 7, 11
o. Advertising	Section 12	Items 6, 11
p. Indemnification	Section 10	Item 14
q. Owner’s participation / management / staffing	Section 8	Items 11, 15
r. Records and reports	Section 13	Item 11
s. Inspections and audits	Section 13	Items 6, 11
t. Transfer	Section 15	Items 6, 17
u. Renewal	Section 5	Items 6, 17
v. Post-termination obligations	Sections 17	Item 17
w. Non-competition covenants	Sections 14	Item 17
x. Dispute resolution	Section 18	Items 11, 17

Obligation	Section in Franchise Agreement	Franchise Disclosure Document Item
y. Other; Guaranty of franchise obligations (1)	Guaranty (which follows the Franchise Agreement)	Item 15

(1) Each individual who is an owner of any business entity that is the franchisee must sign a personal guarantee of all the obligations of the franchisee. This guarantee also includes an agreement to be bound by the confidentiality and noncompete provisions of the Franchise Agreement.

**ITEM 10. FINANCING**

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

**ITEM 11. FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING**

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

Pre-Opening Assistance (Not Applicable to Renewal) Before you open your Franchised Business, we will:

1. Meet with you and present the size and location of your specifically assigned Operating Territory for your Franchise. We have already pre-determined the size and location of your Operating Territory (Franchise Agreement, Schedule A). You are required to establish a principal office (may be in your home, if within the Operating Territory or a commercial space, or your warehouse) and a warehouse facility (may be a commercial space) for the Franchised Business. Both the principal office and the warehouse must be located in the Operating Territory and must be approved in advance by the Franchisor. Generally, a principal office approval will be based upon suitability for their particular purpose and a warehouse must contain a minimum of 1,800 square feet and must be configurable to accommodate your equipment, inventory, and supplies. If a site has not been both selected by you and approved by us within 6 months of the date you sign your Franchise Agreement, either you or us may terminate the Franchise Agreement, with no refund of initial fees due. Other site requirements and infrastructure are noted above in Item 7.

2. Make available to you and up to 3 attendees the pre-opening training, Setting the Stage University. Training can consist of up to 4 weeks of Franchisor Training in the operation of a Set the Stage franchise (Franchise Agreement, Section 7). We describe our Franchisor Training more fully below in this Item 11. You must successfully complete the training program in order to be authorized to open for business.

3. Help arrange a visit (travel and lodging at your own expense) to an existing franchise location, of the Franchisor’s choosing, to shadow business practices and procedures of the Franchised Business.

4. Provide you with your Starter Package and review its contents. We may use the materials provided in your Starter Package in your training. See Items 5 and 8 of this Disclosure Document.

5. Loan to you a hardcopy of and/or grant to you online access to our Operations Manual and other confidential and proprietary materials containing specifications and operating procedures we prescribe from time to time. We will update and modify the Operations Manual and other items to meet the changes in our system and industry. On termination or expiration of the Franchise Agreement for any reason, you must immediately return all copies (hard and electronic) of the Operations Manual and all other proprietary materials to us. (Franchise Agreement, Section 4.6). You must keep the manuals up-to-date with replacement pages and inserts, and you must protect the confidentiality of the manuals.

6. Allow you to use our technology, franchise management software, proprietary information, and trade secrets (Franchise Agreement, Sections 9 and 11). The software and the computer equipment you will need are described in the notes to Item 7.

7. Upon receipt of the initial payment of your Initial Franchise Fee and Starter Package, we will schedule and provide marketing and sales presentation training to potential clients.

8. Prior to the commencement of operations by you and upon payment by you of a Launch Support Fee. This Launch Support Fee also applies when a new Franchisee acquires an existing location.

### **Time to Open**

Before you open your Franchised Business, we will provide general guidelines to you for the selection of sites for your Franchised Business, and review any proposed sites you select. It will, however, be your obligation to select the site for your Franchised Business and to obtain our approval. You must submit to us information and materials we require and obtain our approval of the site. The factors we take into consideration when reviewing a site include the location and proximity of the site to residential neighborhoods, the demographics of the surrounding area, whether the site is on a main thoroughfare, and the size of the proposed premises. Your warehouse space will generally be located in a commercial area.

We will typically approve or reject a proposed site within 5 business days of your complete submission of the site information we require. The typical length of time between the signing of the Franchise Agreement and the opening of the Franchised Business is about 60 days. You must commence your Franchised Business operations within 30 days after you successfully complete our initial training program (see below in this Item), but no later than 60 days after signing the Franchise Agreement. Factors that may affect this timeframe are arranging for the training session, financing, business permits, equipping the franchise and obtaining initial inventory, and your personal operation needs. If you do not open within 60 days after signing the Franchise Agreement, you will be charged a Late Opening Fee of \$1,000 per month until you open (Franchise Agreement – Section 6.3). If you and we are not able to agree on an approved premise for your Franchised Business, or you do not open your Franchised Business, within 180 days of signing the Franchise

Agreement, we can terminate your Franchise Agreement and retain all amounts you have paid to us (Franchise Agreement – Sections 6.1 and 6.4).

## **Operations Manual**

The Operations Manual is confidential and proprietary, and must remain property of the Franchisor. The Operations Manual contains mandatory and suggested specifications, standards, and procedures. We may modify the Operations Manual, but the modifications will not alter your basic status and rights under the Franchise Agreement. Revisions may include advancements and developments in supplies, products, equipment, sales, marketing, operational techniques, and other items and procedures used for the operation of the Franchised Business. As of the date of this Disclosure Document, the current version of the Operations Manual is hosted online and consists of approximately 200 aggregate pages. A table of contents for the Operations Manual is shown here:

### Operations Manual

Introduction	Section 1
Franchise Setup	Section 2
Sales & Marketing	Section 3
Staging Fundamentals	Section 4
Set The Stage Management App	Section 5
Hiring & Onboarding	Section 6
Team Member Training	Section 7
Scheduling	Section 8
Products & Services	Section 9
Pricing	Section 10
Contracts & Invoices	Section 11
Warehouse & Maintenance	Section 12
Set The Stage Events	Section 13
Forms & Templates	Section 14
STS Directory	Section 15
Index	Section 16

## **Initial Training – Set the Stage University**

We will provide you with the initial training program, Set the Stage University, described below. (Franchise Agreement, Section 7). Set the Stage University is a 5-day training program designed to equip business owners with an understanding of the foundational principles of our business model. Hosted in Salt Lake City, Utah (although we may in our discretion offer some or all parts of the initial training program virtually), the program integrates classroom-based instruction with practical, hands-on field experience to deliver a robust and immersive educational experience. You must successfully complete the initial training program before you begin operating your franchised business. As of the date of this Franchise Disclosure Document, the current agenda for training includes:

## TRAINING PROGRAM

Subject	Hours of Virtual Training	Hours of Classroom Training	Hours of on the Job Training	Location
Franchise Setup	8	1	1	Saratoga Springs, UT
Administration	5	3	1	Saratoga Springs, UT
Staging Consultations	3	1	1	Saratoga Springs, UT
Team Member Management	8	3	3	Saratoga Springs, UT
Staging Operations	5	4	3	Saratoga Springs, UT
Sales & Marketing	6	3	3	Saratoga Springs, UT
Project Management	3	2	1	Saratoga Springs, UT

Notes:

(1) Some of the training may be completed within your assigned Operating Territory, however due to the nature of our business, most training will be done from our South Jordan, Utah location or at another location that we designate. Any training done in your Operating Territory needs to be approved by us in advance. Our instructors and support staff will train you based on the written manuals we will lend you. We will discuss your questions and walk you through the operation of the business. The time to complete the initial training program varies depending on how much time you can devote to training and how quickly you understand the material. We expect the initial training program to take you up to a 30-day period to complete. We do not charge any additional fee for the initial training program. All your accommodations, travel, room, board, and wage expenses during this period are your responsibility. In addition to the training, we may also send an employee or trainer to your Operating Territory to assist with initial work and make sure you have understood all information provided in the training.

(2) Our training staff is lead by Destini Madsen, and/or other supporting team members designated by us. Destini Madsen is our Vice President of Training and Development since April 2025, and has previously served as a Trainer and Team Member of The Key Design, an affiliate of the Franchisor, since 2017. Destini has also been a Project Manager on numerous occasions. She has a wide range of experience and expertise in all facets of the home staging industry, and has been involved in the development of the Franchisor online training program. Additional background information for Destini Madsen is disclosed in Item 2, above. They use the Franchisor’s Operations Manual for instructional material.

(3) Pre-opening and additional training classes are held at our South Jordan, Utah facility on an “as-needed” basis depending on the number of franchisees requesting training in a particular timeframe and our training personnel’s availability. You must request to schedule a training session at least 14 days before it is to start.

### **Additional Training**

Additional training or refresher courses are not required unless your performance is below standards set forth in the Franchise Agreement. We require our franchisees to attend our annual Summit, which is generally held each September. You will pay us the published registration fee to attend our annual meeting or Summit, and you are responsible for all additional expenses incurred

in attending our annual meeting or Summit including, but not limited to, travel, lodging, meals, and incidentals. The annual meeting or Summit is generally held over a 3 to 4 day period. At the annual meeting or Summit, we present, discuss, and review best practices in operations and marketing and cover the latest trends and furnishings products and any new updates and developments for franchises. We estimate the registration fee to attend our annual meeting or Summit to range from \$900-\$1,500.

For optional additional training, whether at our facility or within your Operating Territory the prevailing per-day rate is \$300 plus travel, lodging, and meals of our trainer. Additional training can be between 1 and 5 days in duration, with an estimated cost of \$300-\$1,500 plus travel, lodging, and meals of our trainer, which are estimated to be \$100-\$250 per day, if the additional training takes place within your Operating Territory. (See Section 7 of the Franchise Agreement)

### **Continuing Assistance**

During the operation of your franchised business, we will:

1. Provide you with a number for telephone support and email support by our staff and trainers in all aspects of your franchised business, including planning, marketing and promotion, insurance, etc. Support staff will be available during regular business hours Monday through Friday, 9:00AM – 4:00PM MST (Franchise Agreement, Section 7).

2. Provide you with On-Site Training. Our trainers conduct the On-Site Training in the field either in Utah or in your Operating Territory. This training will enable you to train your employees, and establish a marketing and sales program. (Franchise Agreement, Section 7). We describe our Training more fully below in this Item 11.

3. Hold Franchise Meetings or Virtual Conference Calls, to consult with you individually and/or to consult the entire group of franchisees.

4. If you request, we will consider any items you propose to us (like supplies, forms, or manuals) in your franchised business that we have not previously approved, to determine whether they meet franchise specifications. (Franchise Agreement, Section 7).

5. Offer you guidance concerning the prices you should charge in your Operating Territory. Although we will provide you with guidance, you do not have to take such advice except with regards to National Accounts, where a minimum price should be charged; otherwise, you have the sole right to decide how much you will charge for your services. (Franchise Agreement, Section 9). We do not set minimum or maximum pricing apart from national accounts.

6. Consult with you regarding your performance and your compliance with the Operations Manual as needed or requested by you.

7. We will provide you ordering portals and guidance to vendors that provide printing for us and other franchisees.

8. Administer our advertising program and formulate and conduct national, regional, or local promotional programs.

9. We may provide other supervision, assistance, or services, although we are not bound by the Franchise Agreement or any related agreement to do so. These may include, among other things, advertising materials, literature, additional assistance or training, and bulletins on new products, services, or sales and marketing techniques or developments, which may be provided in a variety of formats, including, without limitation, on the password protected website we refer to as the Portal or any other password protected website operated by us.

### **Advertising and Promotion**

Currently, we promote our brand and franchises through print, social media, internet, local television, direct mail media, and in-person or virtual presentations. Advertising and branding programs may be implemented locally and regionally through regional group marketing efforts. We may use in-house advertising departments and may use regional advertising agencies. We may provide to you advertising materials and sales aids for you to use in your local advertising and promotional efforts. We will use your marketing fees to place advertising in geographic areas, in media, at times and using products and services we deem to be in the best interest of our franchisees and the System.

You are required to pay to us 2% of Gross Revenues per month as a marketing fee, which we deposit into a separate Marketing Fund. (See Item 6, above). In addition to the annual marketing fee, we strongly recommend that you expend sufficient amounts each month to advertise and promote your franchise.

We reserve the right to temporarily lower, suspend, or rebate the marketing fee at any time, upon prior written notice to you and to our other franchisees. We will administer the Marketing Fund and direct all regional and national advertising programs with sole discretion over the creative ideas, materials, endorsements, placement, and allocation of overhead expenses. We may use the Marketing Fund to research, maintain, administer, direct, prepare, and review national, regional, or local advertising materials, programs and business objectives as we, in our sole discretion, deem proper. We are under no obligation to use or administer the Marketing Fund to ensure that expenditures are proportionate to contributions of franchisees for any given market area or that any franchise benefits directly or proportionately from the development or placement of advertising. We shall not be obligated to expend all or any part of the Marketing Fund we receive during any specific period.

Each of our company-owned operations offering products and services similar to our Franchised Business will make marketing contributions equivalent to the contribution percentage required of our franchisees.

It is permitted for a Franchisee to promote their business on Social Media platforms within the guidelines and criteria that is set forth in the Operations Manual.

We do not use any of the marketing fee to advertise our franchise opportunity, although we will place notices that franchises are available on advertising materials and on the internet. While advertising materials note that franchises are available from us, no advertising fees or assessments we collect from our franchisees are used for advertising that is principally a solicitation for the sale of franchises.

The marketing fees are administered by us. The Marketing Fund is not audited. Neither we nor any of our parents, affiliates, or owners receive any payment for providing goods or services paid for by the marketing fees. Any unused amounts in the Marketing Fund in any calendar year will be carried over to the following year. We will use any interest the Marketing Fund earns before we use any principal. At your request, we will make available to you an annual accounting for the Marketing Fund that shows how the Marketing Fund proceeds were spent for the previous year, but these statements will not be audited. We may, but have no obligation to, loan amounts to the Marketing Fund and can determine the repayment obligation of the Marketing Fund, including interest rate of the loan and repayment terms, as we see fit.

You will not use any advertising copy or other promotional material until we approve it. This includes any website or social media website, page, account, or hashtag, all of which will be deemed “advertising” under the Franchise Agreement and will be subject to, among other things, our approval, restrictions, and requirements outlined in the Operations Manual. We do not allow you to create a website for your franchised business. We provide, through our own website, the opportunity for each franchisee to have their contact information published.

In the fiscal year ending December 31, 2025, expenditures from the Marketing Fund were spent as follows: 20% on marketing team and resource development, 40% on Internet marketing and search engine optimization, 25% on paid media, social and public relations, 1% on technology and tools, and 14% on creative development.

### **Advertising Cooperatives**

We do not designate or administer any formal advertising cooperatives. However, franchisees may form a group to pool additional funds to market to particular demographics (typically within a particular region); we encourage you to participate in such group marketing efforts.

Other than the marketing fees described above, there are no other advertising funds or requirements in which you must participate.

### **Computer Systems**

You must lease, purchase, or otherwise have or acquire, from sources of your choice and at your expense, a laptop computer, a smart phone, and specified software which strictly conforms to our specifications. Many franchisees will already have this hardware and software, but the estimated costs to obtain the required hardware and software, if you do not already have them, will be approximately \$350 to \$1,300. You are required to maintain, update, and upgrade such computer systems. The cost to do so is approximately \$290-\$500, each year although some costs may not be incurred annually. We are not obligated to provide you with ongoing maintenance, repairs, upgrades, or updates to the technology discussed above. We do not have any contractual obligation to upgrade or update any of your hardware or software during the term of this franchise.

The laptop computer must have available and be able to process Google Business Software and Google Drive or Microsoft 365 or similar Mac compatible programs, antivirus software, internet browsers, remote backup methods (such as DropBox), and other programs that we may require from time to time. Having a computer with Microsoft or iOS operating systems is highly recommended to ensure all required programs and the Management App function properly. You

must have high-speed Internet access. You must also have a printer. You must have a Smart phone or tablet and download specific applications that the Franchisor requires, with the capacity and ample storage for taking good pictures of homes to be staged.

Use of the computer system and data, including implementation of the Operations Manual guidelines relating to them, will involve giving us “Administrator” access, which allows us independent access, to your computer system and data, including the right to conduct periodic audits of any accounting records contained on such hardware. We may not share your data with third parties, but are not limited otherwise in how we can access your computer system and data.

## **ITEM 12. TERRITORY**

We will grant to you an exclusive and protected territory (which we refer to as your “Operating Territory”). This is an exclusive territory. Among the factors we consider to determine the feasibility of possible territory locations are population statistics and demographics and other similar businesses in the area pursuant to census and chamber of commerce information and information from similar sources. We also take into consideration the number of residences in your Operating Territory and the concentration of the population. We have determined that a typical Operating Territory would require a population base of approximately 250,000 people. This determination is based on the Franchisor’s experience in owning and operating a business similar to that being franchised. The exact determination of your Operating Territory will depend on your approval and our market analysis, market penetration plans and franchise placement strategies. All territory maps for your area will be provided to you in advance of purchasing a Franchised Business.

You will be the only person we authorize to use our System, which includes our Marks, in your Operating Territory during the Term of the Franchise Agreement. We will not operate or franchise the right to others to operate a business substantially similar to the Franchised Business within your Operating Territory.

You are to establish your principal office and a warehouse within your Operating Territory, subject to our approval. Specifications for a warehouse are set forth in the Operations Manual.

You are encouraged to advertise, promote, and market your Franchise in your Operating Territory. All marketing and advertising is subject to our Marketing and Advertising Policy. Only we may place national advertising. All marketing, promotion and advertising materials are to be approved by Franchisor prior to their use.

Franchisees may serve customers located outside of your Operating Territory, so long as the Franchisee has a pre-existing relationship with the customer prior to the customer’s location being situated in the territory of any other franchisee or they arise as a referral from a source arising out of the Franchisee’s activities within its Operating Territory. You will also provide additional information and explanation for any work you perform outside of your assigned Operating Territory. We have the right to determine the reasonable transfer time of customers from an existing franchise to a new franchise for customers that reside in the new territory. You may only advertise or market your Franchised Business within your Marketing Territory. Your Marketing Territory is identified on the same Schedule A.

If you have a client in your territory and they have service needs outside of your Operating Territory, whether in another franchisee's territory or not, you may follow that client and fulfill their staging/furnishing sales needs and receive the revenue for your territory.

All staging marketing materials, including but not limited to brochures, business cards and signs promoting all staging services must be advertising the authorized franchisee's business. It is the responsibility of the franchisee supplying the staging furnishings to supply and place only those furnishings marketing tools such as tags, labels, and furnishing signs that are permitted by the authorized franchisee. Marketing will always remain in territory boundaries. If your territory cannot fulfill service needs within your territory, you must notify Franchisor immediately and we may assign service to a nearby territory franchise. All marketing rules stated above will apply.

Before you sign the Franchise Agreement, we will define your Operating Territory in Schedule A to the Franchise Agreement, usually by a description of the geographic boundaries of the Operating Territory or by a map. Should future demographic shifts result in your Operating Territory being capable of supporting multiple Franchised Businesses, Franchisor reserves the right to redefine your Operating Territory, but only upon an event of renewal or transfer and only if a population base of at least 250,000 is maintained in the redefined Operating Territory.

We do not operate or franchise others to operate any business in the United States offering services similar to those offered under the System under trade names or trademarks other than Set The Stage®.

We retain all rights not specifically granted to you in the Franchise Agreement. This includes our right to operate or grant franchises at locations and on such terms and conditions as we may deem appropriate and the right to develop, market, and sell any product or service or own or operate any other business under the Marks. Neither we nor our affiliates are restricted from participating in other distribution methods, whether or not within or next to your Operating Territory, including Internet, other forms of media now or in the future developed, wholesale and e-commerce channels under marks and product configurations different than those offered through your franchise.

We retain the sole right to market on the Internet, including all use of web sites, domain names, URL's, linking, meta-tags, advertising, auction sites, e-commerce, and co-branding arrangements. You will provide us content for our Internet marketing, and follow our Internet usage requirements. We also retain the sole right to use the Marks on the Internet, including on web sites, as domain names, directory addresses, meta-tags, and in connection with linking, advertising, co-branding, and other arrangements. We retain the right to approve any linking or other use of our website. You may not establish a presence of your business on, or market using the Internet or Social Media except as we may specify, and only with our prior written consent. You may utilize and establish a Franchised Business specific website with our permission, so long as it links to and from the main Franchisor website. The Franchisor retains the right to modify this in accordance with its brand guidelines and to terminate Franchisee's website if it violates any brand guidelines or the franchise agreement. By establishing your franchisee social media presence there are guidelines and specifications that must be followed as outlined in the Operations Manual. Subject to the terms of use on our website, we may gather, develop and use in any lawful manner information about any visitor to the website, including but not limited to your clients, franchisees, or prospective franchisees regardless of whether they were referred to you via the website or were otherwise in

contact with you. We may purchase or be purchased by, or merge or combine with, competing businesses, wherever located.

### **Relocation**

You must receive our written permission before you relocate your principal office or your warehouse within your Operating Territory. Any relocation will be at your sole expense, and you must pay us our Warehouse Relocation Fee. You must satisfy our then current franchise placement and demographics criteria, as expressed in the Operations Manual.

### **Rights of First Refusal and Similar Rights**

You do not receive the right to acquire additional franchises or grant subfranchises within your Operating Territory or in contiguous territories. You are not granted any options, rights of first refusal, or similar rights to purchase or acquire additional territories or grant subfranchises within your Operating Territory or contiguous territories. We will not pay you any compensation for soliciting or accepting orders in your Operating Territory.

### **Competing Brands**

We have not established and do not intend to establish other franchises or company-owned outlets selling similar products or services under a different method of operation, trade name or trademark.

## **ITEM 13. TRADEMARKS**

We license the national trademark, that we license to you under the Franchise Agreement from The Key Design, LLC, our parent company. We are not restricted in any way in which we use these items and the length of the license from The Key Design, LLC to us is indefinite. We therefore essentially have all the rights as the owner of the intellectual property to license others to use the intellectual property. We consider the following trademark, which is owned by The Key Design, LLC, and registered on the Principal Register of the United States Patent and Trademark Office (“USPTO”), to be our principal Mark:

<b>Mark</b>	<b>Registration No.</b>	<b>Registration Date</b>	<b>Type of Mark</b>
SET THE STAGE®	4,406,455	09/24/2013 (org.)	Word

We have filed all required affidavits and have not been required to renew this registration. There are no presently effective determinations of the USPTO, the Trademark Trial and Appeal Board, or the Trademark Administrator of any state or any court, that materially limit your right to use any Mark.

A company in Colorado presently operates under the name Set the Stage with a business model primarily premised around a concept of stocking furniture and renting it to private or independent stagers, although doing some staging services. They have operated in this manner since 2011, only in the state of Colorado. An informal agreement has been reached permitting our franchisees in Colorado to use the acronym “STS” in lieu of the full name, to permit ongoing operations.

Other than as disclosed, there is currently no pending interference, opposition, or cancellation proceeding, nor any pending litigation involving the Marks that is relevant to their use anywhere in the United States. There are currently no pending agreements in effect that affect or limit our use or our ability to license others to use the Marks in any manner material to your Franchise. To our knowledge, other than as disclosed above, there are currently no superior rights or infringing uses that could materially affect your use of the Marks in any state.

If someone challenges your use of our trademark, we will take the action we think appropriate, this could include taking no action at all. Franchisor, alone, has the right to control any legal action or proceeding including settlement involving service mark infringement or trademarks. Franchisor will sue or defend an action at its sole discretion. You must notify us immediately upon learning about any possible infringement or challenge so we can take whatever action we deem necessary. We may take over the defense of this claim at any time and settle it as we think fit.

You must modify or discontinue the use of a trademark if we modify or discontinue it. We will have no liability or obligation, and you will have no right to compensation or otherwise, because of the discontinuation, modification, or change. You must not directly or indirectly contest our right to our trademarks, trade secrets or business techniques that are part of the franchised system.

If another company located in your area already has use of the name “Set The Stage”, we will need to approve another name for your business. If you do business under another name, you need our permission to use our service marks with that name. You may not use our registered name in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us. You may not use or register our name “Set the Stage” in your legal entity name. You may utilize it as a “Doing Business As.” All revenue generated under the business name is subject to Royalty Fees.

#### **ITEM 14. COPYRIGHTS AND PROPRIETARY INFORMATION**

We claim common law rights and copyright protection and intend to affix a statutory notice of copyright in and to a number of different items you will use in operating your Franchised Business, including our Operations Manual, most of our advertising, administrative and training materials, bidding software, invoicing and other office forms, etc. and to all modifications and additions to them. We have not registered any of these materials with the Copyright Office of the Library of Congress, although we may do so. There are no determinations, agreements, infringements, or obligations currently affecting these notices or copyrights. You have no rights to our copyrighted materials. You are granted the right and are required to use the copyrighted items only with your operation of the Franchised Business during the term of your Franchise Agreement.

There are no patents, pending patent applications, or registered copyrights that are material to your Franchise.

There are currently no material determinations of the USPTO, the United States Copyright Office, or a court regarding the patents or copyrights, nor are there any currently-effective agreements between any third parties and us that will limit our right to use or license others to use any of our copyrighted material in any manner material to your Franchise.

We do not know of any infringing uses that could materially affect your use of our copyrighted materials in this state or any state in which your Franchised Business is located.

We claim proprietary rights in the contents of our Operations Manual and in all other materials and information related to our System including our methods of operating a business, techniques, specifications, marketing and sales techniques, advertising programs, equipment and supplies, supplier lists, price lists, expansion plans, advertising strategies, and other information we create or use. We consider certain portions and components of these proprietary systems and materials as our trade secrets. You agree to maintain the confidentiality of this information both during and after the term of the Franchise Agreement, and agree that you will not use this information in any other business or in any manner that we do not approve in writing. You may not communicate, divulge, or otherwise display this information to anyone other than your employees who have a need to know of it in order to operate your Franchised Business. You must have all your management personnel and team members execute on an annual basis a non-disclosure/non-compete agreement, in a form we prepare, to ensure that they maintain the confidentiality of our confidential and proprietary information. Your client lists are our property, and you cannot use them for any purpose other than to support your Franchised Business. We have the right to take legal action against you if there has been an unauthorized use of our confidential information through you. Any litigation that is required for any reason in your Operating Territory is to be paid by you.

We will be disclosing to you certain information we believe to be confidential or proprietary information and trade secrets. This will be included in our manuals, and in materials we may separately provide you. These materials include all trade secrets, knowledge or know-how, confidential information, advertising, marketing, designs, plans, forms, administrative support systems, vendor and supplier information, training, and methods of operation. You may use these materials, in the manner we approve, only in the operation of your Franchised Business during the duration of your Franchise Agreement. However, you may not use these materials in any other way for your own benefit, or communicate or disclose them to, or use them for the benefit of, any other person or entity. You may not use any of our confidential or proprietary information for the purpose of machine learning, augmented human intelligence development, training any artificial intelligence (“AI”) model, algorithm improvement, or similar data aggregation activities without our prior approval, and you may not, without our consent, input any confidential or proprietary information into any generative AI platform, or disclose any information to any provider or source of generative AI services. You may disclose this information to your staff but only to the extent necessary to operate the Franchised Business, and only while your Franchise Agreement is in effect.

We are not required to protect or defend our copyrights or patents, although we intend to do so when it is in the best interests of Franchisor. We have the exclusive right to control any litigation. We are not required to participate in your defense or to indemnify you for damages or expenses you incur if you are a party to any administrative or judicial proceeding involving our confidential information or copyrighted materials. Any litigation that is required for any reason in your Operating Territory is to be paid by you.

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

We only grant franchises to individuals who are looking for an active, rather than passive, investment. You must directly supervise your Franchised Business. You may hire a manager or a management team to assist you as you deem appropriate. We have the right to approve any manager you hire before the manager assumes management responsibility for the Franchised Business. You are required to dedicate a minimum of 35 hours each week towards sales and management activities for at least the first 2 years in business and until a qualified and approved manager is hired to run franchisee's operations. We recommend that all managers of your business attend our Franchisor training class(es). You must have your managers, employees and team members execute on an annual basis a non-disclosure/non-compete agreement, in a form we prepare, that obligates them to maintain the confidentiality of our trade secrets and confidential information, including but not limited to our Operations Manual.

If you sign the Franchise Agreement in your individual capacity, you may assign the Franchise Agreement to an entity, provided the entity is legally formed and conducts no business other than the Franchised Business, and further provided that you actively manage the entity and control the entity. You make the assignment through an Assignment to Entity Agreement in which you and your company agree to be bound jointly and severally by all provisions of the Franchise Agreement. All obligations of confidentiality and non-competition under the Franchise Agreement are your personal obligations. Each owner's signature is required to the confidentiality and non-competition agreement, including a personal guaranty of the franchisee's obligations. The spouses of owners are not required to personally guaranty such obligations. All issued and outstanding share certificates of your company must bear a legend stating that you will not transfer, assign, or sell any share without Franchisor approval. If you assign your Franchised Business under the Assignment to Entity Agreement, the entity may hire a manager or management team to supervise the day-to-day operations of the Franchised Business, subject to our requirements regarding the employment of managers. Your managers are not required to have an equity interest in your entity or your Franchised Business.

## **ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISE MAY SELL**

We require that you offer and sell only those products and services that are part of the System or that we approve in writing.

In offering these products and services, you may use only materials, supplies, uniforms, forms, and products that meet our specifications. You must operate your Franchised Business in complete compliance with our System, which permits us to dictate requirements about your trade dress, materials, procedures for performing the work, service offerings, and advertising. We have the right to add additional authorized products or services that a franchisee is required to offer. We can also limit the type of products or services you may sell. There are no limitations on our right to make changes to the types of authorized products and services.

You may provide these products and services to any customers you desire within your Operating Territory. You may serve customers located outside of your Operating Territory, so long as (1) you have a pre-existing relationship with the customer prior to the customer's location being

situated in the territory of any other franchisee, or (2) the customers arise as a referral from a source arising out of the franchisee’s activities within its Operating Territory. If you have a client in your territory and they have service needs outside of your Operating Territory, you may follow that client and fulfill their staging/furnishing sales needs and receive the revenue for your territory. You may only advertise or market your Franchised Business within your Marketing Territory. All marketing and advertising is subject to our approval prior to their use.

**ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**

**THE FRANCHISE RELATIONSHIP**

**This table lists certain important provisions of your Franchise Agreement and related agreements. You should read these provisions in the agreements attached to this Franchise Disclosure Document.**

<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary</b>
a. Term of the franchise	Section 5.1	10 Years
b. Renewal or extension of term	Section 5.2	If you meet certain requirements, you may renew for an additional 10-year term.
c. Requirements for franchisee to renew or extend	Section 5.3	Full compliance with the Franchise Agreement during the initial term, give us notice, sign then current form of Franchise Agreement, pay a renewal fee, and sign a renewal/release agreement. Your new Franchise Agreement may have materially different terms and conditions than your original Franchise Agreement. The royalties and other fees may increase but they will be no greater than the royalties and other fees that we then impose on similarly situated renewing and new franchisees. A notice of intent to renew must be given between six (6) and nine (9) months prior to the expiration date of your agreement.
d. Termination by franchisee	None	Not applicable. Only for reasons allowed under applicable law.
e. Termination by franchisor without cause	None	Not applicable
f. Termination by franchisor with cause	Section 16	We can terminate if you default or commit any one of the several listed violations
g. “Cause” defined – curable defaults	Section 16	Timely payment of amounts owed (10-day cure); material breach (30-day cure); unauthorized transfer (30-day cure)
h. “Cause” defined – non-curable defaults	Section 16	Subject to applicable law, filing for bankruptcy protection, appointment of receivership, being adjudicated insolvent, general assignment for benefit of creditors, admit inability to pay debts as they

Provision	Section in Franchise Agreement	Summary
		become due; material impairment of the goodwill of the Marks
i. Franchisee’s obligations on termination/ nonrenewal	Section 16.4 and 17	Pay outstanding amounts, de-identify (including changing telephone number), forwarding pertinent residual emails, mail, leads, etc., return manuals and confidential information to us, return proprietary files, inventory and supplies, and a complete database of all past and current customers, comply with covenant against competing with us, sell us your franchise if we exercise our right to purchase, transfer your telephone numbers and directory listings to us, professionally correspond with clients during transition.
j. Assignment of contract by franchisor	Section 15.1	We may freely assign the Franchise Agreement in our absolute discretion.
k. “Transfer” by franchisee – definition	Section 15.2	Includes direct, indirect, or contingent transfer, in whole or in part, of a 20% or greater interest in the franchised business.
l. Franchisor approval of transfer by franchisee	Sections 15.2, and 15.3	Right to withhold approval at our sole Discretion, which will not reasonably be withheld.
m. Conditions for franchisor approval of transfer	Sections 15.2, and 15.3	Transferee meets our criteria, you are current on your obligations to us, you pay a transfer/training fee, you give us notice and sign a release, and transferee signs current Franchise Agreement.
n. Franchisor’s right of first refusal to acquire franchisee’s business	Section 15.6	This right is triggered by you receiving a <i>bona fide</i> written offer to purchase your franchised business and its assets.
o. Franchisor’s option to purchase franchisee’s business	Section 16.5	This option is triggered by the termination or non-renewal of your Franchise Agreement.
p. Death or disability of franchisee	Section 15.5	Your estate or representative may assign the Franchise Agreement to your spouse, or to any one or more of your adult children, on the same terms and conditions as you are permitted to assign the Franchise Agreement to a third-party transferee. This assignment should be completed within 6 months of your death or disability or your franchise may be terminated.

Provision	Section in Franchise Agreement	Summary
q. Non-competition covenants during the term of the franchise	Sections 8.8 and 9.7-9.8	You may not engage in any business that interferes with your obligation to manage your franchised business.
r. Non-competition covenants after the franchise is terminated or expires	Section 14.1	Subject to applicable state law, no competition is allowed for 2 years within a 50-mile radius of your franchised business or of any other Set the Stage franchised business in operation at the time your agreement expires or is terminated.
s. Modification of the Franchise Agreement	Section 19.8	No modification without written agreement, but we may change the Operating Manual without your consent
t. Integration/merger clause	Section 19.12	Only terms of the Franchise Agreement (including Schedules and Addenda) are binding. Nothing in the Franchise Agreement or in any related agreement is intended to disclaim the representations we make in the Franchise Disclosure Document. Any representations or promises outside of the Franchise Disclosure Document and other agreements may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 18	Arbitration to be held in Salt Lake County, Utah (subject to applicable state law)
v. Choice of forum	Section 19.1	Litigation in state or federal courts in Salt Lake County, Utah (subject to applicable state law)
w. Choice of law	Section 19.1	Utah law applies (subject to applicable state law) except as otherwise provided in the Franchise Agreement and except in those states whose franchise laws require exclusive application and except to the extent governed by the United States Trademark Act.

See the State Law Addendum (Exhibit J) for additional, state-specific disclosures and amendments.

**ITEM 18. PUBLIC FIGURES**

We currently do not use any public figure to promote the sale of franchises.

**ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS**

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

franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

The term “Gross Revenue”, as used in this Item 19, means all receipts or benefits of every kind and nature whatsoever received by you directly or indirectly in connection with the operation of the Set the Stage business, including all revenue from all sources, including design income, pre-consult fees, and furniture, fixtures and other inventory sales, but does not include taxes paid by clients, credit card rebates or credit card fees. This term is consistent with the definition of Gross Revenues used in the Franchise Agreement.

### Company-Owned Location

As of December 31, 2025, we have 1 company-owned location, which is owned and operated by our affiliate, Set The Stage Salt Lake Valley, LLC. This company-owned location has been in operation since May 2016, and is located in the Salt Lake City, Utah metropolitan area. This company-owned location offers the same products and services that our franchised locations are expected to offer. The Gross Revenue of this company-owned location for 2025 was \$654,269. All figures and amounts are rounded to the nearest tenth of a percent or whole number or dollar unless otherwise noted.

### Franchised Outlets

As of December 31, 2025, there were 113 franchised Set the Stage locations. We have excluded the results of 65 franchised locations that opened in 2025, and therefore were not open for the entire 12-month period ended December 31, 2025. The information in the charts below is taken from the 48 franchised locations that were open and operating for the entire 12-month period ended December 31, 2025 (“Reporting Franchisees”). The earliest of these Franchised Locations opened in 2022 and the most recent of these Franchised Locations opened in 2024. The historical Gross Revenue of the Reporting Franchisees in 2025 is stated as follows:

2025 Gross Revenue – Reporting Franchisees (1)					
Average Gross Revenue (2)	Median Gross Revenue	Lowest Gross Revenue	Highest Gross Revenue	Met or Exceeded Average	
				Number	Percentage
\$679,723	\$566,850	\$225,435	\$1,359,756	10	20.8%

Notes:

(1) All figures and amounts are rounded to the nearest tenth of a percent or whole number or dollar unless otherwise noted.

(2) The “Average” was calculated by taking the total amount of Gross Revenue by Reporting Franchisees and dividing by the number of Reporting Franchisees.

## General Notes to Item 19 Information

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

We have provided this information based on unaudited information provided to us by our affiliate and franchisees. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

As a reminder, the Gross Revenue amounts do not reflect the cost of sales, operating expenses, or other costs or expenses, that must be deducted from the Gross Revenue figures to calculate net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Set the Stage Franchised Business.

Other than as set forth above, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised Set the Stage outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing Set the Stage 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 Courtney Clark, 10446 S 1055 W, Ste 101, South Jordan, Utah 84096, 801-750-1700, the Federal Trade Commission, and the appropriate state regulatory agencies.

## ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1  
SYSTEMWIDE OUTLET SUMMARY  
FOR YEARS 2023 TO 2025 (1)

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
<b>Franchised</b>	2023	1	11	+10
	2024	11	48	+37
	2025	48	113	+65
<b>Company Owned (2)</b>	2023	1	1	0
	2024	1	1	0
	2025	1	1	0
<b>Total</b>	<b>2023</b>	2	12	+10
	<b>2024</b>	12	49	+37
	<b>2025</b>	49	114	+65

(1) The numbers for each year are as of December 31.

(2) This outlet is owned by our affiliate, Set The Stage Salt Lake Valley, LLC.

TABLE NO. 2  
 TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW  
 OWNERS FOR YEARS 2023 TO 2025 (1)

State	Year	Number of Transfers
Texas	2023	0
	2024	0
	2025	1
<b>Total</b>	<b>2023</b>	<b>0</b>
	<b>2024</b>	<b>0</b>
	<b>2025</b>	<b>1</b>

(1) The numbers for each year are as of December 31.

TABLE NO. 3  
 STATUS OF FRANCHISED OUTLETS  
 FOR YEARS 2023 TO 2025 (1)

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reaquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
AR	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	2	0	0	0	0	2
AZ	2023	0	0	0	0	0	0	0
	2024	0	2	0	0	0	0	2
	2025	2	3	0	0	0	0	5
CO	2023	0	0	0	0	0	0	0
	2024	0	3	0	0	0	0	3
	2025	3	2	0	0	0	0	5
FL	2023	0	0	0	0	0	0	0
	2024	0	7	0	0	0	0	7
	2025	7	4	0	0	0	0	11
GA	2023	0	0	0	0	0	0	0
	2024	0	2	0	0	0	0	2
	2025	2	10	0	0	0	0	12
ID	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	2	0	0	0	0	2
IN	2023	0	0	0	0	0	0	0
	2024	0	2	0	0	0	0	2
	2025	2	0	0	0	0	0	2
KY	2023	0	2	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
MA	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	5	0	0	0	0	5

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Required by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
MI	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	5	0	0	0	0	5
MO	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	2	0	0	0	0	2
NC	2023	0	0	0	0	0	0	0
	2024	0	7	0	0	0	0	7
	2025	7	0	0	0	0	0	7
NE	2023	0	0	0	0	0	0	0
	2024	0	2	0	0	0	0	2
	2025	2	0	0	0	0	0	2
NJ	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	2	0	0	0	0	2
NV	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	2	0	0	0	0	2
OH	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	6	0	0	0	0	6
OK	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	3	0	0	0	0	3
PA	2023	0	0	0	0	0	0	0
	2024	0	2	0	0	0	0	2
	2025	2	5	0	0	0	0	7
SC	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	2	0	0	0	0	2
TN	2023	0	0	0	0	0	0	0
	2024	0	2	0	0	0	0	2
	2025	2	3	0	0	0	0	5
TX	2023	0	0	0	0	0	0	0
	2024	0	8	0	0	0	0	8
	2025	8	7	0	0	0	0	15
UT	2023	1	8	0	0	0	0	9
	2024	9	0	0	0	0	0	9
	2025	9	0	0	0	0	0	9
<b>Total</b>	<b>2023</b>	<b>1</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11</b>
	<b>2024</b>	<b>11</b>	<b>37</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>48</b>
	<b>2025</b>	<b>48</b>	<b>65</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>113</b>

(1) The numbers for each year are as of December 31.

TABLE NO. 4  
STATUS OF COMPANY-OWNED OUTLETS  
FOR YEARS 2023 TO 2025 (1)

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
UT	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	0	1
<b>Total</b>	<b>2023</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
	<b>2024</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
	<b>2025</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>

(1) The numbers for each year are as of December 31. This outlet is owned by our affiliate, Set The Stage Salt Lake Valley, LLC.

TABLE NO. 5  
PROJECTED OPENINGS  
AS OF DECEMBER 31, 2025

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchisees in 2026	Projected Company-Owned Openings in 2026
Alabama	0	1	0
Arizona	0	1	0
Colorado	0	1	0
Florida	0	5	0
Georgia	1	0	0
Indiana	0	1	0
Kansas	1	0	0
Louisiana	0	1	0
Missouri	0	1	0
Nevada	1	0	0
North Carolina	0	2	0
Ohio	0	2	0
Tennessee	0	2	0
Texas	2	0	0
<b>Totals</b>	<b>5</b>	<b>17</b>	<b>0</b>

### Current and Former Franchisees

The name, address and telephone number of each franchisee is attached as Exhibit B-1. The name, address and telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise

Agreement during the fiscal year ended December 31, 2025 or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document is attached as Exhibit B-2 (there is 1 franchisee on this list). If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

### **Confidentiality Provisions**

Our standard Franchise Agreement, all renewal and transfer agreements, and all agreements to settle disputes with franchisees, generally contain confidentiality clauses. Thus, all our franchisees have signed a confidentiality clause with us, including during the last 3 years.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experiences in the Set the Stage franchise system or with us. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

### **Other Organizations**

We have not created, sponsored, or endorsed any franchise organization and no independent franchisee organization has asked to be included in this Disclosure Document. There are no trademark-specific franchise organizations associated with the franchise system being offered which we have created, sponsored, or endorsed.

## **ITEM 21. FINANCIAL STATEMENTS**

Attached to this Disclosure Document as Exhibit C are our audited financial statements for the fiscal years ended December 31, 2025, 2024 and 2023.

Attached to this Disclosure Document as Exhibit C is an unaudited and interim balance sheet and profit and loss statement dated March 31, 2026. These financial statements have been prepared without an audit. Prospective franchisees or sellers of franchises should be advised that no independent certified public accountant has audited these figures or expressed an opinion with regard to their content or form.

## **ITEM 22. CONTRACTS**

The following franchise contracts and agreements are proposed for use in connection with this franchise and are attached to and made a part of this Franchise Disclosure Document:

Exhibit D	Form of Franchise Agreement, Guarantee, and Lease Rider
Exhibit E	Form of Renewal and Release Agreement
Exhibit F	Form of Assignment to Entity Agreement
Exhibit G	Pre-authorized Payments Form
Exhibit H	Non-Disclosure and Non-Competition Agreement
Exhibit I	National Accounts Agreement
Exhibit J	State Specific Addendum
Exhibit K	Franchise Questionnaire

**ITEM 23. RECEIPT**

The last 2 pages of this Disclosure Document are a detachable Receipt document acknowledging that you received this Disclosure Document. You are required to sign each Receipt. If you are missing these Receipts, please contact us at this physical address, email, or telephone number:

Set The Stage, Inc.  
10446 S 1055 W, Ste 101  
South Jordan, UT 84096  
801-750-1700  
[courtney@wesetthestage.com](mailto:courtney@wesetthestage.com)

**EXHIBIT A**  
**STATE FRANCHISE ADMINISTRATORS**  
**AND AGENTS FOR SERVICE OF PROCESS**

State	State Administrator	Agent for Service of Process
California	Department of Financial Protection and Innovation 651 Bannan Street, Suite 300 Sacramento, CA 95811 Tel: 1-866-275-2677	Commissioner of Financial Protection and Innovation Same address
Connecticut	Securities and Business Investment Division Connecticut Department of Banking 260 Constitution Plaza Hartford, CT 06103 Tel: 860-240-8299	Banking Commissioner Same address Tel: 860-240-8230
Florida	Department of Agriculture & Consumer Services Division of Consumer Services P.O. Box 6700 Tallahassee, FL 32399-0800 Tel: 850-245-6000	
Georgia	Consumer Protection Division 40 Capitol Square, SW Plaza Level, East Tower Atlanta, GA 30334 Tel: 404-651-8600	
Hawaii	Hawaii Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division King Kalakaua Building 335 Merchant Street, Room 205 Honolulu, HI 96813 Tel: 808-586-2744	Commissioner of Securities Same address Tel: 808-586-2722
Illinois	Franchise Division Office of the Attorney General 500 South Second Street Springfield, IL 62701 Tel: 217-782-4465	Attorney General Same address
Indiana	Securities Commissioner Indiana Securities Division 302 West Washington Street, Room E 111 Indianapolis, IN 46204 Tel: 317-232-6681	Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, IN 46204 Tel: 317-232-6531
Iowa	Iowa Insurance Division Securities and Regulated Industries Bureau Two Ruan Center 601 Locust Street, 4th Floor Des Moines, IA 50319 Tel: 515-281-8815	
Kentucky	Kentucky Attorney General's Office Consumer Protection Division 1024 Capitol Center Drive Frankfort, KY 40602 Tel: 502-696-5389	
Louisiana	Department of Urban & Community Affairs Consumer Protection Office 301 Main Street, 6 <sup>th</sup> Floor One America Place Baton Rouge, LA 70801 Tel: 504-342-7013 (gen. info.) Tel: 504-342-7900	

State	State Administrator	Agent for Service of Process
Maine	Department of Business Regulations 121 State House Station Augusta, ME 04333 Tel: 877-624-8551	
Maryland	Office of the Attorney General Maryland Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 Tel: 410-576-6360	Maryland Securities Commissioner Same Address Tel: 410-576-6360
Michigan	Michigan Department of Attorney General Corporate Oversight Division Franchise Section G. Mennen Williams Building, 5th Floor 525 W. Ottawa Street Lansing, MI 48909 Tel: 517-335-7567	
Minnesota	Minnesota Department of Commerce 85 7 <sup>th</sup> Place East, Suite 280 St. Paul, MN 55101 Tel: 651-539-1638	Minnesota Commissioner of Commerce Same Address Tel: 651-539-1600
Nebraska	Department of Banking and Finance 1526 K Street, Suite 300 Lincoln, NE 68508 P.O. Box 95006 Lincoln, Nebraska 68509-5006 Tel: 402-471-2171	
New Hampshire	Attorney General Consumer Protection and Antitrust Bureau State House Annex Concord, NH 03301 Tel: 603-271-3641	
New York	NYS Department of Law Investor Protection Bureau 28 Liberty St., 21 <sup>st</sup> Floor New York, NY 10005 Tel: 212-416-8222	New York Secretary of State One Commerce Plaza 99 Washington Avenue, 6 <sup>th</sup> Floor Albany, New York 12231 Tel: 212-416-8236
North Carolina	Securities Division 2 South Salisbury Street Raleigh, NC 27601 P.O. Box 29622 Raleigh, NC 29622 Tel: 919-733-3924	Secretary of State Secretary of State's Office Same address
North Dakota	North Dakota Insurance & Securities Department 600 East Boulevard Avenue, Dept. 401 Bismarck, ND 58505 Tel: 701-328-2910 Fax: 701-328-0140	Insurance Commissioner Same address
Ohio	Attorney General Consumer Fraud & Crime Section State Office Tower 30 East Broad Street, 14th Floor Columbus, OH 43215 Tel: 614-466-8831 Tel: 800-282-0515	
Oklahoma	Oklahoma Securities Commission 204 North Robinson Ave, Suite 400 Oklahoma City, OK 73102 Tel: 405-521-2451	

State	State Administrator	Agent for Service of Process
Oregon	Department of Insurance and Finance Corporate Securities Section 350 Winter Street NE, 4th Floor Salem, OR 96310 Tel: 503-378-4387	Director Same address
Rhode Island	Rhode Island Department of Business Regulation Securities Division 1511 Pontiac Avenue John O. Pastore Center – Building 68-2 Cranston, RI 02920 Tel: 401-462-9527	Director, Rhode Island Department of Business Regulation Same address
South Carolina	SC Secretary of State's Office 1205 Pendleton St., Suite 525 Columbia, SC 29201 Tel: 803-734-0367	Secretary of State
South Dakota	Department of Labor and Regulation Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, SD 57501 Tel: 605-773-3563	Director Same address
Texas	Secretary of State Registrations Unit P.O. Box 13193 Austin, TX 78711-2887 Tel: 512-475-0775	
Utah	Utah Department of Commerce Consumer Protection Division 160 East 300 South (P.O. Box 45804) Salt Lake City, UT 84145-0804 Tel: 801-530-6601 Fax: 801-530-6001	
Virginia	State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main Street, 9 <sup>th</sup> Floor Richmond, VA 23219 Tel: 804-371-9051	Clerk of the State Corporation Commission 1300 East Main Street, 1 <sup>st</sup> Floor Richmond, Virginia 23219 Tel: 804-371-9733
Washington	Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, WA 98504 Tel: 360-902-8760	Director, Dept. of Financial Institutions Securities Division 150 Israel Rd S.W. Tumwater, WA 98501 Tel: 360-902-8700
Wisconsin	Wisconsin Dept. of Financial Institutions Division of Securities 4822 Madison Yards Way, North Tower Madison, WI 53705 Tel: 608-266-8557	Wisconsin Administrator of Securities Same Address

**EXHIBIT B-1**  
**LISTING OF CURRENT FRANCHISES**  
**AS OF DECEMBER 31, 2025**

\* = signed, but not yet open as of such date

DBA	STS Franchise Owners	Address	City	State	Phone
Set the Stage Scottsdale Metro	Rochelle Barton	1815 W First Ave, Ste. 132 Mesa, AZ 85202	Mesa	AZ	(602) 312-6463
Set the Stage Urban Phoenix	Julia Smirnov	1931 E Jefferson, Phoenix, AZ 85034	Phoenix	AZ	(480) 289-0199
Set the Stage Denver Metro South	Kimberly Roth	3103 W Hampden Ave, Englewood, CO 80110	Englewood	CO	(720) 736-7360
Set the Stage Denver Southeast	Mike & Courtney Harper	10262 Dransfeldt Rd. Unit 129 Parker, CO 80134	Parker	CO	(720) 736-7333
Set the Stage Colorado Denver Highlands	Jami Rokuro (Roku)	4765 Independence St, 102. Wheat Ridge, CO 80033	Wheat Ridge	CO	(303) 900-8899
Set the Stage Broward County	Justine Goubert, Helene Goubert, David Goubert	1320 #3A Stirling Rd. Dania Beach, FL 33004	Dania Beach	FL	(954) 666-9258, EXT 0
Set the Stage Orlando South	Ken & Christi Sterling	7131 Grand National Drive Suite 105 Orlando, FL 32819	Orlando	FL	(407) 406-3745
Set the Stage Uptown Tampa	Sheyla Wilkerson	4517 George st Ste #201 Tampa FL 33634	Tampa	FL	(656) 400-2022
Set the Stage Atlanta Buckhead Midtown	Chris Vasquez, Mike Finello	542 Courtland Street. Atlanta, GA 30308	Atlanta	GA	(678) 910-9878
Set The Stage Athens Lake Country	Sean & Sara Tintle	108 Scott Oak Drive Ste. C Eatonton, GA 31024	Eatonton	GA	(706) 750-9975
Set The Stage The Bubble	Chad & Stacy Williams	135 Bethea Rd. Ste. 504 Fayetteville, GA 30214	Fayetteville	GA	(678) 675-7620
Set The Stage Peach City	Shayla & Philip Green	1000 Hurricane Shoals Suite C150 Lawrenceville, GA. 30043	Lawrenceville	GA	(770) 901-1920
Set The Stage Cobb Marietta	Todd Briner	1710 Cumberland Point Drive SE, Suite 20, Marietta, GA 30067	Marietta	GA	(470) 931-4291
Set the Stage Hilton Head	Andrew & Laura Wilson	5134 Augusta Rd. Savannah, GA 31408	Savannah	GA	(843) 854-4357
Set The Stage Upper Perimeter	Shawn Henry & Arlene DeLosReyes	Georgia		GA	(404) 480-9663
Set The Stage Boise Treasure Valley	Kristopher Jenkins	5437 W Kendall St, Boise, ID 83706	Boise	ID	(208) 398-0084
Set the Stage Indianapolis NE	Ben & Kelly Buckland	12806 Ford Drive. Fishers, IN 46038	Fishers	IN	(317) 364-4410
Set the Stage Lexington	Chase & Amber Ballinger	470 Conway Court, Ste 2. Lexington, KY 40511	Lexington	KY	(859) 255-2800
Set the Stage Boston Metro North	Greg Banks	21-D Olympia Ave. Woburn, MA 01801	Woburn	MA	(781) 750-0569
Set The Stage West Michigan	Steve & Jamie Talbot	11303 Edgewater Dr. Allendale, MI 49401	Allendale	MI	(616) 273-2773
Set The Stage Southeast Michigan	Clara Gruber	Michigan		MI	(248) 805-5381
Set The Stage Southwest Missouri	Caroline & Mark Lusk	975-C W State Hwy NN Ozark, MO 65721	Ozark	MO	(417) 340-1525

DBA	STS Franchise Owners	Address	City	State	Phone
Set the Stage Western Wake County	Kara Lemire	1600 Olive Chapel Road, Unit 704 Apex, NC 27502	Apex	NC	(919) 825-1313
Set the Stage Raleigh Metro South	Laura Sudhoff	3033 Stony Brook Drive Ste. 5 Raleigh, NC 27604	Raleigh	NC	(919) 341-6017
Set the Stage Omaha Metro	Angela & Matt Markham	4203 S 87th St, Omaha, NE 68127	Omaha	NE	(402) 915-1325
Set The Stage Columbus North	Karen & Phil Nussdorfer	7500 Green Meadows Dr. Ste 7201 Lewis Center, OH 43035	Lewis Center	OH	(614) 344-1414
Set The Stage Cin-Day Corridor	Greg & Darcy Fitch	11655 Lebanon Rd. Sharonville, Ohio 45241	Sharonville	OH	(937) 683-0505
Set The Stage Greater Tulsa	Jessica Schuffenhauer & Tim Long	10828 E Newton St. Ste.111 Tulsa, OK 74116	Tulsa	OK	(918) 312-6493
Set The Stage Main Line West Chester	Sarah Savelkoul	210 Carter Drive Unit 9, West Chester, PA 19382	Chester	PA	(610) 840-2640
Set The Stage Montco Bucks County	John & Beth Moore	2300 Campus Lane, Ste 109, East Norriton, PA 19403	Norriton	PA	(484) 339-3700
Set the Stage Pittsburgh 3 Rivers	Jim & Roberta Schwarzbach	423 Route 228, Valencia, PA 16059	Valencia	PA	(724) 719-8088
Set The Stage Grand Strand	Brianne McAnelly	200 Horsetail Moss Court, Myrtle Beach, SC 29588	Myrtle Beach	SC	(843) 400-3021
Set The Stage Bluff City East	Janel Taueg	2175 Business Center Dr. Ste. 8 Memphis, TN 38134	Memphis	TN	(901) 799-8504
Set the Stage Middle Tennessee	Stu & Amanda Schmidt	185 Creasman Drive, Winchester, TN 37388	Winchester	TN	(615) 239-6484
Set the Stage North Central Austin	Celyna & Kenton Peterson	12112 Roxie Dr. Ste.E Austin, TX 78729	Austin	TX	(512) 596-5900
Set the Stage Dallas Metro	Andre Hamilton & Whitney Bessler	10920 Switzer Ave. Ste 108 Dallas, TX 75238	Dallas	TX	(214) 500-8125
Set The Stage McKinney Frisco	Hailey Nelson	1951 University Business Dr. STE 602 McKinney, TX 75071	McKinney	TX	(469) 820-4950
Set the Stage San Antonio North	Faith & Niel Brown	11009 Osgood Dr, San Antonio, TX 78233	San Antonio	TX	(210) 245-9709
Set The Stage The Woodlands	Rocky & Lindsey Whitely	22131 Rothwood Rd. STE 517 Spring, TX 77389	Spring	TX	(936) 299-4344
Set the Stage Heart of Texas	Mick & Stephanie Murray	7524 Bosque Blvd., Ste C Waco, TX 76710	Waco	TX	(254) 300-9688
Set the Stage Utah County	Heather Nielsen, Shelly Morrison	1349 S 500 E, Ste 206. American Fork, Utah 84003	American Fork	UT	(801) 782-4464
Set the Stage Salt Lake Valley	Courtney Clark, Lisa Wheat	14550 S Center Point Way Bluffdale UT 84065	Bluffdale	UT	(801) 750-1500
Set the Stage Southern Utah	Ryan & Geneve York & Spencer & Andrea Smith	174 Old Hwy 91, Ste 13. Hurricane, UT 84737	Hurricane	UT	(435) 767-1333
Set the Stage Salt Lake North	Danielle Nielson, Bryan & Stephanie Brunatti	2698 S Redwood Road #N. West Valley City, Utah 84119	West Valley City	UT	(801) 414-0001

Those who signed a franchise agreement but have not yet opened are:

<b>Name</b>	<b>Location</b>	<b>Email or Phone</b>
*Set the Stage Henderson	118 Corporate Park Drive, No. 125, Henderson, NV 89074	Mark.swaffer@wesetthestage.com 702-867-1878
*Set the Stage Austin Hill Country	775 County Road 270, Suite 102, Leander, TX 78641	Shannon.singler@wesetthestage.com 512-428-8968
*Set the Stage North Dallas	Dallas, TX	Sam.shiller@wesetthestage.com
*Set the Stage Upper Perimeter	GA	Shawn.henry@wesetthestage.com 404-480-9663
Set the Stage Overland Park	10647 Widmer Road, Lenexa, KS 66215	Kim.flaherty@wesetthestage.com 913-752-9797

**EXHIBIT B-2**  
**LISTING OF ALL FRANCHISES CEASING OPERATIONS DURING THE**  
**FISCAL YEAR ENDED DECEMBER 31, 2025**

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Transfer:

Jessica Epperson  
7009 Bray Ford Way  
McKinney, TX 75071  
903-288-3880

**EXHIBIT C**  
**FINANCIAL STATEMENTS**

**SET THE STAGE, INC.**  
**Financial Statements**  
**December 31, 2025 and 2024**  
**with Independent Auditor's Report**

***Traveller &***  

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***Company, LLC***  
*Certified Public Accountants*  
*500 North Marketplace Drive, Suite 202*  
*Centerville, Utah 84014*

**SET THE STAGE, INC.**

**Financial Statements  
December 31, 2025 and 2024**

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## **Independent Auditor's Report**

To the Management of  
Set the Stage, Inc.

### **Opinion**

We have audited the accompanying financial statements of Set the Stage, Inc. (a Utah Corporation) which comprise the balance sheets as of December 31, 2025 and 2024, and the related statements of operations, owners' equity, and cash flows for the years then ended, and 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 Set the Stage, Inc. (the "Company") as of December 31, 2025 and 2024, and the results of its operations, owners' equity, 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 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.

*Traveller & Company, LLC*

Centerville, UT  
April 1, 2026

Set the Stage, Inc.  
Balance Sheets  
December 31, 2025 and 2024

	2025	2024
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 764,063	\$ 838,820
Accounts receivable, net	336,173	376,000
Other current assets	37,039	1,625
	1,137,275	1,216,445
Property and equipment, net	24,869	35,300
Right of use asset	442,803	—
	\$ 1,604,947	\$ 1,251,745
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Accounts payable	\$ 365	\$ —
Other accrued liabilities	11,890	16,198
Current portion of long-term debt	—	3,391
Related party payables	106,007	106,007
Lease liability - current	116,339	—
	234,601	125,596
Notes payable	—	3,892
Lease liability - noncurrent	329,395	—
	563,996	129,488
Shareholders' equity:		
Shareholders' draws	(301,778)	(65,193)
Shareholders' contributions	86,226	86,727
Retained earnings	1,256,503	1,100,723
	1,040,951	1,122,257
<b>Total liabilities and shareholders' equity</b>	<b>\$ 1,604,947</b>	<b>\$ 1,251,745</b>

See accompanying notes to financial statements.

Set the Stage, Inc.  
Statements of Operations  
For the years ended December 31, 2025 and 2024

	2025	2024
Income:		
Franchise fees	\$ 395,008	\$ 474,720
Royalties	562,491	99,067
Startup package income	1,792,120	2,455,644
Opening support fees	240,000	208,283
Other franchise income	201,693	29,236
	3,191,312	3,266,950
Cost of sales	2,327,613	1,739,615
	863,699	1,527,335
Operating Expenses:		
General and administrative expenses	618,054	350,529
Advertising and marketing	114,271	33,055
Depreciation and amortization	6,299	—
	738,624	383,584
Income (loss) from operations	125,075	1,143,751
Other income (expense):		
Interest, net	9,768	416
Other, net	20,937	—
	\$ 155,780	\$ 1,144,167
Net income	\$ 155,780	\$ 1,144,167

See accompanying notes to financial statements.

Set the Stage, Inc.  
Statements of Shareholders' Equity  
For the years ended December 31, 2025 and 2024

	<b>Shareholders' Contributions</b>	<b>Shareholders' Draws</b>	<b>Retained Earnings</b>	<b>Total Shareholders' Equity</b>
<b>Balance at December 31, 2023</b>	<b>\$ 88,469</b>	<b>\$ (55,000)</b>	<b>\$ 11,556</b>	<b>\$ 45,025</b>
Shareholders' contributions/(draws)	—	(10,193)	—	(10,193)
Adjustments	(1,742)	—	(55,000)	(56,742)
Net income	—	—	1,144,167	1,144,167
<b>Balance at December 31, 2024</b>	<b>86,727</b>	<b>(65,193)</b>	<b>1,100,723</b>	<b>1,122,257</b>
Shareholders' contributions/(draws)	—	(236,585)	—	(236,585)
Adjustments	(501)	—	—	(501)
Net income	—	—	155,780	155,780
<b>Balance at December 31, 2025</b>	<b>\$ 86,226</b>	<b>\$ (301,778)</b>	<b>\$ 1,256,503</b>	<b>\$ 1,040,951</b>

See accompanying notes to financial statements.

Set the Stage, Inc.  
Statements of Cash Flows  
For the years ended December 31, 2025 and 2024

	2025	2024
<b>Operating activities</b>		
Net income (loss)	\$ 155,780	\$ 1,144,167
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	6,299	—
Changes in assets and liabilities		
Accounts receivable	39,827	(194,624)
Other assets	(35,414)	—
Accounts payable and accrued liabilities	(3,943)	12,620
Non-cash lease expense	2,931	—
Net cash provided by (used in) operating activities	165,480	962,163
<b>Investing activities</b>		
Purchase of assets	(5,404)	(2,825)
Net cash used in investing activities	(5,404)	(2,825)
<b>Financing activities</b>		
Loan repayments	(1,192)	(3,576)
Net advances from (payments to) related parties	—	(91,743)
Members' contributions/(distributions)	(233,641)	(66,936)
Net cash provided by financing activities	(234,833)	(162,255)
Net increase (decrease) in cash and cash equivalents	(74,757)	797,083
Cash and cash equivalents, at beginning of year	838,820	41,737
Cash and cash equivalents, at end of year	\$ 764,063	\$ 838,820
<b>Supplemental disclosures of Cash Flow Information:</b>		
Cash paid during the year for interest	\$ —	\$ 896

See accompanying notes to financial statements.

Set the Stage, Inc.  
Notes to Financial Statements  
December 31, 2025 and 2024

## 1. Organization and Significant Accounting Policies

### Organization and Business Description

Set the Stage, Inc., (a Utah Corporation) (the “Company”) formed in 2021 was created to offer franchises to qualified individuals and entities to operate a staging and furniture sales and rental business. The Company is wholly-owned by its parent company, The Key Design, LLC, a Utah limited liability company.

### Revenue Recognition

Revenues are primarily derived from the selling of franchises (franchise fee), the collection of Starter Package and Grand Opening fees, monthly royalties from existing franchisees, and other fees for advertising, promotion and technology support fee.

The Company collects an initial non-refundable franchise fee, payable when the franchise agreement is signed. The fee covers costs associated with the Company’s sales experience and other administrative overhead and start-up costs related to the opening of the franchise. The Company collects an additional Starter Package and Grand Opening fee related to a startup program including training, five complete furnishing packages, staging supplies, signage and brand team items, and in-person meetings in each prospective franchise area.

The Company also receives other recurring income as follows:

- Royalty income equal to 6% of Gross Revenues, subject to required minimum royalties.
- Advertising & Promotion Income up to 2% of Gross Revenues.
- Technology Fee income at a fixed monthly rate.

### Cash and Cash Equivalents

The Company considers all liquid debt instruments with original maturities of three months or less to be cash equivalents. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk related to cash.

### Accounts Receivable

Accounts receivable are recorded net of an allowance for expected losses. The allowance is estimated from historical performance and projections of trends. Uncollectible loans and accounts receivable are charged off after all reasonable collection efforts have been made. Accounts receivable are deemed to be past due when payments are more than 30 days late.

Set the Stage, Inc.  
Notes to Financial Statements

**1. Organization and Significant Accounting Policies (continued)**

**Property and Equipment**

Property and equipment are recorded at cost and are depreciated using the straight-line method over their five year estimated useful lives. Maintenance and repair costs are expensed as incurred and expenditures for additions, renewals, and improvements are capitalized.

**Use of Estimates**

Management uses estimates and assumptions in preparing these financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

**Concentrations of Credit Risk**

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

**Subsequent Events**

Management of the Company has evaluated any subsequent events that may require disclosure in these financial statements through April 1, 2026, the date of financial statement issuance.

**2. Accounts Receivable**

Accounts receivable consisting of franchise and startup/grand opening fees, monthly fees for royalties, marketing and other fees due from franchisees, were \$336,173 and \$376,000 at December 31, 2025 and 2024, respectively.

Set the Stage, Inc.  
Notes to Financial Statements

### 3. Property and Equipment

Property and equipment consisted of the following at December 31:

	<u>2025</u>		<u>2024</u>
Vehicles	\$	—	\$ 16,212
Leasehold improvements		<b>31,168</b>	25,764
		<b>31,168</b>	41,976
Less accumulated depreciation		<b>(6,299)</b>	(6,676)
Net property and equipment	\$	<b>24,869</b>	\$ 35,300

Depreciation expense for the year ended December 31, 2025 was \$6,299.

### 4. Notes Payable

Notes payable of \$7,283 as of December 31, 2024, consisted of one note with a financial institution with a maturity date of February 2027, interest at 2.99% and monthly principal and interest payments of \$298. The note was secured by a company asset with a net book value which approximated the loan balance. During 2025, the asset held as collateral and loan were transferred to a former owner. No Company liability remains as of December 31, 2025

### 5. Operating Leases

The Company accounts for leases in accordance with FASB ASC 842 and determines if an arrangement is a lease or contains a lease, at inception of a contract and when terms of an existing contract are changed. The Company determines if an arrangement conveys the right to use an identified asset and whether the Company obtains substantially all of the economic benefits from and has the ability to direct the use of the asset. For all such arrangements, the Company records a right of use (“ROU”) asset and associated current and long-term lease liabilities.

During 2025, the Company entered into two noncancellable operating leases for office and warehouse space and therefore recognized a ROU asset and associated lease liabilities at the commencement date of each lease. The discount rate applied to each lease is 6.75%

Lease expense is recognized on a straight-line basis over the term of the lease, and totaled \$44,553 at December 31, 2025.

Set the Stage, Inc.  
Notes to Financial Statements

**5. Operating Leases (continued)**

Maturities of the operating lease liabilities as of December 31, 2025, were as follows:

<u>Due in fiscal year ending December 31:</u>	
2026	\$ 142,123
2027	149,206
2028	156,323
2029	49,651
Thereafter	—
Total lease payments	<u>\$ 497,303</u>
Less: present value adjustment	<u>(51,569)</u>
Present value of lease liability	<u>\$ 445,734</u>

**6. Related Party Transactions**

The Company is wholly-owned by its parent company, The Key Design, LLC (“Parent”), which also owns and operates Set the Stage and Salt Lake Valley (“STS SLV”). Both entities are considered related parties. Intercompany payable balances due to the Parent of \$9,886 and due to STS SLV of \$96,121 were recorded at both December 31, 2025 and 2024.

**SET THE STAGE, INC.**  
**Financial Statements**  
**December 31, 2024 and 2023**  
**with Independent Auditor's Report**

***Traveller &***  

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***Company, LLC***  
*Certified Public Accountants*  
*500 N. Marketplace Drive, Suite 202*  
*Centerville, Utah 84014*

Set the Stage, Inc.  
Financial Statements  
December 31, 2024 and 2023

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## **Independent Auditor's Report**

To the Management of  
Set the Stage, Inc.

### **Opinion**

We have audited the accompanying financial statements of Set the Stage, Inc. (a Utah corporation), which comprise the balance sheets – cash basis as of December 31, 2024 and 2023, and the related statements of operations – cash basis, owners' equity (deficit) – cash basis, and cash flows – cash basis 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 Set the Stage, Inc. (the "Company") as of December 31, 2024 and 2023, and the results of its operations, owners' equity/(deficit) and its cash flows for the years then ended in accordance with the cash basis of accounting as described in Note 1.

### **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.

### **Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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.

*Traveller & Company, LLC*

Centerville, UT  
March 21, 2025

Set the Stage, Inc.  
Balance Sheets - Cash Basis  
December 31, 2024 and 2023

	2024	2023
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 838,820	\$ 41,737
Other current assets	1,625	1,624
	840,445	43,361
Property and equipment, net	15,138	32,475
<b>Total assets</b>	<b>\$ 855,583</b>	<b>\$ 75,836</b>
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Current portion of long-term debt	\$ 3,391	\$ 3,292
Related party payables	106,007	196,700
Total current liabilities	109,398	199,992
Notes payable	3,892	7,567
Total liabilities	113,290	207,559
Shareholders' equity:		
Shareholders' draws	(65,193)	(55,000)
Shareholders' contributions	86,727	88,469
Retained deficit	720,759	(165,192)
Total shareholders' equity (deficit)	742,293	(131,723)
<b>Total liabilities and shareholders' equity</b>	<b>\$ 855,583</b>	<b>\$ 75,836</b>

See accompanying notes to financial statements.

Set the Stage, Inc.  
Statements of Operations - Cash Basis  
For the years ended December 31, 2024 and 2023

	2024	2023
Income:		
Franchise fees	\$ 474,720	\$ 197,917
Royalties	99,067	15,461
Startup package income	2,079,644	389,583
Opening support fees	208,283	10,000
Other franchise income	30,548	—
Total income	2,892,262	612,961
Cost of sales	1,580,081	327,572
Gross profit	1,312,181	285,389
Operating Expenses:		
General and administrative expenses	493,865	330,994
Advertising and marketing	33,055	32,460
Depreciation and amortization	20,162	3,434
Total operating expenses	547,082	366,888
Income (loss) from operations	765,099	(81,499)
Other income (expense):		
Interest, net	(896)	(2,363)
Net loss	764,203	(83,862)

See accompanying notes to financial statements.

Set the Stage, Inc.  
 Statements of Shareholders' Equity (Deficit) - Cash Basis  
 For the years ended December 31, 2024 and 2023

	<b>Shareholders' Contributions/ (Draws)</b>	<b>Retained Earnings (Deficit)</b>	<b>Total Shareholders' Equity (Deficit)</b>
<b>Balance at December 31, 2022</b>	<b>\$ 65,726</b>	<b>\$ (65,540)</b>	<b>\$ 186</b>
Shareholders' contributions/(draws)	(39,000)	—	(39,000)
Adjustments to RE	6,743	(15,790)	(9,047)
Net loss	—	(83,862)	(83,862)
<b>Balance at December 31, 2023</b>	<b>33,469</b>	<b>(165,192)</b>	<b>(131,723)</b>
Shareholders' contributions/(draws)	(11,935)	—	(11,935)
Adjustments to RE	—	121,748	121,748
Net loss	—	764,203	764,203
<b>Balance at December 31, 2024</b>	<b>\$ 21,534</b>	<b>\$ 720,759</b>	<b>\$ 742,293</b>

See accompanying notes to financial statements.

**Set the Stage, Inc.**  
**Statements of Cash Flows - Cash Basis**  
For the years ended December 31, 2024 and 2023

	<b>2024</b>	<b>2023</b>
<b>Operating activities</b>		
Net income (loss)	\$ 764,203	\$ (83,862)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	20,162	3,434
Changes in assets and liabilities		
Other assets	(1)	(1,624)
Net cash provided by (used in) operating activities	<b>784,364</b>	<b>(82,052)</b>
<b>Investing activities</b>		
Purchase of assets	<b>(2,825)</b>	<b>(22,939)</b>
Net cash used in investing activities	<b>(2,825)</b>	<b>(22,939)</b>
<b>Financing activities</b>		
Proceeds from new debt	—	—
Loan repayments	(3,576)	(3,210)
Advances from related parties	(90,693)	102,227
Members' contributions/(distributions)	<b>109,813</b>	<b>(48,047)</b>
Net cash provided by financing activities	<b>15,544</b>	<b>50,970</b>
Net increase (decrease) in cash and cash equivalents	<b>797,083</b>	<b>(54,021)</b>
Cash and cash equivalents, at beginning of year	<b>41,737</b>	<b>95,758</b>
Cash and cash equivalents, at end of year	<b>\$ 838,820</b>	<b>\$ 41,737</b>
<b>Supplemental disclosures of Cash Flow Information:</b>		
Cash paid during the year for interest	<b>\$ 896</b>	<b>\$ 2,363</b>

See accompanying notes to financial statements.

Set the Stage, Inc.  
Notes to Financial Statements  
December 31, 2024 and 2023

## 1. Organization and Significant Accounting Policies

### Organization and Business Description

Set the Stage, Inc., (a Utah Corporation) (the “Company”) formed in 2021 was created to offer franchises to qualified individuals and entities to operate a staging and furniture sales and rental business. The Company is wholly-owned by its parent company, The Key Design, LLC, a Utah limited liability company.

### Revenue Recognition

The Company collects an initial non-refundable franchise fee, payable when the franchise agreement is signed. The fee covers costs associated with the Company’s sales experience and other administrative overhead and start-up costs related to the opening of the franchise. The Company collects an additional Starter Package and Grand Opening fee related to a startup program including training, five complete furnishing packages, staging supplies, signage and brand team items, and in-person meetings in each prospective franchise area.

The Company also provides consulting services, additional employee training and support services, and other services on an as-needed basis.

The Company also receives other recurring income as follows:

- Royalty income equal to 6% of Gross Revenues, subject to required minimum royalties.
- Advertising & Promotion Income up to 2% of Gross Revenues.
- Technology Fee income at a fixed monthly rate.

Revenue is recorded when cash is received.

### Cash and Cash Equivalents

The Company considers all liquid debt instruments with original maturities of three months or less to be cash equivalents.

### Property and Equipment

Property and equipment are stated at cost. Depreciation is computed using the Modified Accelerated Cost Recovery System (MACRS) to match tax depreciation. Upon the disposal of assets subject to depreciation, the accounts are relieved of the related costs and accumulated depreciation and resulting gains or losses are reflected in operations. Maintenance and repair costs are expensed as incurred and expenditures for additions, renewals, and betterments are capitalized.

Set the Stage, Inc.  
Notes to Financial Statements

**1. Organization and Significant Accounting Policies (continued)**

**Use of Estimates**

Management uses estimates and assumptions in preparing these financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

**Basis of Accounting**

The Company has prepared the financial statements using the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

**Concentrations of Credit Risk**

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

**Subsequent Events**

Management of the Company has evaluated any subsequent events that may require disclosure in these financial statements through March 21, 2025, the date of financial statement issuance.

**2. Property and Equipment**

Property and equipment consisted of the following at December 31:

	2024	2023
Vehicles	\$ 16,212	\$ 16,212
Leasehold improvements	25,764	22,939
	41,976	39,151
Less accumulated depreciation	(26,838)	(6,676)
Net property and equipment	\$ 15,138	\$ 32,475

Depreciation expense for the years ended December 31, 2024 and 2023 was \$20,162 and \$3,434, respectively.

Set the Stage, Inc.  
Notes to Financial Statements

**3. Notes Payable**

Notes payable was \$7,283 as of December 31, 2024, consisting of one note with a financial institution with a maturity date of February 2027, interest at 2.99% and monthly principal and interest payments of \$298. The note is secured by a company asset with a net book value which approximates the loan balance. The current portion of the note at December 31, 2024 was \$3,392.

Future minimum principal payments remaining are as follows:

<u>Year ending December 31:</u>	
2025	\$ 3,391
2026	3,494
2027	398
	<hr/>
	\$ 7,283

**4. Related Party Transactions**

The Company is wholly-owned by its parent company, The Key Design, LLC (“Parent”), which also owns and operates Set the Stage, Salt Lake Valley (“STS SLV”). Both entities are considered related parties. Intercompany payable balances due to the Parent of \$9,886 and \$8,836 and due to STS SLV of \$96,121 and \$187,864 have been recorded as of December 31, 2024 and 2023, respectively.

**NOTE ABOUT UNAUDITED FINANCIAL STATEMENTS:** This financial statement has been prepared without an audit. Prospective franchisees or sellers of franchises should be advised that no independent certified public accountant has audited these figures or expressed an opinion with regard to their content or form.

# Profit and Loss

March 2026

	<b>Total</b>
<b>INCOME</b>	
41000 Franchise Royalties	74,017.76
41001 Franchise Tech Fee Revenue	5,919.90
<b>Total 41000 Franchise Royalties</b>	<b>79,937.66</b>
42000 Franchise Start Up Package	129,095.63
43000 Franchise Fees	-3,750.00
44000 Franchise Opening Support Fees	15,000.00
47000 STS Market Place Revenue	1,483.19
<b>Total Income</b>	<b>221,766.48</b>
<b>COST OF GOODS SOLD</b>	
51000 On Going Franchisee Support	
51003 Hotel/Lodging	4,000.00
51004 Meals	220.76
51006 Taxis or shared rides	4.00
51007 Technology/Application/Website Subscriptions	8,535.99
<b>Total 51000 On Going Franchisee Support</b>	<b>12,760.75</b>
52000 Start Up Packages	
52001 Furniture	52,665.52
52002 Decor/Essentials	35,678.50
52003 Warehouse Tools & Supplies	849.98
52005 Printed Materials	33.23
<b>Total 52000 Start Up Packages</b>	<b>89,227.23</b>
53000 Contract labor	
53002 Warehouse/Office Labor	42,491.97
<b>Total 53000 Contract labor</b>	<b>42,491.97</b>
<b>Total Cost of Goods Sold</b>	<b>144,479.95</b>
<b>GROSS PROFIT</b>	<b>77,286.53</b>
<b>EXPENSES</b>	
60100 Advertising & marketing	17,051.34
60200 Automobile Expense	
60201 Auto Fuel	18.50
<b>Total 60200 Automobile Expense</b>	<b>18.50</b>
60300 Bank & Merchant Fees	95.36
60500 Computer & Software	3,895.79
60600 Insurance	4,255.59
60800 Legal & Professional Fees	10,801.00
60900 Meals & Entertainment	2,475.98
61000 Office Supplies	198.65
61100 Payroll expenses	
61101 Payroll taxes	4,118.29
61104 Payroll Processing Fee	580.00

(DRAFT)

	<b>Total</b>
<b>Total 61100 Payroll expenses</b>	<b>4,698.29</b>
61150 Gifts	422.99
61200 Postage & Shipping	1,007.11
61300 Rent & Lease	2,944.00
61700 Travel	4.82
61900 Utilities	293.72
Fulfillment Center Supplies	4,867.71
<b>Total Expenses</b>	<b>53,030.85</b>
<b>NET OPERATING INCOME</b>	<b>24,255.68</b>
<b>OTHER INCOME</b>	
71000 Interest earned	1,345.15
<b>Total Other Income</b>	<b>1,345.15</b>
<b>OTHER EXPENSES</b>	
99999 Ask My Accountant	20,871.34
<b>Total Other Expenses</b>	<b>20,871.34</b>
<b>NET OTHER INCOME</b>	<b>-19,526.19</b>
<b>NET INCOME</b>	<b>\$4,729.49</b>

# Balance Sheet

As of March 31, 2026

	As of Mar 31, 2026	As of Feb 28, 2026 (PP)	Total
<b>ASSETS</b>			
<b>Current Assets</b>			
<b>Bank Accounts</b>			
10000 Bank Accounts			
10001 Alta Bank Checking 1135	-4,289.30		-4,289.30
10002 Alta Bank Checking 6279	-5.00		-5.00
<b>Total 10000 Bank Accounts</b>	<b>-4,294.30</b>		<b>-4,294.30</b>
1071 Bill.com Money In Clearing	-129.19		1,231.54
MAP CHECKING *0050 (Mountain America)	18,156.33		28,172.21
OPS CHECKING *0050 (Mountain America)	247,868.61		374,884.17
STARTER PACKAGE *0007	451,267.47		454,822.36
STS OPS Savings *4248	12,823.60		7,833.61
<b>Total Bank Accounts</b>	<b>725,692.52</b>		<b>862,649.59</b>
<b>Accounts Receivable</b>			
11000 Accounts Receivable (A/R)	383,622.49		287,918.82
<b>Total Accounts Receivable</b>	<b>383,622.49</b>		<b>287,918.82</b>
<b>Other Current Assets</b>			
16000 Due (to)/from Other Entities			
16001 Due (to)/from - Set the Stage SLV	-96,121.07		-96,121.07
16003 Due (to)/from - The Key Design	-9,886.02		-9,886.02
<b>Total 16000 Due (to)/from Other Entities</b>	<b>-106,007.09</b>		<b>-106,007.09</b>
<b>Total Other Current Assets</b>	<b>-106,007.09</b>		<b>-106,007.09</b>
<b>Total Current Assets</b>	<b>1,003,307.92</b>		<b>1,044,561.32</b>
<b>Fixed Assets</b>			
17000 Fixed Assets			
17002 Leasehold Improvements	31,494.39		31,494.39
17098 Accumulated depreciation	-6,298.80		-6,298.80
<b>Total 17000 Fixed Assets</b>	<b>25,195.59</b>		<b>25,195.59</b>
<b>Total Fixed Assets</b>	<b>25,195.59</b>		<b>25,195.59</b>
<b>Other Assets</b>			
11600 Security deposits	7,786.00		7,786.00
<b>Total Other Assets</b>	<b>7,786.00</b>		<b>7,786.00</b>
<b>TOTAL ASSETS</b>	<b>\$1,036,289.51</b>		<b>\$1,077,542.91</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
<b>Current Liabilities</b>			
<b>Accounts Payable</b>			
20000 Accounts Payable (A/P)	-3,000.00		0.00
<b>Total Accounts Payable</b>	<b>-3,000.00</b>		<b>0.00</b>
<b>Credit Cards</b>			

**EXHIBIT D**  
**FRANCHISE AGREEMENT**

SET THE STAGE®

FRANCHISE AGREEMENT

between

SET THE STAGE, INC.

“Franchisor”

and

---

“Franchisee”

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**SET THE STAGE, INC.**

**FRANCHISE AGREEMENT**

THIS FRANCHISE AGREEMENT (the "Agreement") is made and entered into as of \_\_\_\_\_ (the "Effective Date"), by and between SET THE STAGE, INC. (the "Franchisor"), a Utah corporation with its principal place of business at 10446 S 1055 W, Ste 101, South Jordan, Utah 84096; and \_\_\_\_\_, an individual with an address at \_\_\_\_\_ and \_\_\_\_\_, an individual with an address at \_\_\_\_\_ (being referred to individually and collectively as the "Franchisee").

**WITNESSETH:**

- A. Set the Stage, Inc. (the "Franchisor"), a Utah corporation, is engaged in the business of developing, operating, and franchising in various states a unique kind of Franchised Business (as defined below) for a home staging and furnishings business that offers a variety of services and products to assist in the marketing of homes and selling of furnishings. System Standards for the Franchised Business have been established by the Franchisor which are original and unique.
- B. Franchisor has developed and owns a unique System (as defined below) for the operation of the Outlet.
- C. Franchisor has developed and has rights to the Names and Marks (as defined below) used for the Outlets and licenses the use of said Names and Marks in connection with the franchising of the Outlets and the System.
- D. Franchisor has established a high reputation with the public as to the quality of services and high standards in connection with the operation of a Franchised Business using the System under the Names and Marks. This high reputation and goodwill have been and continue to be a unique benefit to Franchisor and its franchisees and this has created and is creating a demand for services provided by a Franchised Business using the System under the Names and Marks.
- E. Franchisee is desirous of acquiring the right, franchise, and sub-license to operate an Outlet using the System under the Names and Marks within the Operating Territory (as defined in Section 3.1). Franchisor is ready and willing to grant such a right, franchise, and sub-license to Franchisee upon the terms and subject to the conditions hereinafter set forth.

**AGREEMENT**

NOW, THEREFORE in consideration of the terms, conditions and covenants contained herein, and for other valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, it is understood and agreed by and among the parties hereto as follows:

1. ACKNOWLEDGMENTS. Franchisee acknowledges that Franchisee has:

1.1. Received a copy of Franchisor's complete Franchise Disclosure Document required by the Federal Trade Commission and the governing authorities of the state in which the Operating Territory will be located at least 14 calendar days (or such greater period as may be required by the state in which the Franchise is sold) prior to the date on which Franchisee executed this Agreement or any related agreement or paid any consideration to Franchisor or Franchisor's affiliate in connection with the franchise sale.

1.2. Read and understood this Agreement, and all related agreements, and has before signing this Agreement;

(a) Been accorded ample time and opportunity to consult with advisers of Franchisee's own choosing before signing this Agreement;

(b) Either received this Agreement containing all substantive terms at the time of delivery of the Franchise Disclosure Document, or, if Franchisor unilaterally changed or modified any of the terms or conditions of Franchisor's standard franchise agreement attached to Franchisor's Franchise Disclosure Document, then Franchisee received a copy of this Agreement and its exhibits in complete and final form at least 7 days before signing it;

(c) Received no representations, promises, guarantees, projections, or warranties of any kind from Franchisor to induce the execution of this Agreement or related to this Agreement except as specifically set forth in writing in this Agreement or the Franchise Disclosure Document; and

(d) Received no guarantee from Franchisor or any other party as to Franchisee's success in the Franchised Business; nor that the demographics or other metrics pertaining to the Operating Territory were an indicator or predictor of future success.

1.3. Franchisee understands and accepts the terms, conditions and covenants contained in this Agreement; that they are necessary to maintain Franchisor's high standards of quality, service and uniformity at all Franchised Businesses; that they protect and preserve the goodwill of Franchisor's Names and Marks and the confidentiality and value of Franchisor's System.

1.4. The success of Franchisee's Franchised Business is speculative and depends, to a large extent, upon Franchisee's ability as an independent businessperson. Franchisee recognizes that the business venture contemplated by this Agreement involves business risks. Franchisor does not make any representation or warranty, express or implied, as to the potential success of the Franchisee's Franchised Business.

1.5. Franchisee acknowledges that Franchisee has entered this Agreement after conducting an independent investigation of Franchisor and of the Franchised Business and not upon any representation as to profits which Franchisee might be expected to realize, nor has anyone made any other representation to induce Franchisee to accept the Franchise granted hereunder and to execute this Agreement, which is not expressly set forth herein. Franchisee agrees that (1) no employee or other person speaking on Franchisor's behalf made any statement or promise

concerning the revenues, profits, or operating costs of a Set the Stage franchise; (2) no employee or other person speaking on Franchisor's behalf made any statement (other than the information contained in Item 19 of the FDD), or any promises regarding the amount of money Franchisee may earn in operating a Set the Stage franchise; and (3) no employee or other person speaking on Franchisor's behalf made any statement or promise concerning the likelihood of success that Franchisee should or might expect to achieve from operating a Set The Stage franchise.. Franchisee has not relied upon any representation as to gross revenues, volume, cost savings, potential earnings or profits which Franchisee in particular might realize. Except as outlined in Item 19 of Franchisor's Franchise Disclosure Document, Franchisor expressly disclaims the making of, and Franchisee acknowledges that Franchisee have not received, any representation, warranty, or guarantee, express or implied, concerning the potential revenues, cost savings, volume, profits, or success of the business venture contemplated by this Agreement. Franchisee acknowledges that neither Franchisor, nor any of Franchisor's officers, directors, shareholders, employees, agents or servants, made any other representation about the Franchised Business contemplated by this Agreement or that are not expressly set forth in this Agreement or Franchisor's Franchise Disclosure Document to induce Franchisee to accept the Franchised Business and execute this Agreement. Any oral representations made by Franchisor's representatives to Franchisee, whether or not set forth in earlier versions of Franchisor's standard form franchise agreement, have either been ratified by Franchisor by including the representations in this document or have been disavowed by excluding them from this Agreement.

1.6. Prior to Franchisee's execution of this Agreement, Franchisor has not given Franchisee any advice or reviewed any of Franchisee's business plans or third-party loan applications related to Franchisee's purchase of and proposed operation of the Franchised Business. Franchisor does not receive or review business plans or loan applications before a Franchisee signs the relevant Franchise Agreement. Franchisor has strongly recommended that Franchisee retain and work with Franchisee's own independent accountant, attorneys, and financial advisors to fully review all financial aspects of Franchisee's potential franchise investment. Franchisee acknowledges that Franchisor will not provide financial assistance to Franchisee and that Franchisor has made no representation that Franchisor will buy back from Franchisee any products, supplies, or equipment Franchisee purchases in connection with Franchisee's Franchised Business.

1.7. Franchisee acknowledges that Franchisor will not provide or designate locations for Franchisee. Franchisee has investigated the potential of the market area in which Franchisee is to establish and operate Franchisee's Franchised Business and the laws and regulations applicable thereto. Franchisee agrees and represents that the market area is reasonable, and the Franchise Fee represents fair consideration for the opportunity to establish and operate a Franchised Business.

1.8. Franchisee acknowledges that a Franchised Business involves hard work and sometimes long hours, similar to most small businesses that are owner operated. Franchisor has not represented that this business is going to be easy for Franchisee, Franchisee's partners, officers or directors. Franchisee must actively participate in the daily affairs of the business. Franchisee represents that Franchisee is in good health and able to devote Franchisee's full time and best efforts in the day to day operations of Franchisee's Franchised Business or that Franchisee has the business management skills necessary to successfully hire a general manager to run the day to day operations of Franchisee's Franchised Business.

1.9. Neither Franchisee, nor Franchisee's spouse, nor Franchisee's children, nor Franchisee's parents, nor anyone who has an interest in or who will manage the Franchised Business, nor any of Franchisee's partners or affiliates:

- (a) supports terrorism,
- (b) provides money or financial services to terrorists,
- (c) receives money or financial services from terrorists or institutions that support terrorists,
- (d) is engaged in terrorism, or
- (e) is on the current U.S. or Canadian government lists of persons and organizations that support terrorism as provided for by law, such as the list of "Specially Designated Nationals" and "Blocked Persons" under the "USA Patriot Act" 18 USC Section 1900 et seq.

1.10. Neither Franchisee nor any of these persons has engaged in or has been convicted of fraud, corruption, bribery, money laundering, narcotics trafficking or other crimes, and each is eligible under applicable U.S. immigration laws to communicate with and travel to the United States to fulfill Franchisee's obligations under Franchisee's agreements with Franchisor.

## 2. DEFINITIONS

As used in this Agreement, the following words and phrases shall have the meanings indicated:

2.1. "Affiliate" means any natural person or entity which, directly or indirectly, controls, is controlled by, or is under common Control with, the subject Person.

2.2. "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a natural person or an entity, or of the power to veto major policy decisions of a natural person or an entity, whether through the ownership of voting securities, by contract, or otherwise.

2.3. "Copyrighted Materials" means all brochures, advertisements, sales literature, publications, the Operations Manual (as defined below) and all other printed or copyrightable materials prepared by or for Franchisor and made generally available to Franchisees.

2.4. "Events of Default" has the meaning set forth in Section 16.1 herein.

2.5. "Franchised Business" means the licensed operation of a single Outlet providing staging and furniture sales services and ancillary activities within the Operating Territory pursuant to this Agreement.

2.6. "Marketing Territory" means the geographic area within which the Franchised Business may be advertised or marketed, as approved by Franchisor, and more specifically identified in Section 3.1 here in.

2.7. "Names and Marks" means the trade name, trademark or service mark "SET THE STAGE®" and such other or similar names, service marks, trademarks, trade names and copyrights, together with all ancillary signs, symbols, slogans, phrases, emblems, designs and

other indicia as are indicated by Franchisor and used in connection with the Franchised Business and the System.

2.8. “National Account Agreements” means customer agreements negotiated by Franchisor which because of their scope and/or size require the participation of Franchisees.

2.9. “Operating Territory” means the geographic area within which the Franchised Business is operated, as approved by Franchisor, and as more specifically identified in Section 3.1 herein.

2.10. “Operations Manual” means all written compilations of the System Standards. The Operations Manual may take the form of one or more of the following: one or more looseleaf or bound volumes; bulletins; notices; videos; CD-ROMS and/or other electronic media; online postings; e-mail and/or electronic communications; facsimiles; or any other medium capable of conveying the Operations Manual’s contents.

2.11. “Person” means a natural person or legal entity.

2.12. “Reasonable Business Judgment” means that Franchisor’s determinations or choices will prevail, even if other alternatives are also reasonable or arguably preferable, if Franchisor intends to benefit, or is acting in a way that could benefit, the System (by, for example, enhancing the value of the Names and Marks, increasing customer satisfaction, minimizing possible customer confusion as to the Names and Marks or the location of any Franchised Business, or increasing Franchisor’s financial strength). Franchisee agrees to this concept of Reasonable Business Judgment in acknowledgment of the fact that Franchisor should have at least as much discretion in administering the System as a corporate board of directors has in directing a corporation and because the long-term interests of the System and all franchisees and owners of Franchises in the System require that Franchisor have the latitude to exercise Reasonable Business Judgment. Franchisor shall not be required to consider Franchisee’s particular economic or other circumstances or to slight Franchisor’s own economic or other business interests when exercising Franchisor’s Reasonable Business Judgment. Franchisee acknowledges that: (i) Franchisor has a legitimate interest in seeking to maximize Franchisor’s profit; and (ii) the fact that Franchisor benefits economically from an action will not be relevant to showing that Franchisor did not exercise Reasonable Business Judgment. Neither Franchisee nor any third party (including but not limited to any third party acting as a trier of fact) shall substitute Franchisee’s or its judgment for Franchisor’s Reasonable Business Judgment. Franchisee agrees that, in a given situation, Franchisee has the burden of establishing, by clear and convincing proof that Franchisor failed to exercise Reasonable Business Judgment.

2.13. “System Standards” means all standards, specifications, requirements, criteria, and policies that have been and are in the future developed and compiled by Franchisor for use by Franchisee in connection with the establishing, operating, maintaining, marketing, services, service levels, quality, and quality assurance of the Franchised Business, and for advertising and accounting, whether contained in the Operations Manual or set out in this Agreement or other written communication from Franchisor.

2.14. “System” means the elements, including know-how, that Franchisor designates to distinguish a Franchised Business operating under the Names and Marks that provide to the public

a similar, distinctive, high-quality service. The System currently includes: the Names and Marks, and the System Standards; advertising, publicity and other marketing programs and materials; training programs and materials; and programs for Franchisor's inspection of the Franchised Business and consultation with the Franchisee.

2.15. "Term" has the meaning set forth in Sections 5.1 and 5.2 herein.

2.16. "Trade Name" has the meaning set forth in Section 3.4 herein.

2.17. "Trade Secrets" means all know-how, processes, techniques, and information relating to the provision of services in connection with the Franchised Business and the System.

2.18. "Transfer" means in all its forms, any sale, lease, assignment, spin-off, transfer, or other conveyance.

### 3. ESTABLISHMENT OF FRANCHISE

3.1. Grant of Franchise. Subject to all the terms and considerations of this Agreement, Franchisor hereby grants to Franchisee, and Franchisee hereby accepts, the exclusive right to operate a Franchised Business using the System during the Term within the Operating Territory, commencing on the Effective Date. Except as stated here, Franchisee may not conduct the Franchised Business outside of the Operating Territory without the prior written permission of Franchisor. The Franchisee's Operating Territory is identified on Schedule A, attached hereto and incorporated herein by this reference. Franchisees, including you, may serve customers located outside of your Operating Territory, so long as a pre-existing relationship with them was created prior to their location being situated in the territory of any other franchisee or they arise as a referral from a source arising out of your activities within your Operating Territory. You will also provide additional information and explanation for any work you perform outside of your assigned Operating Territory. You may only advertise or market your Franchised Business within your Marketing Territory. Your Marketing Territory is identified on the same Schedule A.

3.2. Grant of Licenses. Subject to the terms and considerations contained in this Agreement, Franchisor hereby grants to Franchisee, and Franchisee hereby accepts, the nonexclusive right and sub-license to use (but only in connection with the Franchised Business and the System) the Names and Marks, Trade Secrets and Copyrighted Materials (as such may presently exist or hereafter be modified or acquired by Franchisor and be licensed for use to the Franchisee) but only to the extent Franchisor has rights or may acquire rights to the same. Franchisor agrees to impart and disclose to Franchisee the Trade Secrets prior to the commencement of operations of the Franchised Business.

3.3. Reserved Rights. Notwithstanding the foregoing Sections 3.1 and 3.2:

(a) This Agreement does not limit the Franchisor's right, or the right of any of its Affiliates, to own, license or operate any other business whatsoever, whether or not under the Names and Marks;

(b) Franchisor may add, alter, delete or otherwise modify elements of the System; use or license to others all or part of the System; and use any portion of the System and Names and Marks in other businesses; and

(c) Franchisee acknowledges and agrees that Franchisee has no rights to, and will not make any claims or demands for, damages or other relief arising from or related to any of the foregoing activities, and that such activities will not give rise to any liability on Franchisor's part, including liability for claims for unfair competition, breach of any applicable implied covenant of good faith and fair dealing, or divided loyalty.

Franchisee Name. Franchisee shall display the Franchisee's Trade Name for all purposes, and on all signs, stationary, business cards, advertising materials and other media, in strict compliance with the requirements set forth in the Operations Manual.

Franchisee shall file and keep current, in the county and/or state in which Franchisee's Franchised Business is located and at such other places as may be required by law, a "fictitious name certificate" or comparable instrument, for the Trade Name. Franchisee shall not, without Franchisor's prior written approval, use any of the Names and Marks, or any form thereof in connection with (i) any corporate, partnership or other entity name or in any corporate or other entity filing with any political subdivision; (ii) any internet-related name (including a domain name); or (iii) any other business. Franchisee hereby agrees that if this Agreement is terminated for any reason, Franchisee shall immediately discontinue all use of the Trade Name.

#### 4. INITIAL FRANCHISE FEE AND FRANCHISE ROYALTY

4.1. Initial Franchise Fee. Franchisee hereby promises and agrees to pay to Franchisor an initial franchise fee (the "Initial Franchise Fee") of Fifty-Nine Thousand Five Hundred and no/100 Dollars (\$59,500.00), upon signing of this Agreement. The Initial Franchise Fee is fully-earned and is non-refundable as and when paid as consideration for the expenses incurred by Franchisor in furnishing assistance and service to Franchisee and for Franchisor's lost or deferred opportunity to franchise to others. Each franchise acquired must be open and operating within sixty days after the date of acquisition.

(a) Veteran's Discount. Prospective Franchisees who have been honorably discharged from any branch of the United States Military may qualify for a 10% reduction in the amount of the Initial Franchise Fee upon request with the initial franchise application and the submission of acceptable documentation of discharge to the Franchisor.

(b) Multiple Franchises. Franchisee may acquire additional franchises, each with its own Franchise Agreement and Operating Territory, upon approval of Franchisor and payment of the following Franchise Fees. Multi-Outlet discounts are available only for a group of franchises purchased in a single transaction.

Second Franchise acquired by Franchisee or Affiliates - \$40,000.00

Third Franchise acquired by Franchisee or Affiliates - \$35,000.00

Each additional Franchisee (over three) acquired by  
Franchisee or Affiliates -

\$30,000.00

4.2. Franchise Royalty. In addition to the Initial Franchise Fee, Franchisee hereby promises and agrees to pay to Franchisor a franchise royalty (the “Franchise Royalty”), commencing on the date of signature of the Franchise Agreement, in an amount equal to the greater of (i) 6% of Gross Revenues or (ii) the minimum monthly royalty set forth below:

# of Units of Territories	Months 1-6	Months 7-12	Months 13-24	Months 25-36	Months 37-48	Months 49-60	Months 60-72	Months 73-End
2 Units or less	\$0	\$500	\$1,000	\$1,100	\$1,200	\$1,300	\$1,400	\$1,500
3 Units	\$0	\$750	\$1,250	\$1,350	\$1,450	\$1,550	\$1,650	\$1,750
4 Units	\$0	\$1,000	\$1,500	\$1,600	\$1,700	\$1,800	\$1,900	\$2,000
5 Units or more	\$0	1,250	\$1,750	\$1,850	\$1,950	\$2,050	\$2,150	\$2,250

As used in this Agreement, the term “Gross Revenues” means all receipts or benefits of every kind and nature whatsoever received by Franchisee directly or indirectly in connection with the operation of the Franchised Business, including but not limited to, all revenue from all sources, including design income, pre-consult fees, and furniture, fixtures and other inventory sales, but does not include taxes paid by clients, credit card rebates or credit card fees. The Franchise Royalty shall be paid monthly on or before the 15th day of each calendar month based upon the Gross Revenues of the preceding calendar month.

4.3. Determination and Method of Payment of Franchise Royalty. The calculation and payment of the Franchise Royalty specified in Section 4.2 above shall be made as follows:

(a) On or before the 15th day of each calendar month Franchisee shall deliver to Franchisor a report of the financial activity of the Franchised Business for the immediately preceding calendar month. The report shall show Gross Revenues, all sales and other services performed, and such other information concerning the financial affairs of Franchisee as Franchisor may reasonably require pursuant to the Operations Manual. For purposes of this Agreement, such information shall be referred to as the “Monthly Revenues Report.”

(b) The Franchise Royalty shall be due and payable on the same date that the corresponding Monthly Revenues Report is due, and the Franchise Royalty amount will be auto-withdrawn from Franchisee’s bank account on its due date. Franchisee shall be required to complete and provide to Franchisor a Preauthorized Payments Form authorizing the auto-withdrawal, in the Form included in the Operating Manual and in the Franchisor’s Franchise Disclosure Documents. Franchisee is also required to keep a valid credit card on file with Franchisor, in case the auto-withdrawal fails or is rejected or Franchisee otherwise fails to pay the Franchise Royalty when due. Any payment made with any type of credit

card that Franchisor accepts, will be subject to a three and one half percent (3.5%) convenience fee regardless of the amount of payment.

(c) If, for any reason – including system inaccessibility, delays, or intentional or unintentional actions by the Franchisee, the Franchisee fails to deliver to Franchisor, or Franchisor is unable to obtain timely access to the Franchisee’s books, records, point-of-sale data, or other required reporting information necessary to verify the required Monthly Revenues Reports, on or before the 15th day of each month, a late charge of \$250.00 shall be assessed for each Monthly Revenues Report which is not timely delivered. Incorrect classification of revenue constitutes a violation of this Agreement and will be assessed a \$250.00 fee per incident. Franchisor reserves the right, in its sole discretion, to an immediate audit of the Franchisee’s books and records at the Franchisee’s expense.

(d) If the Franchisee fails to pay any Franchise Royalty when due, Franchisee shall be assessed a late charge equal to the lesser of ten percent (10%) of the Franchise Royalty due or, if less, the maximum late charge assessable under the laws of the state in which the Franchised Business is located.

(e) In addition to the one-time late charge referred to in subsection (d) above, all Franchise Royalties not paid when due shall bear interest from such due date of payment, both before and after judgment, at the rate equal to the lesser of twelve percent (12%) per annum or, if less, the maximum rate allowed under the laws of the state in which the Franchised Business is located.

(f) If the Franchisee fails to remedy the noncompliance and provide complete access or information within 30 days of written notice from the Franchisor, the Franchisor may treat such failure as a material breach of this Agreement and may, at its option, terminate the Franchise Agreement or take any other remedial action permitted by law or equity.

4.4. Project Support Fee. In addition to the foregoing, a special Project Support Fee will be assessed by Franchisor in connection with special projects of Franchisee for which Franchisee requests Franchisor support, such as, but not limited to, additional Franchisor assistance with proposals, templates, diagrams, vision boards, sourcing or other needs. Project Support Fees will be on a project by project basis and will be negotiated prior to any bids, estimates or proposals made by the Franchisee to their customer. Generally, it is expected that Franchisee will be able to provide necessary service to its customers without Franchisor support. Project Support Fees shall be paid with the Monthly Revenues Report for the month in which the Project Support Fee is assessed.

4.5 Access to Books and Records. Franchisee must provide real time Accounting Firm access to the Franchisor’s required financial reporting system and software (i.e. Quickbooks, or another designated or required vendor), such that Franchisor may verify or obtain the Monthly Revenues Report. Franchisee must utilize the Franchisor’s mandated Chart of Accounts and bookkeeper best practices policy as set forth in the Operating Manual. \_

## 5. TERM AND RENEWAL

5.1. Initial Term. This Agreement shall have an Initial Term commencing on the Effective Date and ending on the last day of the calendar month which is ten (10) years after the Effective Date of this Agreement, unless terminated at an earlier date as provided herein.

5.2. Renewal Terms. Subject to the terms and conditions set forth in Section 5.3 below, and upon approval by Franchisor at Franchisor's sole discretion, Franchisee may renew its franchise upon the expiration of the Initial Term or any Renewal Term for additional consecutive ten (10) year periods by giving Franchisor written notice of intent to renew at least six (6) months but not more than nine (9) months prior to the expiration date of the then current Term. Failure of the Franchisee to give such notice shall constitute an Election Not to Renew, unless the law of the state in which the Franchised Business is located provides otherwise.

5.3. Conditions to Renewal. Franchisee's renewal under Section 5.2 is subject to Franchisee's compliance with the following on the date of the notice of intent to renew and on the first day of the Renewal Term: (i) Franchisee is not in default of any provision of this Agreement or any other Franchise Agreement or any other agreement with Franchisor or its Affiliates to which the Franchisee is a party; (ii) Franchisee executes prior to the first day of the Renewal Term the then current form of Franchise Agreement being used by Franchisor, which Franchise Agreement may contain materially different terms from those contained in this Agreement; (iii) Franchisee, its Franchised Business, staging inventory, equipment and procedures meet the then current System Standards applicable to new franchisees; (iv) Franchisee pays to Franchisor prior to the first day of the Renewal Term a renewal fee of \$5,000; and (v) Franchisee executes a general release, in form acceptable to Franchisor, of any and all claims against Franchisor and Franchisor's affiliates, directors, officers, and employees. A form of the general release is included in the Operating Manual and in Franchisor's Franchise Disclosure Document.

5.4. Non-Renewal. If Franchisee makes an Election Not to Renew as provided in 5.2 above, upon expiration of the Initial Term or Renewal Term this Agreement shall continue in full force and effect on a month-to-month basis until terminated by Franchisor by delivery to Franchisee of a written notice of termination at least thirty (30) days prior to the date of such termination.

## 6. COMMENCEMENT OF BUSINESS

6.1. Prior to commencing operation of the Franchised Business, (a) Franchisee shall be required to successfully complete Franchisor's (i) Pre-Opening Training Program, and (ii) STS™ Franchisee Training Program; (b) Franchisee shall be in full compliance with all of the terms and conditions of this Agreement; and (c) Franchisee shall have established (i) a principal office as provided in the Operations Manual, at a location approved in writing by the Franchisor, which location may be in the Franchisee's home, at a commercial location in the Operating Territory, or at the Franchisee's warehouse, where the Franchisee will conduct its business operations of the Franchised Business, and (ii) a warehouse as provided in the Operations Manual, at a location in the Operating Territory and approved in writing by Franchisor, where Franchisee will store the supplies, equipment and inventory used in the Franchised Business. If Franchisee has not selected a principal office and/or warehouse, or if Franchisor has not approved in writing such principal office and/or warehouse, within six months of execution of this Agreement, either Franchisee or

Franchisor may terminate this Agreement, which termination shall have no effect upon the non-refundable nature of the Franchise Fee or any other payments made by Franchisee to Franchisor.

6.2. Prior to opening a new location, or upon the transfer of an existing location, Franchisee shall pay to Franchisor a \$15,000.00 Launch Support Fee, which will cover such things as assistance with warehouse design and build-out, network and association introductions and support, vendor set up, coaching and counseling, social media and marketing launch, and systems integration. This Launch Support Fee will be charged within ten days of the signing of the Agreement or upon the closing of a Transfer.

6.3. Franchisee will commence operation of the Franchised Business as soon as practicable after the date of this Agreement, but in any event not later than 30 days after Franchisee completes the requirements of this Article 6 and in no event later than 60 days after the date of this Agreement. Should Franchisee not open in accordance with this Article 6, Franchisee will be charged a \$1,000 per month Late Opening Fee until such Franchised Business is opened, at which time the monthly charges will revert to those set forth in Section 4 above.

6.4. Franchisor will have the right to terminate the Franchise Agreement should the Franchised Business not be opened within 180 days after the date of this Agreement.

## 7. OBLIGATIONS OF FRANCHISOR

7.1. Affiliates. Franchisor has the following responsibilities to Franchisee under this Agreement. Franchisor reserves the right to fulfill some or all of these responsibilities through one or more of its Affiliates or through unrelated third parties, or to require Franchisee to contract directly with a third party vendor should Franchisor no longer wish to provide certain services, in its Reasonable Business Judgment. Franchisor may require Franchisee to make payment for any resulting services or products directly to the provider. Franchisor makes no warranties or representations concerning the provision of such services through Franchisor or third party vendors.

7.2. Operating Territory. It is specifically understood and agreed by and between the parties to this Agreement that the grant of a franchise pursuant to this Agreement is only for the operation of one Franchised Business within the Operating Territory, as set forth in Section 3.1, and that there can be no change in the address of the Franchisee's principal office or warehouse without the prior written agreement of the parties to this Agreement. Franchisor covenants that no franchise for an additional Franchised Business, whether franchised or owned by Franchisor, will be sold within the Operating Territory. Franchisee acknowledges and agrees that each Operating Territory in which there is a Franchised Business may be different from each other Operating Territory in terms of size, population, and other factors, it being further agreed that the determination of the size, population, and other factors regarding the Operating Territory shall be established by Franchisor. Franchisee hereby waives any and all claims against Franchisor and all other current and future franchisees regarding the size, population, or other factors differentiating the area encompassing Franchisee's Operating Territory from that of other franchisees.

7.3. Specifications. Franchisor will provide an itemization of all staging inventory, including furniture and decor, all equipment and supplies, and all branded products to be used in the operation of the Franchised Business.

7.4. Pre-Opening Training. Franchisor shall provide Pre-Opening Training to Franchisee, which Franchisee will be required to successfully complete prior to Franchisee beginning operation of the Franchised Business. Franchisee will be trained in the operation of the Franchised Business. The Pre-Opening Training shall take place at the Franchisor's corporate office in South Jordan, Utah, or at such other location as may be designated by the Franchisor. This Pre-Opening training will last up to eight (8) weeks and will include participation in actual operations, familiarization with the Operations Manual and other aspects of the Franchised Business. It will include hands-on or field training to learn systems and processes, as well as the business model and franchise system standards. Franchisee shall be solely responsible for the costs of attendance at the "Setting The Stage™" Program, including, without limitation, transportation, lodging, food, and incidentals. If, for any reason, Franchisee fails to complete the Setting the Stage™ Program to the reasonable satisfaction of Franchisor, Franchisee will be responsible for any additional expenses that may be incurred by Franchisor's Trainer or Training Department to further train Franchisee.

7.5. Additional Training. Franchisor may, from time to time, offer additional training programs for Franchisees, their employees and team members, which may include a annual system-wide Summit. Attendance at the Summit may be required, as designated by Franchisor. Attendance at other additional training is voluntary. Franchisee shall be solely responsible for the costs of attendance at all additional training, including, without limitation, transportation, lodging, food, and incidentals. Franchisee shall be solely responsible for the training costs for such additional training. Training costs shall be billed at the then-current prevailing 8-hour per day rate of Franchisor's trainer. If additional training occurs at Franchisee's principal office or warehouse, Franchisee will also be solely responsible for the transportation, lodging, meals and incidentals of Franchisor's trainer. Franchisor may also require Franchisee to attend re-training if Franchisee is out of compliance with the Franchise Agreement or the Operating Manual. Such cost of retraining is \$5,000 plus the cost of all Franchisor expenses incurred in doing so.

7.6. Operational Assistance. Franchisor will provide reasonable assistance to Franchisee at Franchisee's request in operational, facilities and marketing issues encountered by Franchisee in connection with the operations of the Franchised Business. Franchisor will also make its representatives available to consult with Franchisee during the continuing operations of the Franchised Business. The Franchisee shall be responsible for paying the Franchisor's reasonable, actual costs of such assistance as determined prior to the commencement of the services. The cost for these services is up to \$300 per day plus Franchisor's reasonable, actual costs of transportation, lodging, and meals.

7.7. Operations Manual. Franchisor will provide for use by the Franchisee a copy of the Franchisor's Operations Manual, which may be hard copy or electronic format, and any revisions and updates which Franchisor and its Affiliates may make to the Operations Manual during the Term. The Operations Manual will contain mandatory specifications, standards, and operating procedures Franchisor prescribes from time to time for all of Franchisor's Franchised Businesses and information related to Franchisee's other obligations under this Agreement and to the

operation of the Franchised Business. Franchisor and its Affiliates retain the right to modify the Operations Manual at any time and in any manner they deem appropriate, in their sole discretion, provided no such modification shall alter Franchisee's rights under this Agreement and if there is a conflict between the Operations Manual and this Agreement the terms and conditions of this Agreement shall prevail. The Operations Manual is the exclusive property of the Franchisor, is provided for use by the Franchisee on a confidential basis, and will at all times be kept and maintained in a secure place at Franchisee's principal office.

7.8. Starter Package. The Starter Package includes materials used in the operation of the Franchised Business, including five (5) to seven (7) complete Furnishings Packages (including furniture, textiles, and decor), each sufficient to stage a moderate-sized space. The Starter Package also includes staging materials, staging equipment (including storage containers, totes and linen bags), staging supplies (including packing materials for up to six months), staging tool bags (including tools and supplies), basic location signage and branded team items. The introductory marketing tools, website portal and operations template are also included. The cost of your Starter Package may range from \$99,000 to \$129,000, reflecting certain variable costs, that will be determined at the time of curating and sourcing the Starter Package based on the current vendor rates as well as applicable tax, tariff, and freight shipping costs which can be calculated more particularly for your location at such time. Franchisor will provide for purchase by Franchisee, prior to the commencement of operations of the Franchised Business, a Starter Package of this form, purchase of which must be paid in full within 14 days after the signing of this Agreement.

## 8. OBLIGATIONS OF FRANCHISEE

8.1. Lease. Franchisee will obtain a principal office and an ample sized warehouse with a minimum of 1,800 square feet for the Franchised Business within the Operating Territory. Franchisee is solely responsible for, and is encouraged to consult with its own legal counsel and other advisors in connection with, the negotiation of all agreements and other contracts relating to the principal office and warehouse and improvements and modifications thereto. Franchisee shall ensure that the Lease Rider attached to this Agreement is executed by the Franchisee and the landlord for the Franchised Business contemporaneous with the execution of the lease or sublease for the Franchised Business. Franchisor shall have no responsibility to review the lease or sublease for the Franchised Business or to make any recommendations regarding the terms thereof. Franchisee shall provide Franchisor within five (5) days of execution or amendment, a copy of the lease or sublease, including the Lease Rider, and any amendments to any of the foregoing.

(a) Should a Franchisee, at any time during the term of the Franchise Agreement, wish to relocate their original warehouse space, they must submit a request to Franchisor for relocation and pay a \$500 fee ("Warehouse Relocation Fee.") Franchisor may withhold its consent for relocation in its sole discretion.

8.2. Pre-Opening Training. Franchisee will satisfactorily complete the Franchisor's Setting the Stage™ Program for training in the operation of the Franchised Business.

8.3. Starter Package. The Franchisee shall obtain from Franchisor and pay for the Starter Package of materials referred to in Section 6.8 above.

8.4. Compliance With System Standards. Franchisee will comply with the System Standards, including Franchisor's specifications for all supplies, products and services. Franchisor may require Franchisee to purchase particular supplies, products or services meeting certain standards to maintain the common identity and uniqueness of the design, furnishings and appurtenances of the services of the Franchised Business, and Franchisee will comply with such requirements. Franchisee shall purchase supplies, products, and services only from distributors and suppliers approved by the Franchisor.

8.5. Compliance With Operations Manual. Franchisee covenants to adhere to the System Standards contained in the Operations Manual. The Franchisee agrees to ensure that his copy of the Operations Manual is, at all times, current and up to date. If there is any dispute as to Franchisee's compliance with the provisions of the Operations Manual, the master copy of the Operations Manual maintained at Franchisor's principal office will control. The Franchisee will not disclose the contents of the Operations Manual to any unauthorized person.

Franchisee will not at any time copy, duplicate, or reproduce any Operations Manual or portion thereof and will not distribute, disseminate, transfer, or otherwise make the Operations Manual or any portions thereof available to any unauthorized person. Franchisee will return the Operations Manual and all portions thereof to Franchisor at the end of the Term or immediately upon termination of the Franchised Business or this Agreement for any reason. This Section shall apply to the Operations Manual and all portions thereof, regardless of form, whether hard copy, electronic or any other medium.

8.6. Compliance with Laws. Franchisee covenants to comply with all applicable statutes, ordinances, rules and regulations of federal, state and local governments and agencies thereof which in any way regulate or affect the operation of the Franchised Business, including the maintaining of a contractor's license, if required, and agrees not to engage in any activity or practice which results in violation of any such statutes, ordinances, rules and regulations or which results in or may reasonably be anticipated to result in any public criticism of the Franchisor's System or any part thereof. Franchisee shall not discriminate on the basis of race, color, religion (creed), gender, gender expression, age, national origin (ancestry), disability, marital status, sexual orientation, or military status, in any of its activities or operations.

8.7. Confidentiality. Franchisee will treat as confidential the System Standards, the Operations Manual and all other Proprietary Information. Proprietary Information means all information or materials concerning development, operation, marketing and licensing of the System, including the System Standards and the Operations Manual, whether developed by Franchisor, Franchisee or another Person. Franchisee acknowledges and agrees that it does not acquire any right or interest in the Proprietary Information other than the right to utilize the same in the development and operation of the Franchised Business under the terms of this Agreement. Franchisee agrees that it will not use the Proprietary Information in any business or for any purpose other than in the development and operation of the Franchised Business under the System and will maintain the absolute confidentiality of the Proprietary Information during and after the Term. Franchisee will not make unauthorized copies of any portion of the Proprietary Information; and will adopt and implement all procedures Franchisor may periodically establish in its business judgment to prevent unauthorized use or disclosure of the Proprietary Information, including restrictions on disclosure

to employees and the use of non-disclosure and non-competition clauses in agreements with employees, agents and independent contractors who have access to the Proprietary Information.

8.8. Conflict of Interest. Franchisee covenants that for the duration of this Agreement: (a) it shall not be employed by or have any direct or indirect financial or ownership interest in any other business providing services identical or similar to the type of Services described in this Agreement or in the Operations Manual unless such other business is operated pursuant to a Franchised Business granted by Franchisor or its Affiliates; and (b) it will require its manager and all employees to execute Franchisor's standard Non-Competition and Non-Disclosure Agreement, signed copies of which will be forwarded by Franchisee to Franchisor within one (1) week after execution of this Agreement or upon the date of employment, whichever is sooner.

8.9. Inspections. Franchisee hereby consents to reasonable inspections during normal business hours of Franchisee's principal office and warehouse at reasonable intervals by Franchisor and/or its Affiliates.

8.10. Advertising Conditions. Franchisee covenants to advertise, promote and market the Franchised Business and related services using the System Standards for all Franchised Businesses, at its cost and expense and only within the Franchisee's Operating Territory. Franchisee covenants to pay to Franchisor, upon demand, a fine of \$500.00 per violation of this condition. Franchisee will not use any advertising or promotional materials (including any materials in digital, electronic, or computerized form or in any form of media that exists now or is developed in the future) which have not been previously submitted to and approved in writing by Franchisor. Franchisee will immediately discontinue its use of any advertising or promotional material which is disapproved by Franchisor, even if previously approved. Further, Franchisee covenants that it will use only the website provided by Franchisor and that it will not maintain any other website or link to any other website relating to activities conducted in connection with this Agreement, without the express written approval of Franchisor.

8.11. Hiring and Training of Employees and Team Members. Unless trained by Franchisor or otherwise agreed to by Franchisor, Franchisee will hire, and train at Franchisee's expense, all management employees and team members of the Franchised Business. Franchisee will be solely responsible for the terms of employment and compensation of all employees and team members Franchisee employs. Franchisee will not employ anyone: (i) that a background check would suggest that such person does not adhere to the highest standards of honesty, integrity, fair dealing, and ethical conduct; or (ii) who refuses or fails to complete satisfactorily the training program of Franchisee or Franchisor. All Franchisee's employees and team members charged with management responsibilities for the day-to-day operations of the Franchised Business must either be trained by Franchisor pursuant to Section 6.4 above or otherwise trained by Franchisee to Franchisor's satisfaction. Franchisee must inform Franchisor in writing immediately on the termination of employment of any management personnel to assure appropriate training of any replacement manager(s).

## 9. SYSTEM STANDARDS AND SERVICES

Franchisee understands and acknowledges the essential nature of and that benefits inuring to the parties to this Agreement shall be derived from the uniformity of service, appearance, and quality

among all of Franchisor's Franchised Businesses. In order to maintain a uniform standard of operation and quality for all of Franchisor's Franchised Businesses and to further protect the goodwill of the same, all of which Franchisee acknowledges to be of benefit to Franchisee, the Franchisee agrees as follows:

9.1. Management and Supervision. Franchisee, at its sole cost and expense, shall provide, or shall arrange for team members or employees to provide, sufficient and proper management, supervision, and other operational oversight of the Franchised Business, in accordance with the Operations Manual, System Standards and requirements and applicable federal, state, and local laws and regulations.

9.2. Services. Franchisee will provide through the Franchised Business only those services as may be established in Franchisor's System Standards from time to time and shall not provide any services that do not conform to the System Standards, specifications, quality, or characteristics as from time to time may be prescribed by Franchisor.

9.3. System Standards of Service. Franchisee and Franchisee's team members and employees will at all times give prompt, courteous, and efficient service to customers of the Franchised Business. In all dealings with customers, suppliers, and the public, Franchisee and Franchisee's team members and employees will adhere to the highest standards of honesty, integrity, fair dealing, and ethical conduct. All Franchisee's advertising and promotion of the Franchised Business and its services will be in strict compliance with these standards, will be completely factual, and will reflect the high standards of Franchisor's service. Franchisee agrees to refrain from any business or advertising practice that may be injurious to the goodwill associated with the System, including the Names and Marks. Franchisee agrees that Franchisee will adhere to the Franchisor's System Standards for the operation of the Franchised Business. Franchisee will respond promptly to all inquiries and complaints in order to achieve customer satisfaction. Franchisee acknowledges that it may be necessary or desirable to change or modify the System and the methods and procedures Franchisee uses to conduct the Franchised Business, and upon notice from Franchisor, Franchisee will promptly implement such changes and modifications at Franchisee's cost. Franchisee agrees to comply with all of Franchisor's specifications, standards, and operating procedures related to the operation of Franchisee's Franchised Business as prescribed from time to time in the Operations Manual.

9.4. Use of Materials Imprinted with Names and Marks. Franchisee agrees that the proper display of the Names and Marks is important to the public recognition of the System and, as a result, to the growth of Franchisee's Franchised Business and the Franchised Business of Franchisor's other franchisees. As a result, Franchisee agrees to use only such printed materials, including letterheads, checks, invoices, signs, and other promotional material, as comply with the Franchisor System Standards, as prescribed from time to time.

9.5. Furnishings, Equipment, and Inventories. Franchisee covenants that there shall be used in providing services through the Franchised Business only such furnishings, equipment, and inventories as shall comply with the specifications and System Standards prescribed by Franchisor from time to time. Franchisor may also prescribe that furnishings, equipment, and inventories must be purchased from approved suppliers, including Franchisor.

9.6. Pricing. Franchisee has the sole right to determine the prices charged for products and services sold through the Franchised Business, except for National Account Agreements for which prices shall be set by Franchisor.

9.7. Management/Conflicting and Competing Interests. Franchisee will directly manage the Franchised Business at all times, except for minor, temporary absences and reasonable vacations, in which case fully-trained management personnel will directly manage the Franchised Business. Franchisee agrees that Franchisee will at all times faithfully and diligently perform Franchisee's obligations hereunder, that Franchisee will continuously devote Franchisee's full-time attention, energy, and best efforts to promote and enhance the Franchised Business, and Franchisee will not engage in any business or other activity that will conflict with Franchisee's obligations hereunder. If you are an individual, you must directly perform or supervise the operation of the Business unless we consent otherwise. If you are not a United States citizen, you must obtain and maintain an immigration status that will allow you to live and work in the United States for the initial term of the Franchise Agreement and for the length of any renewal term of the Franchise Agreement. If you do not have or maintain the required status, the Franchise Agreement will immediately expire by its terms with no further notice or opportunity to cure and we will have no liability to you, and no refund of any fees will be made. However, you will remain bound by all post-termination obligations in the Franchise Agreement, including all obligations regarding noncompetition, de-identification, confidentiality, and indemnification.

9.8. Operation of Business. Franchisee acknowledges the operation of Franchisee's Franchised Business is a full-time occupation and, therefore, Franchisee agrees that Franchisee will not, during the Term of this Agreement, without Franchisor's written approval, have any interest as an owner (except of publicly traded securities), lender, director, officer, employee, consultant, representative, or agent, or in any other capacity, in any other business that is similar to the Franchised Business, except other franchises of Franchisor. If Franchisor provides prior written approval of a candidate to take the place of Franchisee as a Manager, then these obligations of Franchisee may be delegated to such Manager. Otherwise, these obligations are non-delegable.

9.9. Vehicles Used in Franchised Business. Franchisee, at its sole cost and expense, will ensure that all vehicles used in connection with the operation of the Franchised Business, are clean, free of body damage, registered, licensed, insured, of recent vintage, and of a conservative type and color. Any vehicle which displays a Name or Mark or logo incorporating the same shall comply with the foregoing requirements at all times.

9.10. Technology Requirements. Franchisee, at its sole cost and expense, will:

- (a) Utilize, subscribe, pay for, install, maintain, update and upgrade Franchisee's computer systems and technology to meet the requirements necessary to run the System as prescribed from time to time in the Operations Manual or in Franchisor's System Standards;
- (b) assure that Franchisee and each of Franchisee's team members owns a Smartphone capable of operating software and apps prescribed from time to time in the Operations Manual or in Franchisor's System Standards;

(c) will subscribe to, activate and pay for Franchisee and each of Franchisee's team members any software prescribed from time to time in the Operations Manual or in Franchisor's System Standards, including accounting software, point-of-sale or payment processing services or software, the Set The Stage Operations App (STS App) that includes inventory management and customer relations. The STS App currently have a combined subscription fee of \$40.00 per month for two users. Other software will have costs as established with the vendors that are designated or approved, which Franchisee agrees to pay. Franchisee shall pay the hosting fee, as set from time to time by the host, for its managers, team members and employees; and

(d) subscribe to a WeSetTheStage.com email account for the Franchisee, its Affiliates and each of its team members and shall pay to the Franchisor a \$42 per month subscription fee for two users.

9.11. Compliance with Laws. Franchisee will comply with all laws (federal, state, and local) applicable to the operation of Franchisee's Franchised Business, including, without limitation, all wage and hour laws, labor department, workers compensation and unemployment laws and rules.

9.12. Annual Review. To provide consistent service standards, Franchisee agrees that Franchisor or its designated representative may visit Franchisee's location, at least once each year, to conduct an Annual Review and work with Franchisee, its team members and Franchisee's employees for a period of time not to exceed one week per visit and Franchisee agrees to make himself and his employees available to Franchisor and to provide any items Franchisor may request to be made available during that time period. Franchisee will be responsible for reasonable, actual costs of transportation, lodging, meals for Franchisor or its designated representative, plus wages of the designated representative not to exceed \$37.50 per hour of time spent with Franchisee for this Annual Review.

9.13. National Account Agreements. Franchisee may participate at the invitation of Franchisor in any national account project agreements, at a compensation agreed to by the Franchisor and the Franchisee, where Franchisor provides structure for the governance of work that may be generated in operating territories outside the Franchisee's Operating Territory. Such National Account Policy Agreement is attached hereto as Exhibit I.

## 10. INSURANCE AND INDEMNIFICATION

10.1. Insurance. Franchisee will procure, and maintain in full force and effect throughout the Term, the following insurance:

(a) Insurance on the generally accepted "all risk" form insuring all personal property, leasehold improvements, and assets of every description and kind Franchisee may use in the Franchised Business, for the full insurable value thereof;

(b) Commercial general liability insurance with a limit of not less than \$1,000,000 per occurrence (combined single limit for bodily injury and property damage) with respect to the activities Franchisee and any team member, employee or other person performing work on Franchisee's behalf conducts;

(c) Automobile liability insurance with limits of not less than \$1,000,000 per accident for all owned, hire, and non-owned vehicles Franchisee, Franchisee's employees, or any other person performing work on Franchisee's behalf operate; and

(d) Workers' compensation insurance as required by state law, and employers' liability insurance with limits of not less than \$100,000 per person.

10.2. Policy Terms. All such insurance policies will be written by responsible insurers licensed to conduct business in the Operating Territory, will name Franchisor as an additional insured (on a primary, non-contributory, basis), and will provide that Franchisor receive thirty (30) days' written notice prior to termination, expiration, or cancellation. At least ten (10) days before Franchisee begins operation of the Franchised Business, and annually thereafter, Franchisee will submit to Franchisor a copy or certificate or other acceptable proof of such insurance. During the Term, Franchisor may increase the minimum insurance limits from time to time and require different or additional kinds of insurance to reflect changes in insurance standards, normal business practices, court awards, and other relevant circumstances. If Franchisee at any time fails or refuses to maintain in effect any insurance coverage required by this Agreement, Franchisor may, at Franchisor's option and in addition to Franchisor's other rights and remedies under this Agreement, obtain such insurance coverage on Franchisee's behalf, and Franchisee will promptly execute any applications or other forms or instruments required to obtain any such insurance and, on demand, reimburse Franchisor for any and all costs or expenses Franchisor incurs and premiums Franchisor pays related to such insurance.

10.3. Notice of Claims. In the event any claim, demand, action or proceeding is brought against Franchisee or his property, or if Franchisee is notified of any violation of an applicable rule or statute, Franchisee will immediately notify Franchisor thereof, giving full particulars, and at its sole expense will diligently and expeditiously defend, compromise, cure or satisfy such claim, action, demand, proceeding or violation in Franchisee's sole discretion. Franchisee shall, in all respects, strive to uphold the System Standards and goodwill created by the System and associated with the Names and Marks, Trade Secrets and Copyrighted Materials.

10.4. Indemnification By Franchisor. Franchisor agrees to indemnify Franchisee against and to reimburse Franchisee for all damages for which Franchisee is held liable, and all costs Franchisee reasonably incurs in the defense of any such claim brought against Franchisee, in any proceeding arising out of:

(a) Franchisee's proper use of the Names and Marks in accordance with this Agreement;

(b) False representations or warranties Franchisor made; or

(c) The negligent or willful acts or omissions of Franchisor or Franchisor's directors, officers, employees, or agents under this Agreement.

Franchisor will have the right to participate in, and to control, any litigation or proceeding related to the claim, including the right to compromise or settle such litigation or proceeding, to the extent that Franchisor deems necessary or advisable. As a condition of this indemnification, Franchisee

must timely notify Franchisor of a claim subject to indemnification and have otherwise complied with this Agreement.

10.5. Indemnification By Franchisee. Franchisee agrees to indemnify, defend, and hold harmless Franchisor, Franchisor's affiliates, directors, officers, shareholders, employees, and agents, and the successors and assigns of Franchisor and any of them, against, and to reimburse Franchisor and them for, all loss, claims, or obligations that are related to or are based on Franchisee's acquisition, management, or operation of the Franchised Business; including, without limitation:

- (a) Franchisee's breach of any provision contained in this Agreement or any other agreement between Franchisee and Franchisor or any of Franchisor's affiliates;
- (b) Acts, errors, or omissions of Franchisee or any of Franchisee's agents, servants, employees, contractors, partners, affiliates, or representatives;
- (c) Franchisee's violation, breach, or asserted violation or breach of any federal, state, or local law, rule, ordinance, regulation, standard, or directive, or of any industry standard;
- (d) Franchisee's taxes, liabilities, costs, or expenses related to the Franchised Business;
- (e) Any advertising or promotional material distributed, broadcast, or in any way disseminated by Franchisee or on Franchisee's behalf, unless Franchisor has produced such material or approved it in writing in advance; and
- (f) The negligent operation of the Franchised Business.
- (g) In any unfortunate event of local, national or global pandemics, natural disasters, economic failures that adversely affect business practices and operations, Franchisor and all of its Affiliates are held harmless by Franchisee.

For purposes of this indemnification, "loss, claims, or obligations" will include, without limitation, all loss, losses, damage, damages (whether compensatory, exemplary, or punitive), fines, charges, costs, lost profits, attorneys' fees and costs, accountants' fees, expenses, court costs, settlement amounts, judgments, expert witness fees, other litigation expenses, and travel and living expenses. Franchisor will have the right to defend any such claim against Franchisor in such manner as Franchisor deem appropriate in Franchisor's Reasonable Business Judgment. This indemnification will survive the termination of this Agreement.

## 11. PROPRIETARY INFORMATION

11.1. Ownership and Use of Modifications and Alterations to System. Franchisee acknowledges and agrees that as among Franchisor, its Affiliates and Franchisee, all modifications and alterations to the System, whether or not incorporated into the System and whether made by Franchisor, its Affiliates or Franchisee, are validly and exclusively owned by Franchisor, and Franchisee has only the nonexclusive right to use such modifications and alterations during the Term of this Agreement.

11.2. Ownership and Use of Names and Marks, Trade Secrets and Copyrighted Materials. Franchisee acknowledges and agrees that the Names and Marks, Trade Secrets and Copyrighted Materials are validly owned by Franchisor and that Franchisee has only the nonexclusive right to use such Names and Marks, Trade Secrets, and Copyrighted Materials as provided in this Agreement. Franchisee further acknowledges and agrees that Franchisor's rights to the Names and Marks, Trade Secrets and Copyrighted Materials are acquired by license from an Affiliate. Franchisee further acknowledges and agrees that all trademarks, service marks, trade names and copyrights, together with all ancillary signs, symbols, slogans, phrases, emblems, designs and other indicia developed by or for Franchisee for use in connection with the System are the sole and exclusive property of Franchisor and may be used by Franchisee only during the Term of this Agreement. Immediately upon termination or expiration of this Agreement, the Franchisee shall cease and desist from using said Names and Marks, Trade Secrets and Copyrighted Materials and shall return to Franchisor or destroy, at the Franchisor's election, all documents, instructions, displays, and advertising items and the like relating to the Names and Marks, Trade Secrets and Copyrighted Materials.

11.3. Confidential Information. Franchisee acknowledges that Franchisee's knowledge of the operation of Franchisee's Franchised Business and the particulars of the System is derived solely from information Franchisor discloses to Franchisee pursuant to this Agreement, the training Franchisor provides, the Operations Manual, all information obtained from any password protected website operated by Franchisor and otherwise in connection with Franchisee's use of the System (the "Confidential Information"). Franchisee acknowledges and agrees that the Confidential Information is a valuable asset of Franchisor, is proprietary, includes trade secrets, and is disclosed to Franchisee solely to benefit the Franchised Business. Franchisee agrees that Franchisee will not use the Confidential Information in connection with any other business and to maintain its secrecy and confidentiality during the Term and thereafter. In addition, Franchisee agrees not to copy, reproduce, disseminate, or otherwise disclose the Confidential Information, except with Franchisor's written consent, to Franchisee's employees or others to the extent necessary for them to operate the Franchised Business, and will take all necessary action to prevent the unauthorized use of, or access to, the Confidential Information. Finally, Franchisee agrees that Franchisee acquires no interest in the Confidential Information other than the right to use it in the operation of the Franchised Business. Any litigation costs required to protect the proprietary information and Names and Marks within Franchisee's Operating Territory are Franchisee's responsibility when they arise out of or result from Franchisee's actions or statements that disclose Confidential Information without authorization from Franchisor. This litigation may be directed by Franchisor but paid for by Franchisee. Franchisee is required to undertake reasonable safeguards to assure that anyone to whom Confidential Information needs to be disclosed for performance of their role or responsibilities with Franchisee holds such Confidential Information under substantially similar protections as those to which Franchisee covenants to abide in this section. If one of Franchisee's employees or team members violates the non-disclosure or non-compete agreement, Franchisee must take legal action against that employee or team member at Franchisee's cost, such as directed by Franchisor.

11.4. Ownership and Use of Goodwill.

(a) Ownership of Goodwill. Franchisee acknowledges and agrees that any and all goodwill associated with the System, the Names and Marks, Trade Secrets and

Copyrighted Materials, including any goodwill that might be deemed to have arisen through Franchisee's activities such as (without limitation) customer lists, referral partner lists, and business records, shall inure directly and exclusively to the benefit of, and be owned solely by, Franchisor, except as otherwise provided herein.

(b) Preservation of Goodwill. Franchisee acknowledges and agrees that valuable goodwill is attached to the System, the Names and Marks, Trade Secrets and Copyrighted Materials and that it will use the same solely in the manner prescribed by Franchisor, and will operate the Franchised Business and provide the services under the Names and Marks, Trade Secrets and Copyrighted Materials in strict accordance with the System, terms and conditions of this Agreement, the Operations Manual and other System Standards established by Franchisor from time to time.

11.5. Web Sites. For purposes of this Section, "Site(s)" means domain names, the World Wide Web, the Internet, computer network/distribution systems, or any other electronic communications sites or means.

(a) Franchisee may not register, own, maintain or use any Sites that relate to the System or that include any of the Names and Marks. The only domain names, Sites, or Site contractors that Franchisee may use relating to the System or this Agreement are those which Franchisor assigns or otherwise approves in writing. Franchisee acknowledges that it may not, without a legal license or other legal right, post on its Sites any material in which any third party has any direct or indirect ownership interest. Franchisee must incorporate on its Sites any information Franchisor requires in the manner Franchisor deems necessary to protect its Names and Marks.

(b) Any use of the Names and Marks on any Site must conform to Franchisor's System Standards. Given the changing nature of this technology, Franchisor reserves the right to withhold its approval, and to withdraw any prior approval, and to modify its requirements.

## 12. ADVERTISING AND PROMOTION

12.1. Advertising & Promotion Fees. Franchisor may assess an Advertising & Promotion Fee of up to 2% of Gross Revenues due monthly per the same payment schedule as the Royalty Fees.

12.2. Advertising Group. Some franchisees may form a group to pool additional funds to market to particular demographics (typically within a particular region), Franchisor encourages Franchisee to participate in such group marketing efforts.

12.3. Franchisee's Name and Photograph. Franchisee hereby grants Franchisor the right, without compensation to Franchisee, to use Franchisee's name, address, photograph, and biographical information in any publication related to the System, including in relation to the sale of other Franchised Businesses of Franchisor.

12.4. Internet Advertising. Franchisor does not allow Franchisee to create a website for Franchisee's Franchised Business. Franchisor does provide, through its own public Website, the opportunity for each franchisee to have their contact information published and any portal specific for that Franchisee.

12.5. Social Media Marketing. It is permitted for a Franchisee to promote their business on Social Media platforms within the guidelines and criteria that are set forth in the Operations Manual. All advertising materials, whether or not on social media platforms, must be approved in advance of publication by Franchisor.

### 13. REPORTS AND RECORDS

13.1. Bookkeeping, Accounting and Records. Franchisee will maintain accurate financial records or employ a qualified bookkeeping service to maintain bookkeeping, accounting, sales and marketing records and all general record-keeping systems for the Franchised Business. Franchisee will retain items that include but are not limited to: Invoices, timecards, customer lists, Job Order Forms, Job Tracker Spreadsheet, Special Project Agreements, bids, contracts, payroll records, bank deposit receipts, Venmo records, project contracts with customers, notices sent from Franchisor, equipment maintenance records and federal and state income tax returns. Franchisee will keep such documents at Franchisee's principal office throughout the Term of this Agreement, including renewals, or a minimum of 10 years, whichever is longer, and thereafter will keep Franchisor advised of their location. Franchisee may be required to provide names and contact information for all customers as part of Franchisee's regular monthly reporting. Access to all sales information (sales software programs, spreadsheets, and all other forms of customer data and information and notes) must be available to Franchisor upon request at any time.

13.2. Systems. Franchisee will use QuickBooks Online, or any other system as required by Franchisor, to manage Franchisee's accounting and financial records. No other accounting software may be used unless approved by Franchisor. Franchisor will assist Franchisee in the set up of Franchisee's account upon starting Franchisee's Franchised Business and Franchisee agrees to utilize Franchisor's required chart of account. Franchisee's accounting records must be maintained weekly including purchases, receipts, invoices, bills, payroll, etc. Franchisor must be given full read only access to Franchisee's QuickBooks Online account to determine royalties to charge, audit Franchisee's records, and to audit Franchisee. If Franchisee is not accurately accounting for transactions and Gross Revenues in QuickBooks Online, Franchisee will be required to receive additional mandatory training at Franchisee's expense. Any significant changes (i.e. account information, login/passwords, subscription level, etc.) must be approved and reported to the Franchisor within 10 days of change.

13.3. Reports and Tax Returns. Franchisee will furnish to Franchisor, at the times and in a form Franchisor prescribes from time to time:

- (a) A complete and properly filled out Monthly Revenues Report, as defined in Section 3.3 above, for each month. The report for the prior month must be transmitted so Franchisor receives it within 15 days of the close of each month. The report must be submitted before 5:00 PM MST on the 15<sup>th</sup> day of the subsequent month. Any reports submitted past 5:00 PM MST are considered late. The report must account for all revenue invoiced in the reporting month using general accounting accrual method/practice. The report must contain the name, complete contact information, dollar amount invoiced, identified service(s) and/or product(s) sold (package type, furnishings, suppliers), and date service was completed, or products sold for each customer. Franchisor may also require additional information to be provided as part of this reporting upon request. To facilitate the

transmittal of these reports, Franchisee agrees to comply with reasonable operating procedures Franchisor establishes and to send reports using modern technology to communicate with Franchisor;

(b) An exact copy of all returns, schedules, extensions, reports and/or amendments Franchisee files for federal and state income, corporate, or sales tax purposes, on the 20<sup>th</sup> of April each year. If Franchisee filed for a tax extension beyond April 15<sup>th</sup>, Franchisee must provide a copy of the tax extension, provide a written timeline of when Franchisee's taxes will be filed, and provide Franchisor a copy of Franchisee's filed tax return within 5 business days of submitting Franchisee's tax return to Federal and State agencies. Differences in Gross Revenue on Franchisee's tax return and what Franchisee had reported in Franchisee's monthly reporting are not allowed. Any differences in the tax return and Franchisee's reporting to the Franchisor are subject to an audit by the Franchisor or a hired company chosen by the Franchisor at the cost of the Franchisee. Failure to pay taxes or submit tax returns or differences in reported and tax revenue could result in immediate termination of the Franchise Agreement.

(c) A copy of Franchisee's annual ACORD Certificate of Insurance or other acceptable form of verification from Franchisee's insurance carrier showing proof of all insurance coverage required pursuant to this Agreement;

(d) A detailed list of customers, which includes name, phone number, email address, mailing address, type of entity, all notes on customer and work completed for customer; and

(e) The number of all vacant home staging packages, model/parade home staging packages, vacation nightly rental packages, Pre-Listing Consultations, Love Your Space Consultations, furniture and decor sales (as defined during training and in the Franchisor's Operations Manual) constitute the total Gross Revenue amount for each customer.

13.4. Inspections and Audits. The accounts, books, records, and tax returns of the Franchisee shall be open for inspection, examination and audit by Franchisor and its authorized representatives at all times. Any such inspection, examination or audit shall be at the requesting party's cost and expense unless (i) the same is necessitated by Franchisee's failure to prepare and deliver its data, reports and statements required hereunder, (ii) the same is necessitated by Franchisee's failure to keep and preserve records as hereinabove provided, or (iii) such inspection discloses that any such data, report or statement made and delivered by Franchisee is in error to an extent of two (2%) percent or more, in any of which events, such cost and expense shall be borne and paid by Franchisee, who shall reimburse Franchisor, as the case may be, immediately upon demand.

13.5. Information from Others. Franchisee hereby authorizes Franchisor to make reasonable inquires of Franchisee's bank, bookkeeper, accountant, tax preparer, suppliers, and trade creditors, concerning the operation and business affairs of Franchisee's Franchised Business, and hereby direct such persons and companies to provide to Franchisor with such information and copies of any such documents Franchisor may request. Failure to do so within 15 days constitutes a violation of this agreement and is subject to termination.

## 14. RESTRICTIVE COVENANTS

14.1. Covenant Not to Compete. In express consideration for this Agreement, and subject to applicable state law, if this Agreement either expires and is not renewed, or is terminated prior to its designated expiration date by Franchisor in accordance with the provisions of this Agreement or by Franchisee without cause, Franchisee agrees that for a period of two (2) years, commencing on the earlier of: (i) the effective date of any injunction or other court order against Franchisee barring Franchisee from conducting the Franchised Business and using the Names and Marks; or (ii) the date on which Franchisee cease to conduct the Franchised Business, Franchisee will assure that Franchisee and Franchisee's owners, shareholders, partners, directors, officers, affiliates, and agents, will not directly or indirectly participate or have any interest as owner (except up to a 5% ownership interest in publicly held corporations registered under the Securities Exchange Act of 1934), partner, director, officer, lender, employee, consultant, representative, immediate family member, franchisee, franchisor, distributor, advisor or agent or serve in any other capacity, in any other business engaged directly or indirectly in the offer, sale, internet dissemination, or promotion of home staging or any business that offers products or services that are essentially the same as, or substantially similar to, the products and services that are part of the Franchisor's System (a "Competitive Business"), nor will Franchisee influence or attempt to influence Franchisee's customers or former customers to divert their business from Franchisor or another Franchised Business of Franchisor. This covenant applies within a 50-mile radius of your franchised business or of any other franchised business licensed by Franchisor and in operation at the time your agreement expires or is terminated.

If all or any portion of a covenant in this Section 14.1 is held unreasonable or unenforceable by a court, agency, or other tribunal having valid jurisdiction in an unappealed final decision to which Franchisor are party, Franchisee agree to be bound by any lesser covenant that imposes the maximum duty permitted by law, as if the resultant covenant were separately stated in and made a part of this Section 14.1. Furthermore, Franchisee acknowledges and agrees that Franchisor will have the right, in Franchisor's sole discretion, to reduce the scope of any covenant contained in this Section 14.1 without Franchisee's consent, effective immediately on Franchisee's receipt of written notice, and Franchisee agrees that Franchisee will comply forthwith with any covenant so modified.

14.2. Nondisclosure. During the Term of this Agreement or thereafter, the Franchisee shall not, and if Franchisee is a corporation or other legal entity, its officers, directors, shareholders, partners, managers, members shall not, communicate or divulge to or use for the benefit of any person, corporation or other legal entity, any Trade Secrets or other information or knowledge concerning the methods of operation and promotion of the Franchisor's System, or used for or employed by Franchisor in and about its business and which may be communicated to such person, or which such person may be apprised of by virtue of its operation under the terms of this Agreement, nor will such person do any acts prejudicial or injurious to the goodwill of Franchisor.

14.3. Other Employment. During the Term of this Agreement and for a period of two (2) years after Transfer, termination or expiration of this Agreement for any cause, the Franchisee shall not, and if Franchisee is a corporation or other legal entity, its officers, directors, shareholders, partners, managers and members shall not, in any capacity, directly or indirectly, except with the written consent of Franchisor, enter the employment of, or render services to, any other Person engaged

in any business which is the same or substantially similar to the type of business covered by this Agreement or delivering services that are the same as or substantially similar to the Services in any location for which any of the Names and Marks is registered, nor engage in such business on their own account, or become interested therein, directly or indirectly, as an individual, partner, member, officer, director, shareholder or in any other relation or capacity whatsoever.

## 15. ASSIGNMENT, TRANSFER, AND ENCUMBRANCE

15.1. By Franchisor. This Agreement is fully assignable by Franchisor in whole or in part, and will inure to the benefit of and be binding on any assignee or other legal successor to Franchisor's interest in this Agreement; provided, however, Franchisor will not assign this Agreement to any party unless Franchisor, in Franchisor's Reasonable Business Judgment, determines that such party is able to perform all Franchisor's obligations set forth in this Agreement.

15.2. By Franchisee. Franchisee will not assign, pledge, or encumber this Agreement or the Franchised Business without prior written approval of Franchisor. Any Transfer in violation of this Article 15 shall be an Unauthorized Transfer. This Agreement and the Franchised Business are personal to Franchisee and, except as provided in Section 15.3 below, neither this Agreement nor any part of the ownership in the Franchised Business may be voluntarily or involuntarily, directly or indirectly, assigned, subdivided, sub-franchised, or otherwise transferred by Franchisee (including, without limitation, any such attempted transfer by Franchisee's personal representatives in the event of Franchisee's death, or by will, declaration of trust, or the laws of intestate succession) without Franchisor's prior written approval, which approval Franchisor may grant in its sole discretion. If Franchisor grants such approval, it will be conditioned on the following:

- (a) Franchisee paying Franchisor all amounts due under this Agreement. Franchisee paying the Franchisor a transfer fee equal to the greater of (i) \$15,000.00 or (ii) 5% of the gross sale or transfer price. The transfer fee, which will include, but not be limited to, reasonable attorneys' fees actually incurred, the cost of investigating the transferee, and Franchisor's administrative expenses, including employee salaries, sales staff commissions, travel costs, telephone charges, and out-of-pocket costs, properly attributable to the transfer, the cost of training the transferee, which will include, but not be limited to, the transportation, food, lodging, salary expenses, and benefit costs of Franchisor's employees involved in such training;
- (b) The transferee executing Franchisor's then-current form of franchise agreement and which may contain financial terms different from those contained in this Agreement. The transferee will also execute such other documents as Franchisor then customarily uses to grant franchises;
- (c) Franchisee executing a general release, in form Franchisor prepares, of any and all claims against Franchisor and Franchisor's affiliates, directors, officers, shareholders, employees, and agents, and the successors and assigns of Franchisor and any of them;
- (d) Franchisee executing a non-competition agreement that is consistent with Section 15.4 above, and which will provide that; (i) Franchisee will not for a period of two (2) years

after the transfer have any interest or involvement, directly or indirectly, in any similar business; and (ii) Franchisee will not influence or attempt to influence Franchisee's former or existing customers to divert their business from Franchisor or another franchisee;

(e) The transferee purchasing all of Franchisee's assets used in the Franchisee's Franchised Business;

(f) The transferee being a Person (whether individual or entity) having adequate financial resources who will have completed Franchisor's then-standard Pre-Opening Training for franchisees, and who Franchisor determines in Franchisor's Reasonable Business Judgment is otherwise capable of operating a franchise;

(g) Compliance by Franchisee and the transferee with such other requirements as Franchisor deems appropriate in Franchisor's Reasonable Business Judgment;

(h) Written notification of at least 30 days identifying whom Franchisee wishes to sell and/or transfer to;

(i) Review and approval of the terms of the sale or transfer to another person by Franchisor. Minimum of 10 days for Franchisor to review such sale or transfer;

(j) Approval of entity or person Franchisee wishes to sell to. They will be required to do several things, including but not limited to, completing a franchise application, receiving a credit check, and going through Franchisor's screening process.

15.3. Assignment to Entity. A Franchisee who is an individual may assign this Agreement without charge, once only, to a newly-formed entity that will conduct no business other than the Franchised Business, which Franchisee actively manages, and in which Franchisee owns and controls all of the equity and voting power. Such assignment will not relieve Franchisee of Franchisee's personal obligations to Franchisor under this Agreement. To effectuate this assignment, Franchisee and Franchisee's entity will execute Franchisor's then-current form of Entity Assignment Agreement.

15.4. Transfer Among Franchisees. In the event that Franchisee consists of two or more individuals, Franchisor will not unreasonably withhold Franchisor's consent to a sale, assignment, or transfer of any kind (a "Transfer") of the interest of one Franchisee under this Agreement (the "Transferor") to the other or others (whether one or more, the "Transferee"); provided, however:

(a) The Transferor must transfer all of his or her interest in this Agreement;

(b) The Transfer will not relieve the Transferor of his or her obligations under this Agreement to Franchisor;

(c) The Transfer will be completed in accordance with all applicable bulk sales legislation;

(d) The Transferor will give Franchisor at least thirty (30) days' prior written notice of the proposed Transfer together with all details of the Transfer that Franchisor request; and,

(e) The Transferee is capable, in Franchisor's Reasonable Business Judgment, of operating the Franchised Business without the Transferor.

15.5. Franchisee's Death or Incapacity. On Franchisee's death or permanent incapacity, Franchisee or Franchisee's estate may assign this Agreement and the Franchised Business to Franchisee's spouse, or to any one or more of Franchisee's adult children, on the same terms and conditions as Franchisee is permitted to assign this Agreement to a third-party transferee pursuant to Section 15.2 above. For the purposes of this Agreement, "death or permanent incapacity" will be deemed to have occurred if, due to mental or physical infirmity, Franchisee fail to participate actively in the Franchised Business for a total of ninety (90) days at any time or times throughout any 365-consecutive-day period. Your estate or representative must complete this assignment within 6 months after your death or disability or your franchise may be terminated.

15.6. Franchisor's Right of First Refusal. If Franchisee determines at any time to sell the Franchised Business or an ownership interest in the Franchised Business, Franchisee will obtain a *bona fide* executed written offer to purchase the Franchised Business and all assets Franchisee uses in the Franchised Business from a responsible and fully-disclosed purchaser, and will submit an exact copy of such offer to Franchisor. Franchisor will, for a period of twenty (20) days from the date Franchisor receives such documented offer, have the right, but not the obligation, exercisable by written notice to Franchisee, to purchase all of the Franchised Business and its assets for the price (minus any sales commission that would have been payable as a result of the proposed sale and on the terms and conditions contained in such offer); provided, however, Franchisor may substitute cash for any other form of consideration proposed in such offer. Franchisor may deduct from the purchase price any unpaid debts Franchisee owes Franchisor and may pay out of the purchase price any of Franchisee's unpaid trade creditors. If Franchisor does not exercise Franchisor's right of first refusal, Franchisee may complete the sale of the Franchised Business to such purchaser on the same terms as offered to Franchisor, subject to the provisions of Section 15.2 of this Agreement. If the sale to such purchaser is not completed within sixty (60) days after delivery of such offer to Franchisor, or if the purchaser makes any proposed material modifications to the offer, Franchisor will again have the right of first refusal set forth in this Section 15.6.

15.7. Franchisor's Temporary Operation of Business. In the event that Franchisee:

(a) Fails to conduct the Franchised Business during the hours of business Franchisor specifies;

(b) Abandons the Franchised Business; or

(c) Dies or becomes permanently incapacitated (as described in Section 15.5 above), and Franchisee or Franchisee's estate, as the case may be, fail to assign this Agreement by means of an assignment (with Franchisor's approval) pursuant to Sections 15.2 or 15.5 of this Agreement;

(d) Then unless and until Franchisor terminates this Agreement pursuant to Section 14 hereof, Franchisor may enter the Operating Territory and operate and manage the Franchised Business for Franchisee or Franchisee's estate's account until this Agreement is terminated or assigned to a party acceptable to Franchisor, or until Franchisee resumes

control over the Franchised Business and operates it in accordance with this Agreement; provided, however, no such operation and management by Franchisor will continue for more than ninety (90) days without Franchisee's written consent or the written consent of the representative of Franchisee's estate. In the event that Franchisor so operates the Franchised Business, Franchisor will account to Franchisee or Franchisee's estate for all net income from such operation, less the reasonable expenses Franchisor incurred in and for, Franchisor's operation of the Franchised Business.

15.8. Launch Support Fee. Upon transfer to a new franchisee (not including in those scenarios as set forth in Section 15.5 above), the new franchisee will pay to Franchisor, a \$15,000 Launch Support Fee, plus any travel expenses incurred by Franchisor, to provide onboarding training and a site visit for the transferred location. Such fee must be paid at the time of Transfer.

## 16. BREACH AND TERMINATION

16.1. Events of Default. The following, subject to the notice requirements of Section 16.2 below, shall constitute "Events of Default":

- (a) Any monies payable by Franchisee to Franchisor are not paid as and when due and payable;
- (b) There shall be any failure or omission in the full and faithful performance and observance of any of the terms, conditions and limitations of this Agreement on Franchisee's part to be performed or observed (other than the payment of monies);
- (c) There shall be filed by or against Franchisee, in any court pursuant to any statute, either of the United States or any state, a petition for any relief under the Federal Bankruptcy Act or for reorganization or for the appointment of a receiver or trustee for the property of Franchisee, which is not vacated within a period of twenty (20) days, or Franchisee shall be adjudicated bankrupt or insolvent within the meaning of insolvency in either Bankruptcy Act proceedings or equity proceedings, or shall make a general assignment for the benefit of creditors, or, admit in writing its inability to pay its debts as they mature, or, as debtor, take the benefit of the provisions of any debtor relief act, whether now or hereafter enacted;
- (d) Franchisee by its action or inaction, effects an incident which may reasonably be expected to materially impair the goodwill associated with the Names and Marks;
- (e) Franchisee commits any act which constitutes good cause for termination as determined under the law of the state in which the Franchised Business is operated.
- (f) Franchisee shall engage in any Unauthorized Transfer as provided in Section 15.2 of this Agreement;
- (g) The occurrence of an Event of Default under any other Franchise Agreement or other agreement between the Franchisee or any Affiliate of the Franchisee, on the one hand, and Franchisor or any of its Affiliates, on the other hand.

16.2. Notice of Default.

(a) Upon the occurrence of an Event of Default as defined in Section 16.1 above, other than the payment of monies as defined in Section 16.1(a), Franchisor shall give Franchisee written Notice of Default which must be cured by Franchisee as of the date of the Notice if the Event of Default is one which is incapable of cure by Franchisee or within thirty (30) days after the date of the Notice, unless a longer period is required under the laws of the state in which the Franchised Business is operated. In addition, for an Event of Default under Section 16.1(a), Franchisor may also give written notice to any lender of Franchisee. For any Event of Default which by its nature is incurable, Franchisor shall have a right to immediately terminate the Franchise Agreement without any required cure period.

(b) Any Franchisee who is not in compliance with the Franchise Agreement may be required to attend re-training at the cost of \$5,000 plus travel.

16.3. Termination. Upon the occurrence of any Event of Default and compliance with the notice requirements of Section 16.2 and upon Franchisee's failure to timely cure, Franchisor may terminate this Agreement by delivering to Franchisee a written Notice of Termination. This Agreement shall not be terminated until the delivery of the Notice of Termination to Franchisee. A Notice of Termination may be included in the original Event of Default notice.

16.4. Obligations of Franchisee Upon Termination or Expiration. Upon termination or expiration of this Agreement for any reason, the Franchisee shall cease to be a licensed franchisee of Franchisor and Franchisee hereby covenants:

(a) To pay to Franchisor all fees and other charges owed or accrued to Franchisor on or before the first day of the month following the date of termination or expiration;

(b) Not to hold itself out as a Franchisee of Franchisor and to cease all use of the Names and Marks, Trade Secrets and Copyrighted Materials;

(c) To deliver and surrender up to Franchisor each and all of the Names and Marks, and any physical objects bearing or containing any of the Names and Marks, or, at Franchisor's election, to obliterate or destroy any Names and Marks in Franchisee's possession;

(d) To take all necessary steps to disassociate itself from Franchisor, including, but not limited to, the removal of signs, destruction of letterhead, disconnecting of all telephone numbers listed under any of the Names or Marks or under any confusingly similar name and, upon Franchisor's request, transferring all such numbers and listings to Franchisor or its designee;

(e) To take such action as shall be necessary to amend or cancel any assumed name, business name or equivalent registration which contains any Names or Marks;

(f) To furnish evidence satisfactory to Franchisor of compliance with this Section within the thirty (30) calendar days after the termination or expiration under this Agreement; and

(g) If Franchisee fails to promptly complete any of the foregoing steps, Franchisee hereby irrevocably appoints Franchisor as its attorney-in-fact to complete the foregoing steps for and on the behalf of the Franchisee.

16.5. Franchisor's Right Upon Termination or Expiration. As additional consideration for this Agreement, Franchisee hereby gives and grants to Franchisor and its designees, the unrestricted right and option, exercisable upon the occurrence of an Event of Default described in Section 16.1 above, and subject to the notice requirements of Section 16.2 above, or upon the occurrence of an Election Not to Renew as defined in Section 5.2 of this Agreement, to purchase (i) all or any portion of the Personal Property (consisting of all furniture, equipment, supplies, other chattels, intangibles and other personal property) in use in the Franchised Business, and/or (ii) all right, title and interest in and to any leasehold of the warehouse. Franchisor or its designee may exercise this right and option by delivering to Franchisee a written Notice of Exercise on or before the date which is thirty (30) days after Franchisor's delivery of a Notice of Termination of this Agreement; the expiration of this Agreement after Franchisee's Election Not to Renew; or the determination of the exercise price. This right and option is in addition to any other remedies available to Franchisor at law or pursuant to this Agreement.

Franchisee hereby acknowledges and agrees that Franchisor may file security agreements with respect to the Personal Property with the Secretary of State (or similar public official) for the state in which the Personal Property is located. Franchisee further acknowledges and agrees to cooperate with Franchisor's determination of the exercise price as provided below.

The exercise price for the Personal Property shall be the value of such property then shown on Franchisee's books and records for federal income tax purposes. Franchisee covenants and agrees that it will not, without the prior written consent of Franchisor, remove any of the Personal Property from the warehouse prior to the expiration of this right and option. The exercise price for the leasehold interest, if acquired from Franchisee rather than directly from the landlord, shall be its discounted present value at the prime rate published in the Wall Street Journal.

## 17. FRANCHISEE'S RIGHTS AND OBLIGATIONS ON TERMINATION OR EXPIRATION

17.1. Payment of Amounts Owed. Franchisee agrees that within ten (10) days after the effective date of termination or expiration of this Agreement, Franchisee will pay all amounts Franchisee owes to Franchisor and any affiliate of Franchisor's, and Franchisee will pay Franchisor's trade and other creditors that are then unpaid. All periodic payments will be deemed to accrue daily and will be adjusted accordingly.

17.2. Return of Operations Manuals and Retention of Records. Franchisee agrees that within five (5) days after the effective date of termination, transfer, or expiration of this Agreement, Franchisee will return to Franchisor all copies of all Confidential Information Franchisee previously received from Franchisor; including, without limitation, all Operations Manuals, and a complete list of Franchisee's past and present customers, including their addresses, emails, telephone numbers and any notes or history with the communication of Franchisee's customers. Franchisee will retain all business records described above in Section 13 of this agreement (including ledgers, sales reports, accounts, and checks) for at least six (6) years after the effective

date of termination or expiration and will keep Franchisor advised of the location of such records. Franchisee will permit Franchisor to inspect such records at any time during normal business hours.

17.3. Cancellation of Names and Discontinue Use of Names and Marks. Franchisee agrees that within five (5) days after the effective date of termination or expiration of this Agreement, Franchisee will cancel any trade names or d.b.a. names using Franchisor's name or any of the Names and Marks. Substantial damages that are difficult to determine at the date of execution of this Agreement will accrue to Franchisor if Franchisee does not complete with the requirements and obligations upon the expiration or termination of this Agreement. Upon expiration or termination of this Agreement, Franchisee will immediately cease using the Names and Marks (or any names or marks deceptively similar to them).

17.4. Termination of Licenses to Use Software, Confidential Information. Franchisee agrees that within five (5) days after the effective date of termination or expiration of this Agreement: (i) all rights, licenses and authorizations to use software and apps provided by Franchisor will immediately terminate and that Franchisee will (A) immediately cease all use of and other activities with respect to other software and apps provided by Franchisor; (B) Franchisee will deliver to Franchisor, or at Franchisor's written request destroy, and permanently erase from all devices and systems Franchisee directly or indirectly controls, the shared Google Drive folders and files, and all other software and apps provided by Franchisor, along with any copies of Franchisor's Confidential Information, including all documents, files, and tangible materials (and any partial and complete copies) containing, reflecting, incorporating, or based on any of the foregoing, whether or not modified or merged into other materials; and (C) certify to Franchisor in a signed written instrument that Franchisee has complied with the requirements of this Section 17.4.

17.5. Franchisor's Right to Purchase. In the event this Agreement is terminated for any reason or is not renewed, Franchisor will have the right, but not the obligation, exercisable by written notice delivered to Franchisee at any time after delivery of a notice of default under this Agreement or within thirty (30) days after the date of termination or expiration, to purchase all or part of Franchisee's physical assets used in the Franchised Business except Franchisee's personal assets. There will be no compensation for goodwill, and the purchase price for such assets will be equal to their fair market value less such goodwill. All proprietary materials, tools and signs associated with the operation of Franchisee's Franchised Business must be returned. If Franchisee and Franchisor cannot agree on the purchase price for the assets that Franchisor desire to purchase within ten (10) days following Franchisor's exercise of Franchisor's option to buy, the fair market value shall be deemed to be the values described above in Section 17.5. The closing of the purchase will take place at a location, and on a date, Franchisor choose in Franchisor's Reasonable Business Judgment, and will be completed in accordance with all applicable bulk sales legislation. At closing, Franchisee will deliver to Franchisor a bill of sale for the assets, in a form acceptable to Franchisor. Franchisor will be entitled to set off against the purchase price any amounts Franchisee then owe Franchisor or any affiliate of Franchisor, and to pay out of the purchase price any of Franchisee's unpaid creditors. The exercise prices may be paid in a lump sum, or in up to twelve (12) equal monthly installments. In addition, and whether or not Franchisor purchase Franchisee's business assets, Franchisor has the right, upon termination or non-renewal, to assume Franchisee's lease for Franchisee's business premises and take over possession of such premises.

17.6. Continuing Obligations. All obligations of the parties hereto that expressly or by their nature survive the expiration or termination of this Agreement will continue in full force and effect notwithstanding such expiration or termination. In particular, but without limiting the generality of the foregoing, the provisions of Sections 11, 14, 16, and 17 hereof will survive termination or expiration of this Agreement.

17.7. Signs and Appearance of Franchisee's Business Premises. After the termination or expiration of the Franchised Business, Franchisee agree that Franchisee will immediately make such removals of or changes in signs and colors as Franchisor reasonably request so as to distinguish the Franchised Business, its premises, and its vehicles from those of any other Franchised Business. If Franchisee fails to make such changes immediately, then Franchisor may enter on such premises or take temporary possession of such vehicles and make such changes at Franchisee's expense without such action constituting a trespass.

17.8. Transfer of Domain Names, Phone Numbers, and Websites. On termination or expiration of this Franchise Agreement, Franchisee shall authorize all telephone, internet, email, electronic network, social media accounts, directory and listing entities, etc. to transfer all numbers, addresses, domain names, locators, directories and listings to Franchisor or Franchisor's designee. Franchisee appoints Franchisor as Franchisee's agent and attorney-in-fact to effect the transfer of these numbers, addresses, domain names, and listings to Franchisor. Franchisee acknowledges and agrees that Franchisor will have the absolute right to notify InterNIC, ICANN, and all other Internet authorities of the termination or expiration of Franchisee's right to use all domain names, phone numbers, websites, and other search engines for the Franchised Business and to authorize the above and such other search engines to transfer to Franchisor or Franchisor's designee all domain names, phone numbers, websites, and search engines associated with the Franchised Business. Franchisee acknowledges and agrees that Franchisor has the absolute right to, and interest in, all domain names, websites, and search engines related to the Franchised Business (the "Digital Assets") and that Franchisor has the full right and authority to direct the Digital Assets and to instruct all search engines to transfer Franchisee's domain names, websites, and search engines to Franchisor or Franchisor's designee if this Franchise Agreement expires or is terminated for any reason. Franchisee further acknowledges that this Agreement will constitute a release by Franchisee of the above and all other search engines from any and all claims, liabilities, actions, and damages that Franchisee may, at any time, have the right to allege against them in connection with this Section 17.8 or because such entities follow Franchisor's instructions.

17.9. Transfer of Vendor Accounts. On termination or expiration of this Franchise Agreement, Franchisee shall be cooperative in authorizing all vendors, suppliers, distributors, retailers and other accounts to transfer account information, including but not limited to, logins, passwords, account history, customer service contacts, territory representative contacts and any other information Franchisor feels is needed to complete the transition.

## 18. ARBITRATION

Any dispute, controversy or claim arising out of or in relation to this Agreement, or any modification thereof, or the breach thereof (including, but not limited to contract, tort and statutory claims) shall be settled by confidential and binding private arbitration utilizing the American Arbitration Association's Commercial Arbitration Rules (but not its panel of arbitrators) and

judgment rendered on the arbitration award may be entered in any court having jurisdiction thereof. The costs of the arbitration will be borne equally by the parties. The Franchisor and Franchisee agree that Salt Lake City, Utah shall be the site for all hearings held under this Article, and that no party shall pursue class claims and/or consolidate the arbitration with any other proceedings to which the Franchisor or Franchisee is a party.

Any disputes concerning the enforceability or scope of this Article shall be resolved pursuant to the Federal Arbitration Act, 9 U.S.C. §1 *et seq.* (the “FAA”), and the Franchisee acknowledges that, notwithstanding any contrary language in this Agreement or in the Franchise Disclosure Document, the FAA preempts any state law restrictions on the enforcement of this Article in this Agreement according to its terms, including any restrictions on the site of the arbitration.

If any provision of this Article is unenforceable, that provision is severable from the remainder of this Article, and the balance of this Article shall remain in full force and effect. In addition, any ruling invalidating any other portion of this Agreement shall not affect the validity of this Article.

Notwithstanding any other provision of this Article, Franchisor may bring an action for injunctive relief in any court of appropriate jurisdiction to enforce the Franchisor’s trademark or proprietary rights or in order to avoid irreparable harm to the Franchisor, its affiliates, or the franchise System as a whole for breach of the Franchise Agreement, and Franchisee hereby consents to such action and waives any and all claims related to jurisdiction. The parties agree that the underlying action may proceed in arbitration while the injunction action proceeds in court..

The sole entity against which the Franchisee may seek damages or any remedy under law or equity for any arbitrable claim is Franchisor or its successors or assigns. The Franchisee agrees that the shareholders, directors, officers, employees, agents and representatives of the Franchisor and of its affiliates, shall not be liable on or named as a party in any litigation or other proceedings commenced by the Franchisee where the claim arises out of or relates to this Agreement. The Franchisee further agrees that each of the foregoing parties are intended beneficiaries of this Article, and that all claims against them that arise out of or relate to this Agreement must be resolved through arbitration with Franchisor.

If, before an Arbitrator’s final decision, either Franchisor or Franchisee commences an action in any court of a claim that arises out of or relates to this Agreement (except for the purpose of enforcing this Article or as otherwise permitted by this Agreement), that party will be responsible for the other party’s expenses of enforcing this Article, including court costs, arbitration filing fees and attorneys’ fees.

## 19. GENERAL PROVISIONS

19.1. Governing Law/Venue. Except as otherwise provided in this Agreement, and specifically except for disputes subject to Section 18 providing for arbitration of all non-injunctive matters, and to the extent governed by state franchise laws requiring exclusive application, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 *et seq.*), or any other federal law, this Agreement will be construed in accordance with, and be governed by the laws of the State of Utah, without regard to its conflict of law principles. Franchisee agrees that all actions related to this Agreement will be tried in any state or federal court of general jurisdiction in the County of

Salt Lake, State of Utah, and Franchisee irrevocably submits to the jurisdiction of such courts and waives any objection Franchisee may have to the jurisdiction or venue of such court. To the extent permitted by law, and except as otherwise permitted under this Agreement, Franchisee and Franchisor waive any right or claim for any punitive or multiplied damages against the other and agree that in the event of a dispute between Franchisee and Franchisor, each will be limited to the recovery of actual damages sustained. Furthermore, Franchisee and Franchisor, to the extent permitted by law, irrevocably waive trial by jury on any action, proceeding or counterclaim, whether at law or equity, brought by either against the other. To the extent permitted by applicable law, any and all claims related to this Agreement or the relationship between Franchisee and Franchisor will be barred unless an action or proceeding is commenced within one year from the date on which Franchisee and Franchisor knew or should have known, in the exercise of reasonable investigation, of the facts giving rise to such claims. This limitation of claims will not apply to claims or proceedings for the recovery of monies owed under this Agreement.

19.2. Compliance with Local Law. If an applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of this Agreement that is required under this Agreement, or the taking of some other not required under this Agreement, the prior notice or other action required by such law or rule will be substituted for the notice requirements set forth in this Agreement. Such modifications of this Agreement will be effective only in such jurisdiction and will be enforced as originally made and entered into in all other jurisdictions.

19.3. Cost of Enforcement. Except as otherwise provided in this Agreement, , and specifically except for disputes subject to Section 18 providing for arbitration of all non-injunctive matters, should either party incur attorneys' fees in order to enforce the terms and conditions of this Agreement, including post-Term covenants, whether or not a legal action is instituted, the party not in default shall be entitled to reimbursement of such attorneys' fees and costs, in addition to any other remedies either party may have at law or in equity. Should any legal action be instituted, the prevailing party shall be entitled to recover all litigation costs, including attorneys' fees.

19.4. Enforcement. Except as otherwise provided in this Agreement, , and specifically except for disputes subject to Section 18 providing for arbitration of all non-injunctive matters, if a dispute arises, Franchisee and Franchisor agree to participate in at least six hours of mediation in accordance with the mediation procedures of the US Arbitration & Mediation Service or of any similar organization that specializes in the mediation of commercial business disputes. Franchisee and Franchisor agree to equally share the costs of mediation. Franchisee acknowledges that any failure by Franchisee to comply with the terms of this Agreement could cause Franchisor irreparable harm that may not be compensable by the payment of money; and, therefore, Franchisee agree that Franchisor will be entitled to appoint a receiver of the Franchised Business and to seek to obtain declarations, temporary and permanent injunctions, and orders of specific performance enforcing the provisions of this Agreement related to Franchisee's use of the Names and Marks, Franchisee's obligations on termination or expiration of this Agreement, and assignment of this Agreement, and to prohibit any act or omission by Franchisee, or any employee of Franchisee, that constitutes a violation of any applicable law, by-law, or regulation, is dishonest or misleading to customers or prospective customers of a Franchised Business; or constitutes a danger to employees, team members, customers, or to the public; or that may impair the goodwill associated with the Names and Marks. If Franchisor secures any such injunction, declaration, or order of specific performance, or bring any proceeding to enforce the provisions of this Agreement,

Franchisee agree to pay to Franchisor an amount equal to the aggregate of Franchisor's reasonable costs of obtaining such relief including, without limitation, attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, travel and living expenses, and any damages related to the breach of any such provision.

19.5. Time of the Essence. In all respects, time will be of the essence to this Agreement.

19.6. Severability. All provisions of this Agreement are severable. In the event that any provision of the Agreement is ruled by a court, agency, or arbitrator having jurisdiction over the subject matter and the parties to be invalid or unenforceable, this Agreement will be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained in this Agreement; and all partially valid and enforceable provisions will be enforced to the extent they are intelligible, valid, and enforceable. If any provision of this Agreement that restricts competitive activity is declared invalid or unenforceable due to its scope, geographic restriction, or length of time, but could be enforceable if any of the foregoing are reduced, Franchisee agree that the restrictions will be enforced to the fullest extent permitted by law in the jurisdiction in which Franchisor seek enforcement.

19.7. Force Majeure. Neither party to this Agreement will be liable for any loss or damage due to any delay in the due performance of the terms of this Agreement (except for the payment of money) by reason of strikes, lockouts, fires, riots, wars, embargoes, civil commotion, pandemics or acts of God or any related governmental restriction of activity rendering performance impracticable during such event. Any such delay will extend performance only so long as such an event is in progress.

19.8. Waiver of Obligations and Amendments. Either party to this Agreement may, by written instrument delivered to the other, unilaterally waive any obligation of, or restriction placed solely on, the other party under this Agreement. No acceptance by Franchisor of any payment by Franchisee, and no failure, refusal, or neglect of Franchisor or Franchisee to exercise any right under this Agreement or to insist on full compliance by the other with its obligations under this Agreement, will constitute a waiver of any provision in this Agreement. Any waiver Franchisor grants will be without prejudice to any other rights Franchisor may have and may be revoked at any time, and for any reason, by written notice. No failure, refusal, or neglect of the parties to this Agreement to exercise any rights contained in this Agreement will be deemed a waiver of such rights unless notice is given in writing as provided in this Agreement. Any modification or amendment to this Agreement, except as noted above, will be in writing signed by all parties to this Agreement.

19.9. Successors Bound. This Agreement will inure to the benefit of, and be binding on, the parties to this Agreement and their permitted heirs, representative, successors and assignees.

19.10. Joint and Several Liability. In the event that Franchisee consists of more than one person, entity, or combination of the two, Franchisee's liability under this Agreement will be both joint and several. A breach of this Agreement by one such person or entity will be deemed to be a breach by both or all persons or entities.

19.11. Construction. The headings of the several sections and paragraphs of this Agreement are for convenience only and do not define, limit, or have any effect on the construction of the contents of such sections or paragraphs. The term “Franchisee” as used in this agreement is applicable to one or more persons, a corporation, a limited liability company, or a partnership, as the case may be, and the singular usage (where applicable) includes the plural, and the masculine and neuter usages (where applicable) include the other and the feminine.

19.12. Entire Agreement. This Agreement including Schedules and any other documents expressly referred to herein or otherwise attached hereto, sets forth the sole and entire agreement between the parties and to the extent permitted by law supersedes all prior discussions, understandings, statements, representations, and agreements between the parties with respect to the matters contained herein. The parties expressly confirm that there are no other oral or written agreements, “side-deals,” arrangements, or understandings between them except as set forth herein. No modification, amendment, or waiver of this Agreement, or any provision hereof, will be binding on either party unless evidenced by an instrument in writing duly signed by an authorized officer or employee of the party against whom enforcement is sought. Franchisee acknowledges and agrees that Franchisee has not been induced to enter into this Agreement in reliance on, nor as a result of, any statements, representations warranties, covenants, promises, or inducements whatsoever, whether oral or written, and whether directly related to the contents hereof or collateral thereto, made by Franchisor or Franchisor’s affiliates, directors, officers, shareholders, employees. Franchisee acknowledges that Franchisor has granted Franchisee the Franchise in reliance on the information Franchisee supplied to Franchisor in Franchisee’s application for a Franchise.

19.13. Withholding Payments. Franchisee will not, for any reason, withhold payment of any Franchise Royalties, Advertising & Promotion Fees, Invoices, or any other fees or payments due to Franchisor under this Agreement. Franchisee will not have the right to withhold or offset any liquidated or unliquidated amounts, damages, or other monies allegedly due to Franchisee by Franchisor against any Franchise Royalties, Advertising & Promotion Fees, or any other fees due to Franchisor under this Agreement. No endorsement or statement on any check or payment of any sum less than the full sum due to Franchisor will be construed as an acknowledgement of payment in full or an accord and satisfaction, and Franchisor may accept and cash such check or payment without prejudice to Franchisor’s right to recover the balance due or pursue any other remedy provided in this Agreement or by law. Franchisor may set off sums Franchisor owes Franchisee against any unpaid debts Franchisee owes Franchisor.

19.14. Rights of Parties Are Cumulative. The rights of the parties under this Agreement are cumulative, and no exercise or enforcement by a party of any right or remedy under this Agreement will preclude the exercise or enforcement by that party of any other right or remedy contained in this Agreement, or to which it is entitled by law.

19.15. Independent Contractors. The parties to this Agreement are independent contractors and no training, supervision, or assistance Franchisor gives will be deemed to negate such independence. Franchisee acknowledges that the success of the Franchised Business depends substantially on Franchisee’s own efforts and on circumstances beyond Franchisor’s control, such as general economic conditions, pandemic, market trends, and the economic conditions in Franchisee’s Operating Territory, competition, and ability to defend Franchisor’s Names and

Marks, and Franchisee hereby assumes the sole responsibility for its success or failure. Franchisee will conspicuously identify itself at the Franchised Business premises as the owner or tenant, as the case may be, of the premises and a licensed franchisee of Franchisor. Neither party to this Agreement will make any agreements, representations, or warranties (except by Franchisor in advertising as provided for in this Agreement) in the name of, or on behalf of, the other, or that their relationship is other than that of franchisor and franchisee; neither party hereto will be obligated by nor has any liability for, any agreements, representations, or warranties made by the other (except by Franchisor in advertising as provided for in this Agreement); nor will Franchisor be liable for any damages to any person or property, directly or indirectly, related to Franchisee's operation of the Franchised Business. Franchisor will have no liability for any sales, use, exercise, income, property, or other tax levied on the Franchised Business or its assets related to the services Franchisee perform.

19.16. Notices. Any notice, request, or demand that the parties to this Agreement may be required or permitted to give to the other party (collectively the "Notice") will be in writing and will be delivered by: (i) personal delivery; (ii) email; (iii) courier delivery by a national courier service, such as Federal Express, or UPS, for overnight delivery; or (iv) prepaid certified mail; and will be deemed given on the earlier of: (a) receipt; (b) refusal to accept delivery; (c) copy printout of email communication sent; or (d) three (3) business days after deposit in the mail. All such notices will be addressed as shown on the first page or Schedule A of this Agreement, to the site of the Franchised Business in case of notices given to Franchisee, or to such other address as may be designated by a party to this Agreement by written notice to the other party.

19.17. Further Assurances. Each party to this Agreement will execute and deliver such further instruments, contracts, forms, and other documents, and will perform such further acts, as may be necessary or desirable to carry out, complete, and perform all terms, covenants, and obligations contained in this Agreement.

19.18. Schedules. The following schedules form part of this Agreement:

Schedule A - Description of Franchisee's Operating Territory

FRANCHISOR HAS NOT MADE ANY REPRESENTATIONS, PROMISES, GUARANTEES, PROJECTIONS, OR WARRANTIES OF ANY KIND TO FRANCHISEE, FRANCHISEE'S OWNERS, OR THE GUARANTORS TO INDUCE THE EXECUTION OF THIS AGREEMENT OR CONCERNING THIS AGREEMENT EXCEPT AS SPECIFICALLY SET FORTH IN WRITING IN THIS AGREEMENT AND IN FRANCHISOR'S FRANCHISE DISCLOSURE DOCUMENT THAT FRANCHISOR DELIVERED TO FRANCHISEE. FRANCHISEE ACKNOWLEDGES THAT NEITHER FRANCHISOR NOR ANY OTHER PARTY HAS GUARANTEED FRANCHISEE'S SUCCESS IN THE BUSINESS CONTEMPLATED BY THIS AGREEMENT.

IN WITNESS WHEREOF, the parties to this Agreement, on their own behalf or by their duly authorized representatives and intending to be legally bound, hereby have duly executed and delivered this Agreement in multiple counterparts, any of which will have the effect of an original and all of which, when taken together, will constitute one and the same instrument, as of the Effective Date first above written.

**FRANCHISOR:**  
SET THE STAGE, INC.

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

Name: Courtney Clark

Title: CEO

Dated: \_\_\_\_\_

**FRANCHISEE:**

\_\_\_\_\_  
Name: \_\_\_\_\_

Dated: \_\_\_\_\_

**FRANCHISEE:**

\_\_\_\_\_  
Name: \_\_\_\_\_

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

**SET THE STAGE®**

**FRANCHISE AGREEMENT**

**SCHEDULE A**

**DESCRIPTION OF FRANCHISEE'S OPERATING TERRITORY**

Franchisee's Operating Territory will be: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Franchisee's Marketing Territory will be: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Initial Franchise Fee: \$ \_\_\_\_\_

Franchisee's Principal Business Address is: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Agreed To:

\_\_\_\_\_  
Franchisor

\_\_\_\_\_  
Franchisee

\_\_\_\_\_  
Franchisee

\_\_\_\_\_  
Franchisee

## LEASE RIDER

This **LEASE RIDER** is attached to and made a part of that certain \_\_\_\_\_ (the "Lease") dated \_\_\_\_\_, 20\_\_\_\_ (the "Lease Execution Date"), by and between \_\_\_\_\_ ("Landlord") and \_\_\_\_\_ ("Tenant"), for certain space (the "Premises") described in the Lease as being located at \_\_\_\_\_. All capitalized terms shall have the same meanings as in the Lease unless defined otherwise in this Lease Rider. If any of the terms of this Lease Rider conflict with any of the terms of the Lease, the provisions of this Lease Rider shall prevail.

### CERTAIN RIGHTS OF FRANCHISOR

Landlord acknowledges that Tenant (or its affiliate) is a franchisee of Set the Stage, Inc. ("Franchisor"), and that the business to be located at the Premises is to be operated under the "Set the Stage" franchise system, pursuant to a franchise agreement ("Franchise Agreement") between Tenant (or its affiliate) and Franchisor.

Tenant and Landlord acknowledge that the Premises will be operated only as a Set the Stage business, and that:

Upon termination or expiration of the Franchise Agreement for any reason whatsoever, the Landlord will grant Franchisor an option, for thirty (30) days thereafter, to replace Tenant as lessee and at any time thereafter to assign its interest to Franchisor or its affiliate, or to another franchisee of Franchisor who would then become the lessee with the approval of Landlord, which approval may not be unreasonably withheld;

Landlord shall furnish to Franchisor, contemporaneously with that to Tenant, written notice of any default in the Lease and the action required to cure such default. In the event of a monetary default, Landlord shall allow Franchisor thirty (30) days after receipt of such notice to escrow the funds necessary to cure such default if Tenant fails to do so. In the event of a non-monetary default, Landlord shall allow Franchisor thirty (30) days after Franchisor's receipt of such written notice to provide Landlord with a letter of undertaking to cure such default if Tenant fails to do so. If Tenant fails to cure either type of default, and Franchisor has escrowed the required funds, or provided the necessary undertaking, as the case may be, Landlord shall take any action necessary to remove Tenant from the Premises and retake possession of the Premises. Landlord shall then allow Franchisor to cure the default and take possession of the Premises as lessee under the same Lease, and at any time thereafter to assign its interest to Franchisor's affiliate, or to another franchisee of Franchisor who would then become the lessee with the approval of Landlord, which approval may not be unreasonably withheld. Nothing herein obligates Franchisor to escrow any funds or to take any action;

Landlord shall accept Franchisor or its franchisee as a substitute under the existing terms of the Lease upon notice from Franchisor that it is exercising its option to replace Tenant as lessee and approval by Landlord of the substitute tenant, including review of applicable financial statements of the substitute tenant; and

Landlord acknowledges that, in all cases, Tenant is solely responsible for all obligations, payments and liabilities accruing under the Lease unless and until Franchisor exercises its option to become substitute lessee.

### **THIRD PARTY BENEFICIARY**

Landlord and Tenant acknowledge that Franchisor is an intended third-party beneficiary to the Lease, and as such, the Lease may not be amended so as to affect any of the provisions of this Lease Rider, or the intent of the same, without the prior written approval of Franchisor.

### **RIGHT TO ENTER PREMISES**

Franchisor shall have the right to enter the Premises to make any modification or alteration necessary to protect the Set the Stage franchise system and marks or to cure any default under the Franchise Agreement or under the Lease, without being guilty of trespass or any other crime or tort. Landlord shall not be responsible for any expenses or damages arising from any such action by Franchisor. Tenant hereby releases, acquits, and discharges Franchisor and Landlord, their respective subsidiaries, affiliates, successors and assigns, and the officers, directors, shareholders, partners, employees, agents, and representatives of each of them, from any and all claims, demands, accounts, actions and causes of action, known or unknown, vested or contingent, which any of them may have, ever had, now has, or may hereafter have by reason of any event, transaction, or circumstance arising out of or relating to the exercise of Franchisor's rights pursuant to this Lease Rider.

### **NOTICES**

All notices sent pursuant to this Lease Rider shall be sent in the manner set forth in the Lease, and delivery of such notices shall be effective as of the times provided for in the Lease. For purposes of notice under the Lease, Franchisor's mailing address shall be \_\_\_\_\_, Attn: Franchise Operations, which address may be changed by written notice to Landlord in the manner provided in the Lease.

### **MISCELLANEOUS**

**Successors and Assigns.** This Lease Rider shall be binding upon and inure to the benefit of the undersigned, their legal representatives, successors, and assigns. Nothing contained herein shall, however, authorize or entitle the Tenant (or its affiliate) to assign any of its rights or privileges under the Franchise Agreement, which rights of Tenant (or its affiliate) are only as set forth in the Franchise Agreement.

**Entire Agreement; Counterparts.** Insofar as the matters relating to Landlord and the Premises are concerned, this Lease Rider sets forth the complete agreement between Landlord and Franchisor. This Lease Rider may be executed in one or more counterparts, each of which shall be deemed an original and together which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned have executed this Lease Rider effective as of the Lease Execution Date.

**FRANCHISOR:**  
SET THE STAGE, INC.

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

IF CORPORATION, LLC, OR PARTNERSHIP:  
**TENANT:**

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

IF INDIVIDUAL:  
**TENANT:**

\_\_\_\_\_  
Name: \_\_\_\_\_

IF CORPORATION, LLC, OR PARTNERSHIP:  
**LANDLORD:**

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

IF INDIVIDUAL:  
**LANDLORD:**

\_\_\_\_\_  
Name: \_\_\_\_\_

## GUARANTY

IN CONSIDERATION of the grant by Set the Stage, Inc. ("Franchisor") of a Set the Stage franchise to the party named as Franchisee ("Franchisee") in the Franchise Agreement to which this Guaranty is attached (the "Franchise Agreement"), and for other good and valuable consideration, receipt of which is hereby acknowledged, the undersigned hereby guarantee (jointly and severally with one another and all other guarantors of Franchisee, whether such guaranties are entered into prior to or after the date hereof) to Franchisor and to Franchisor's successors and assigns: (a) the payment of all costs and fees required to be paid to Franchisor or its affiliates by Franchisee, whether such costs and fees are provided for in the Franchise Agreement or under any other agreement between Franchisee and Franchisor or an affiliate of Franchisor, and (b) the performance by Franchisee of all its obligations under all such agreements and under all manuals and operating procedures of Franchisor's business system. The undersigned further specifically agree to remain individually bound by all covenants, obligations, and commitments of Franchisee contained in the Franchise Agreement and such other agreements to the same extent as if each of the undersigned had individually been named as Franchisee in the Franchise Agreement and such other agreements, and the undersigned had individually executed the Franchise Agreement and such other agreements.

The undersigned understand and agree that any modification of the Franchise Agreement or any other agreement, including any addendum or addenda thereto, or waiver by Franchisor of the performance by Franchisee of its obligations thereunder, or the giving by Franchisor of any extension of time for the performance of any of the obligations of Franchisee thereunder, or any other forbearance on the part of Franchisor or any failure by Franchisor to enforce any of its rights under the Franchise Agreement or any other agreement, including any addendum or addenda thereto, shall not in any way release the undersigned from liability hereunder or terminate, affect or diminish the validity of this Guaranty, except to the same extent, but only to such extent, that the liability or obligation of Franchisee is so released, terminated, affected, or diminished. Notice to the undersigned of any such modification, waiver, extension, or forbearance under the terms thereof being hereby waived.

The undersigned further understand and agree that no bankruptcy or reorganization of Franchisee shall release or otherwise affect the obligations of the undersigned to pay all costs and fees provided for in all agreements between Franchisee and Franchisor or its affiliates, or otherwise owing to Franchisor or its affiliates, and to perform all the provisions of such agreements, as well as all manuals and operating procedures of Franchisor's business system, nor does the same release the undersigned from being individually bound to perform all covenants, obligations, and commitments of Franchisee contained in the Franchise Agreement or any other agreement to the same extent as if each of the undersigned had individually executed the Franchise Agreement and such other agreements.

This Guaranty shall be enforceable upon ten (10) days' written notice by Franchisor to any of the undersigned of any default by Franchisee of any of its covenants under the terms of the Franchise Agreement and addendum or addenda thereto. The undersigned hereby waive any and all notice of default on the part of Franchisee; waive exhausting of recourse against Franchisee; and consent to any assignment of the Franchise Agreement and any other agreement, in whole or in part, that Franchisor or its assignees may make. This Guaranty shall be a continuing Guaranty and may not be revoked without the prior written consent of Franchisor. This Guaranty shall apply

to all agreements referenced in this Guaranty, to the renewal of all such agreements, and to any successor agreements thereto.

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

[SIGNATURE PAGE TO GUARANTY]

**EXHIBIT E**  
**RENEWAL & RELEASE AGREEMENT**

## RENEWAL & RELEASE AGREEMENT

THIS AGREEMENT (the "Agreement") is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 202\_ (the "Effective Date"), by and between SET THE STAGE, INC. (the "Franchisor"), a Utah corporation with its principal place of business at 10446 S 1055 W, Ste 101, South Jordan, Utah 84096; and \_\_\_\_\_ ("you"), whose principal address is \_\_\_\_\_.

On or about the following date, you and Franchisor entered into a Set The Stage® franchise agreement (the "Original Franchise Agreement") for the operation of a franchise at the following location:

\_\_\_\_\_.

You desire to renew your current Franchised Business franchise and license on the terms of our current franchise agreement forms. You agree to release us from any and all claims whatsoever arising out of the negotiation, execution, delivery, and performance of the prior and newly executed Franchise Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and covenants contained herein, and for other valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged, you and Franchisor agree as follows:

1. Renewal of Franchise Agreement.

a. The Original Franchise Agreement, including all appurtenant addenda, certificates, exhibits, options, and obligations of the parties is terminated as of the Effective Date by its provisions. The provisions of the Original Franchise Agreement concerning your obligations upon termination and renewal will continue in full force and effect. The parties agree that this Agreement fully and completely expresses the present understanding between the parties.

b. Contemporaneously with execution of this Agreement, you agree to execute our current franchise agreement forms, including all relevant exhibits, and pay the relevant renewal fee for the renewal of the franchise (the "New Franchise Agreement"). These forms may vary materially from the Franchise Agreement. Royalty Fees, Marketing Fees and other fees will be set at the currently prevailing rates and terms.

c. You will pay to us the renewal fee outlined in your Original Franchise Agreement.

d. You will refurbish and equip your franchise to conform to the current Operations Manual and standards of our system. This includes:

\_\_\_\_\_

If Franchisor so require in our reasonable discretion, you or your designated manager will attend and successfully complete the following retraining programs at your expense, including travel, meals, lodging, and our current training fee.

2. Communication of Confidential Information. Neither you nor your owners, officers, members, directors, or other persons enumerated in the Original Franchise Agreement will communicate or divulge to any person or entity the contents of this Agreement, the contents of the Original Franchise Agreement, the substance of the Set The Stage franchise operations manuals, or any other nonpublic information related to the operation of the Set The Stage franchise system. You represent and warrant that neither you nor any listed individual has communicated or divulged any such information to anyone prior to the date of this Agreement. You will continue to comply with all the confidentiality requirements of the Original Franchise Agreement.

3. Release. You (and your owners, members, agents, heirs, representatives, affiliates, partners, officers, and directors) agree to the following general release, subject to and following laws applicable in your jurisdiction, to release us from any claims you may have against us:

In consideration of the mutual covenants and understandings set forth in this release agreement, you release and discharge Set the Stage and our respective current and former owners, partners, directors, officers, employees, representatives, heirs and agents from all obligations, duties, covenants and responsibilities to be performed under the Original Franchise Agreement with us related to the franchise and the franchise premises.

You release and forever discharge us and our respective current and former owners, partners, agents, heirs, representatives, affiliates, directors, officers, members, employees and agents from any and all claims, demands, actions or causes of action of every name, nature, kind and description whatsoever, whether in tort, in contract or under statute, arising directly or indirectly out of the offer of, negotiation of, execution of, performance of, nonperformance, or breach of your Original Franchise Agreement and any related agreements between you and us and out of any other action or relationship between you and us arising prior to the date of the release agreement whether known or unknown at this time. This shall not apply to claims arising under the Franchise Investment Protection Act, Chapter 19.100 RCW for a franchisee or franchised business in the State of Washington.

You represent that this release has been read and that it is fully understood and voluntarily accepted. The purpose of this release is to make a full, final and complete settlement of all claims, known or unknown, arising directly or indirectly out of your Original Franchise Agreement and the relationship between you and us prior to the date of the New Franchise Agreement including, but not limited to, economic loss.

It is expressly understood and agreed that this release is intended to cover and does cover not only all known losses and damages but any further losses and damages not now known or anticipated but which may later develop or be discovered, which arise under your Prior Franchise Agreement prior to the date of the renewal [transfer] agreement, including all effects and consequences.

These releases are intended to waive, release and discharge all claims against us, with the express waiver of any statute, legal doctrine or other similar limitation upon the effect of general releases.

Miscellaneous Provisions. This writing constitutes the entire agreement between the parties. It supersedes all prior understandings among the parties with respect to its subject matter. This Agreement may not be modified or amended in a manner adverse to any party except by written

agreement signed by that party. Any party may seek and obtain in any court of competent jurisdiction specific performance and injunctive relief to restrain a violation by the other party of any covenant contained in this Agreement. The prevailing party in any suit or action to enforce this Agreement will be entitled to recover its court costs and reasonable legal fees to be set by the court, including costs and legal fees on appeal. If a dispute arises, you and Franchisor agree to participate in at least four hours of mediation in accordance with the mediation procedures of the US Arbitration & Mediation Service or of any similar organization that specializes in the mediation of commercial business disputes. You and Franchisor agree to equally share the costs of mediation. This Agreement is executed in the State of Utah and will be governed by the laws of Utah, which laws will prevail, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051, et seq.). This choice of laws will not include and does not extend the scope of application of any Utah franchise or business opportunity laws. All issues or disagreements relating to this Agreement, will be mediated, tried, heard, and decided in Salt Lake County, Utah. This Agreement will benefit and bind the respective heirs, executors, administrators, successors, and assigns of the parties.

IN WITNESS WHEREOF, the undersigned being duly authorized has executed this Agreement as of the Effective Date.

FRANCHISOR:

SET THE STAGE, INC.

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

Name: Courtney Clark

Title: CEO

YOU:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

**EXHIBIT F**  
**ASSIGNMENT TO ENTITY AGREEMENT**

**ASSIGNMENT AND CONSENT TO  
ASSIGNMENT OF FRANCHISE TO ENTITY**

This **ASSIGNMENT AND CONSENT TO ASSIGNMENT OF FRANCHISE TO ENTITY**, dated \_\_\_\_\_ (“Assignment”), is by and among **SET THE STAGE, INC.**, a Utah corporation (“Franchisor”); \_\_\_\_\_ and \_\_\_\_\_ (collectively, the “Assignor”); **[Corporation/Partnership/LLC Name]**, a \_\_\_\_\_ [corporation/partnership/limited liability company] (“Assignee”); and those [shareholders/partners/members] of Assignee (individually [“Shareholder”/“Partner”/“Member”] and collectively [“Shareholders”/“Partners”/“Members”]) listed on Exhibit A attached hereto and incorporated herein by reference.

**RECITALS**

- A. Set The Stage or its predecessor in interest issued to Assignor or its predecessor(s) in interest a Franchise Agreement dated \_\_\_\_\_ (the “Franchise Agreement”), for the Set The Stage Franchise located at \_\_\_\_\_ (the “Franchise”).
- B. Assignor requests Franchisor’s consent to transfer the rights in the Franchise to Assignee.
- C. Assignor, Assignee, and [Shareholders/Partners/Members] acknowledge that Franchisor’s consent to this Assignment is required under the terms of the Franchise Agreement.

**AGREEMENT**

The parties, intending to be legally bound and for good and valuable consideration, agree as follows:

- 1. The effective date of this Assignment is \_\_\_\_\_ (“Effective Date”).
- 2. Franchisor consents to this Assignment subject to the provisions of the Franchise Agreement and this Assignment.
- 3. On the Effective Date, Assignor assigns and transfers all the right, title, and interest of Assignor in the Franchise to Assignee, subject to the provisions of the Franchise Agreement. Assignee must pay all fees and perform all obligations under the Franchise Agreement.
- 4. Assignor agrees to remain personally bound by, and personally liable for the breach of, each and every provision of the Franchise Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, and is not released from any obligations to Franchisor by this Assignment. After the date of this Assignment, all references to Franchisee in the Franchise Agreement shall refer to both Assignor and Assignee both jointly and severally.
- 5. Without the prior written consent of Franchisor, Assignor, Assignee, and Shareholders may not, either voluntarily or by operation of law, make or permit:
  - a) any further transfer or assignment of the Franchise or the Franchise Agreement;

- b) any pledge or encumbrance of the Franchise;
- c) any assignment, transfer, or pledge of any equity interest in Assignee including, but not limited to, transfers in any entity that is a Shareholder, Partner, or Member (as applicable);
- d) the creation of new or additional equity interests in Assignee; or
- e) any amendment of the terms of any organizational documents relating to Assignee.

Equity interests, as used in this Assignment, include direct or indirect equity or beneficial interests in Assignee and the business risks associated with the Franchise including, but not limited to, interests stated as debt that include any type of risk-taking interest or any interest in the profits or appreciation of the business.

6. Assignor, Assignee, and [Shareholders/Partners/Members] represent and warrant that:

- a) they are the only persons or entities with equity interests in Assignee and their ownership interests are as shown on Exhibit A; and
- b) there is no obligation or intention to issue additional equity interests in Assignee.

7. If any [Shareholders/Partners/Members] are trustees or trusts:

- a) the beneficial interests in the trusts may not be assigned, transfers to successor trustees or special trustees may not be made even if the transfer is provided for in any trust agreement, and the trust agreement may not be amended without the prior written consent of Franchisor;

- b) Exhibit A lists all persons who are trustees of any nature or have beneficial interests in any [Shareholder's/Partner's/Member's] trust(s);

- c) this Assignment is not a consent to any future transfers of equity interest(s) of Assignee to any [Shareholder's/Partner's/Member's] trust beneficiaries based on any condition including, but not limited to, attainment of a certain age or occurrence of any event. All future transfers or vesting of equity interest(s) of Assignee are subject to this Assignment; and

- d) Franchisor has not reviewed any trust documents of any [Shareholder's/Partner's/Member's] trust; therefore, this Assignment does not constitute an approval by Franchisor of any documents relating to any [Shareholder's/Partner's/Member's] trust. If any of those documents conflict with or contradict the provisions of this Assignment or Franchisor ownership policies, Franchisor will not be bound by those documents and the provisions of this Assignment will control.

8. Franchisor has not reviewed any of Assignee's organizational documents; therefore, this Assignment does not constitute an approval by Franchisor of any documents relating to Assignee. If any of those documents conflict with or contradict the provisions of this Assignment or Franchisor ownership policies, Franchisor will not be bound by those documents and the provisions of this Assignment will control.

9. Assignor, Assignee, and [Shareholders/Partners/Members] acknowledge that: (i) Franchisor has not provided any tax or other advice in connection with this Assignment; (ii) Franchisor approval of this Assignment does not constitute tax advice; and (iii) Franchisor has not reviewed or evaluated the validity of Assignee or of any trusts or entities with an equity interest in Assignee.

10. Legend for Securities

To the extent applicable, any security issued by the entity shall bear the following legend:

a) Assignor or Assignee must include the following legend on all issued and outstanding shares of stock of Assignee: This stock may not be pledged, sold, assigned or otherwise transferred, in whole or in part, voluntarily or by operation of law, without the prior written consent of Set The Stage, Inc. Any and all transfers are also subject to the terms of the Franchise, including the Franchise Agreement, or other applicable agreements, for each Franchisor Franchise operated by \_\_\_\_\_ [Corporation].

b) If Franchisor requests, Assignor or Assignee must send to Franchisor a copy of all outstanding certificates of stock of Assignee.

11. No [Shareholders/Partners/Members] are granted approved owner/operator status by this Assignment. However, Assignee and [Shareholders/Partners/Members] must abide by those provisions of the Franchise Agreement relating to the maintenance and protection of the Franchisor System (as defined in the Franchise Agreement) including, but not limited to, those provisions requiring confidentiality and regulating involvement in other or similar residential care or assisted living businesses. A breach of this covenant is a material breach of the Franchise Agreement and entitles Franchisor to enforce all remedies available including, but not limited to, the termination of the Franchise.

12. The parties' respective successors, assigns, heirs, and personal representatives are bound by this Assignment. All obligations, agreements, representations, and warranties made by more than one party will be joint and several even if it is not so stated in the relevant paragraph.

13. At any time during normal business hours, Franchisor may examine and copy any of Assignor's, Assignee's, or any [Shareholder's/Partner's/Member's] records, books, financial records, tax returns, or other documents for the purpose of insuring compliance with the Franchise Agreement and this Assignment.

14. If Assignor, Assignee, or any [Shareholder/Partner/Member] breaches any of the conditions, representations, agreements, or warranties contained in this Assignment, Franchisor will be entitled to all relief and remedies available by law, and to all relief and remedies granted to Franchisor by the Franchise.

15. Assignor has notified all of Assignor's lien holders and lenders of this Assignment.

16. All terms and conditions of the Franchise Agreement remain in full force and effect except as modified by this Assignment including, but not limited to, the terms and conditions of Paragraph 13.3(c) of the Franchise Agreement in the event of the death of Assignor.

17. If Assignee's name or the name of any trust or entity with an equity interest in Assignee (collectively "Assignee's Name") contains any reference to "Set The Stage®", "STSTM", or any derivative thereof, or any other Franchisor trademark, then Assignor, Assignee, and [Shareholders/Partners/Members] covenant and agree (i) that they will cause Assignee's Name to be changed, within 30 days after the Effective Date, to delete any such reference without further consideration from Franchisor; (ii) that they will not challenge Franchisor use of any trade name, trademark, or internet domain name on the grounds that it: (a) is similar to Assignee's Name; (b) is likely to cause confusion; or (c) dilutes the value of the trade name; and (iii) that Assignee's Name shall not be used in connection with any trade or business conducted by Assignor, Assignee, or [Shareholders/Partners/Members] except the Franchisor Franchise business.

18. Franchisee and its officers, managers, owners, and directors, and Guarantors, and their respective agents, successors, assigns, heirs, and personal representatives (collectively, the "Franchisee Parties") hereby release, acquit, and forever discharge Franchisor and its affiliates, and their respective officers, managers, directors, governors, shareholders, members, employees, agents, successors, and assigns (collectively, the "Franchisor Parties"), from any and all claims, debts, covenants, liabilities, actions, and causes of action of every kind and nature whether at law, in equity or otherwise, whether in tort, contract, or otherwise, whether pursuant to any regulation, rule of law, or otherwise, whether direct or indirect, whether punitive or compensatory, whether known or unknown, and whether fixed, contingent, or otherwise (collectively, "Claims"), which any of the Franchisee Parties had, now have, or may have against any of the Franchisor Parties from the beginning of time to the date of this Addendum, arising out of or relating to the Area Development Agreement or Franchise Agreement. Franchisee and Guarantors represent, warrant, and agree that no Franchisee Party has made any assignment, and will not make any assignment, of any Claim, and that no other person or entity of any kind has or had any interest in any Claim.

The parties have signed this Assignment, by their duly authorized representative, evidencing that they have read, understand, and are bound by the terms of this Assignment.

FRANCHISOR: SET THE STAGE, INC.

By: \_\_\_\_\_  
Name: Courtney Clark  
Title: CEO

ASSIGNOR:

\_\_\_\_\_

ASSIGNEE:

\_\_\_\_\_

By: \_\_\_\_\_  
[Shareholder/Partner/Member]

By: \_\_\_\_\_  
[Shareholder/Partner/Member]

By: \_\_\_\_\_  
[Shareholder/Partner/Member]

By: \_\_\_\_\_  
[Shareholder/Partner/Member]

EXHIBIT A  
Listing of Equity Interests of Assignee

Name

Percentage  
Ownership

**EXHIBIT G**  
**AGREEMENT FOR PREAUTHORIZED PAYMENTS**

**AGREEMENT FOR PREAUTHORIZED PAYMENTS**

SET THE STAGE, INC. ("COMPANY") ID NUMBER: 87-2095089

The undersigned ("DEPOSITOR") authorizes COMPANY to initiate debit entries to the Checking Account indicated below at the DEPOSITORY named below, and authorizes DEPOSITORY to debit to such account all entries COMPANY initiates.

DEPOSITORY

NAME \_\_\_\_\_

BRANCH \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_

CHECKING ACCOUNT

NO. \_\_\_\_\_

ROUTING NUMBER \_\_\_\_\_

DEPOSITOR agrees that this authorization will remain in full force and effect until DEPOSITOR has given COMPANY written notice of its revocation in such time and in such manner as to afford COMPANY and DEPOSITORY a reasonable opportunity to act on the notice.

DEPOSITOR'S NAME \_\_\_\_\_

FEIN \_\_\_\_\_

DEPOSITOR'S SIGNATURE \_\_\_\_\_

TITLE OF PERSON SIGNING \_\_\_\_\_

(if signed in a representative capacity)

DATE \_\_\_\_\_

NOTE: ALL WRITTEN DEBIT AUTHORIZATIONS MUST PROVIDE THAT THE DEPOSITOR MAY REVOKE THE AUTHORIZATION ONLY BY NOTIFYING THE DEBIT ORIGINATOR (COMPANY) IN THE MANNER SPECIFIED IN THE AUTHORIZATION.

PLEASE ATTACH VOIDED CHECK OF THE BANK ACCOUNT TO BE DEBITED

**EXHIBIT H**  
**CONFIDENTIALITY, NONDISCLOSURE, AND NONCOMPETE AGREEMENT**

## CONFIDENTIALITY, NONDISCLOSURE, AND NONCOMPETE AGREEMENT

This **CONFIDENTIALITY, NONDISCLOSURE, AND NONCOMPETE AGREEMENT** (the "Agreement") is entered into by and between SET THE STAGE, INC. ("Franchisor"), a Utah corporation, and \_\_\_\_\_ ("Representative").

### RECITALS

A. Franchisor and Representative have entered into, or may enter into concurrently with this Agreement, a business relationship ("**Relationship**") by which Representative agrees to work and advocate on Franchisor's behalf and advance its business interests for compensation. The term of the Relationship shall commence when Representative receives, or agrees to receive, monetary compensation for such work and advocacy and shall continue until the employment or independent contractor arrangement ceases.

B. In connection with the Relationship, Franchisor intends to disclose to Representative important information regarding Franchisor's business model and business practices which is private, proprietary, and confidential.

C. Franchisor is only willing to enter into the Relationship on the condition that Representative also enter into this Agreement and observe the restrictive covenants set forth herein.

### AGREEMENT

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties do agree as follows:

1. Recitals Incorporated. The recitals above are incorporated into the parties' Agreement.
2. Franchisor's Interests. Representative agrees that during the Relationship, Representative will: (a) have access to Franchisor's confidential information and business practices; (b) be specially trained by Franchisor; and (c) be responsible for building Franchisor's good will with clients, vendors, suppliers, etc. Representative agrees that the services which Representative will perform on Franchisor's behalf are special and unique. Representative agrees that Franchisor has a legitimate business interest in keeping information related to its business operations confidential and in protecting itself from competition for the limited period set forth in this Agreement. Representative agrees that the restrictions set forth in this Agreement are no greater than reasonably necessary to protect Franchisor's legitimate interests.
3. Confidential Business Information. Franchisor may, from time to time, provide Representative with confidential and proprietary information about its business including, contracts, agreements, designs, product lists, policies, procedures, processes, customer lists, vendor lists, materials, and other information (any such information being the "Business Information"). Without limiting the general nature of the foregoing sentence, Business Information specifically includes: (a) cost and source of products; (b) inventory systems and procedures; (c) training materials, manuals, and videos; (d) vendor lists and contact information; (e) client lists and contact information; (f) lists of other resources used by Franchisor; (g) lists of, and contact

information for, industry connections and networking partners (including real estate professionals, developers and builders, investors, property managers, etc.); (h) identification of upcoming and potential projects; (i) non-public information about products and materials provided to third-party media sources (including, without limitation, reality television); (j) non-public marketing materials; and (k) any information, pattern, compilation, program, device, method, technique, or process that constitutes a "trade secret" under the Utah Uniform Trade Secrets Act. Business Information may include, but is not limited to, tangible documents or intangible data files. The Business Information also includes any information delivered to Representative under circumstances which a reasonable person would understand to be the delivery of confidential information. Business Information may be provided to Representative orally or in writing, and may come from the owners, principals, or managers of Franchisor or from its employees, representatives, or agents. The Business Information is, and will remain, the sole property of Franchisor and Franchisor will have exclusive rights to all Business Information.

4. **Duty of Confidentiality.** Representative understands and agrees that all Business Information is proprietary to Franchisor and is Confidential. Representative agrees to strictly maintain the confidentiality of the Business Information. Representative agrees to not disclose any Business Information to any third-party. Representative's duty of confidentiality will continue and survive beyond the termination or expiration of the Relationship.

5. **Use.** Representative agrees to use any Business Information exclusively in connection with the Relationship and Representative's work and efforts on Franchisor's behalf and not for any other purpose. Representative shall not create, or allow to be created, any summary of the Business Information or derivative work based on the Business Information.

6. **Nondisclosure.** Representative must not disclose the Business Information, or any portion thereof, to any third-party, except as may be expressly authorized by Franchisor's owners or managers. If Representative receives any subpoena, court order, or is otherwise legally compelled to disclose the Business Information, Representative shall give notice to Franchisor immediately (and in all events prior to making such disclosure) so that Franchisor may take such legal action as it deems necessary.

7. **Return of Business Information.** Representative will return, destroy, or delete any Business Information to Franchisor immediately upon request.

8. **Noncompete.** Representative agrees that he/she will not compete with, and will not assist any other person or entity in competition with, the Franchisor during the term of the Relationship. Additionally, for a period of twelve (12) months following the end of the Relationship, Representative will not compete with, and will not assist any other person or entity in competition with, Franchisor; provided that such post-Relationship restriction will be limited to: (a) competition within the State of Utah; or (b) competition involving clients, vendors, suppliers, etc., with whom Representative worked, directly or indirectly, on Franchisor's behalf during the Relationship, regardless of where such clients, vendors, suppliers, etc. are located.

When competition becomes permissible under this Agreement, Representative agrees not to use or disclose any Business Information and Representative acknowledges and understands that the duty to keep Business Information confidential is perpetual in nature.

9. Non-solicitation. Representative agrees that he/she will not solicit any owner, manger, employee, agent, or representative of Franchisor or any client, vendor, or supplier of Franchisor: (a) during the Relationship; and (b) for a period of twelve (12) months following the termination of the Relationship. For purposes of this Agreement, to “solicit” means to engage in any form of contact with a person or entity with the intent to encourage that person or entity to cease employment or business with Franchisor, engage in any business or conduct that competes with Franchisor, or take any action that would adversely affect or otherwise impair Franchisor’s business or business practices. When solicitation becomes permissible under this Agreement, Representative agrees not to use or disclose any Business Information and Representative acknowledges and understands that the duty to keep Business Information confidential is perpetual in nature.

10. Enforcement and Remedies. This Agreement will be governed by the laws of the State of Utah. This Agreement may be enforced by legal action. Representative will be liable to Franchisor for all damages of any sort which Franchisor suffers, or which are asserted against Franchisor, arising out of or pertaining to Representative’s breach of any of the covenants, duties, or obligations of this Agreement. Because of the importance of the Business Information, and the harm to Franchisor which is likely to occur if Representative breaches any portion of restrictions identified in this Agreement, the parties agree that, in addition to any other remedies available to Franchisor, such as money damages, this Agreement may be enforced by injunction or temporary restraining order in any court of appropriate jurisdiction, and Representative specifically waives the requirement for a bond or other security in connection with an injunction or temporary restraining order and waives its right to have any injunction or temporary restraining order heard in arbitration. Each party WAIVES THE RIGHT TO JURY TRIAL and consents to the jurisdiction of the state or federal courts situated in Salt Lake County, Utah. In any action to enforce or interpret this Agreement, the prevailing party shall be entitled to recover costs and fees, including attorney fees.

11. Miscellaneous. Representative has had the chance to review this Agreement with an attorney or other advisor prior to signing. This Agreement shall be binding on the parties and their respective successors and assigns. This Agreement may be executed in counterparts, which may be exchanged by traditional or electronic means. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and may only be amended by a written instrument signed by both parties. This Agreement shall not create a partnership, joint venture, or similar arrangement. This Agreement shall not be considered an employment agreement, offer of employment, or commitment for employment. The terms of this Agreement are severable, and the invalidity or unenforceability of any term will not affect the remainder. To the extent any term hereof can be judicially revised rather than being held invalid, the parties intend that such term be so revised and remain intact to the extent legally enforceable.

IN WITNESS of the foregoing, the parties have executed this agreement to be effective on the date stated above.

FRANCHISOR:

SET THE STAGE, INC.

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

Name: Courtney Clark

Title: CEO

REPRESENTATIVE:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

Date: \_\_\_\_\_

**EXHIBIT I**  
**NATIONAL ACCOUNT POLICY AGREEMENT**

This agreement is designed to manage the situation where a franchise generates a project, job, or contract where the physical locations of the services extend beyond their own territory and into the territory of another franchise territory. Franchisor will act as mediator if any conflict arises out of this agreement.

On an individual basis, if you have a client in your territory and they have service needs in another franchisee's territory, and you are unable to fully service that clients needs, you would need to refer that client to that territory's franchisee so the client needs can still be fulfilled. In the case of the service being referred to the authorized territory franchisee for the work to be performed by them, a ten percent (10%) commission is then owed to you, the referring franchisee, while ninety percent (90%) revenue is then kept by the franchisee fulfilling the service. In the event this scenario was reversed, the same would apply.

However, all staging marketing materials, including but not limited to brochures, business cards, tags, labels, and signs promoting all staging services and furniture sales must be advertising the local franchisee's business. It is the responsibility of the authorized territory franchisee to provide such marketing materials. As long as the clients primary residence continues to be in your territory, that client will remain in territory boundaries. If your territory can not fulfill service needs within your territory that is not franchised, you must notify Franchisor immediately and we may assign service to a nearby territory franchise. All marketing rules stated above will apply.

Franchisor reserves the right to perform any work in an un-franchised territory. If a franchisee obtains a contract of service that is outside their territory that Franchisor services, Franchisor will pay a ten percent (10%) commission to the franchisee. Negotiations to work on the project together is plausible.

Any disagreements with regard to the interpretation of this agreement are to be decided by Franchisor at its sole discretion. If any disputes arise that cannot be resolved between two franchised territories then Franchisor will become involved and make decisions to resolve the dispute to achieve maximum customer satisfaction and revenue.

**EXHIBIT J**  
**FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT**  
**STATE LAW ADDENDUM**

The following modifications and additions are part of the Set The Stage® Franchise Disclosure Document ("FDD") and Franchise Agreement ("FA") as required by relevant state laws.

**These states have statutes which may supersede the Franchise Agreement in your relationship with us including the areas of termination and renewal of the Franchise:**

**ARKANSAS  
CALIFORNIA  
CONNECTICUT  
DELAWARE  
HAWAII  
ILLINOIS  
INDIANA  
MICHIGAN  
MINNESOTA  
MISSISSIPPI  
MISSOURI  
NEBRASKA  
NEW JERSEY  
SOUTH DAKOTA  
VIRGINIA  
WASHINGTON  
WISCONSIN**

**These and other states may have court decisions which may supersede the Franchise Agreement in your relationship with us, including the areas of termination and renewal of the Franchise.**

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Addendum as of the Effective Date of the Franchise Agreement.

**US:**

SET THE STAGE®

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

Name: Courtney Clark

Title: CEO

**YOU:**

\_\_\_\_\_

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT  
REQUIRED BY THE STATE OF CALIFORNIA**

Notwithstanding anything to the contrary set forth in the Set the Stage® Disclosure Document, the following provisions shall supersede and apply to all Set the Stage franchises offered and sold in the state of California:

The California Addendum is only applicable if you are a resident of California or if your business will be located in California.

1. **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.**

2. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT AT LEAST 14 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 14 DAYS PRIOR TO THE RECEIPT OF ANY CONSIDERATION, WHICHEVER OCCURS FIRST.

3. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. 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).

4. Item 3 of the Disclosure Document is amended to add the following:

Neither Franchisor nor any person described in Item 2 of the Disclosure Document 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. 8.78(a) et seq. suspending or expelling such persons from membership in such association or exchange.

5. California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a Franchise Agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

6. The following paragraphs are added at the end of Item 17 of the Disclosure Document:

(a) California Business and Professions Code sections 20000 through 20043 establish the rights of the franchisee concerning termination, transfer or non-renewal of a franchise. If

the franchise agreement contains a provision that is inconsistent with the law, the law will control.

- (b) The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. § 101 et seq.).
- (c) The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. A contract that restrains a former franchisee from engaging in a lawful trade or business may be void under California Business and Professions Code Section 16600.
- (d) The franchise agreement contains a liquidated damages clause. Under California Civil Code section 1671, certain liquidated damages clauses are unenforceable.
- (e) The franchise agreement requires binding arbitration. The arbitration will occur at Salt Lake City, Utah with the costs being borne equally by the parties. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code section 20040.5, Code of Civil Procedure section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.
- (f) The Franchise Agreement requires application of the laws of Utah. This provision may not be enforceable under California law.

7. You must sign a general release if you renew or transfer your franchise. California Corporations Code §31512 voids any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the California Franchise Investment Law (California Corporations Code §§31000 through 31516) or any rule or order thereunder. Business and Professions Code §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043).

8. 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 PROCEDURES SECTION 1281, AND THE FEDERAL ARBITRATION ACT) TO ANY PROVISIONS OF A FRANCHISE AGREEMENT RESTRICTING VENUE TO A FORUM OUTSIDE THE STATE OF CALIFORNIA.

9. 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.

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

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT  
AND FRANCHISE AGREEMENT  
AS REQUIRED BY THE ILLINOIS FRANCHISE DISCLOSURE ACT OF 1987**

Notwithstanding anything to the contrary in the Set the Stage® Franchise Disclosure Document, the following provisions shall supersede any inconsistent provisions and apply to all Set the Stage franchises offered and sold in the state of Illinois:

(a) Payment of Initial Franchise Fees will be deferred until Franchisor has met its initial obligations to the Franchisee, and the Franchisee has commenced doing business. The Illinois Attorney General's Office imposed this deferral requirement due to the Franchisor's financial condition.

(b) Illinois law governs the Franchise Agreement.

(c) In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

(d) Franchisees' rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

(e) By reading this disclosure document, you are not agreeing to, acknowledging, or making any representations whatsoever to the Franchisor and its affiliates.

(f) In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind a franchisee to waive compliance with any provision of the Act, or any other Illinois law is void. The foregoing requirement, however, shall not prevent a franchisee from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of the Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

(g) No statement, questionnaire or acknowledgement 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.

Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act of 1987 are met independently without reference to this Addendum.

The parties hereto have duly executed this Illinois Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:  
SET THE STAGE, INC.

FRANCHISEE:  
\_\_\_\_\_

By \_\_\_\_\_  
Printed Name:  
Title:  
Dated: \_\_\_\_\_

\_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Dated: \_\_\_\_\_

PRINCIPAL:  
\_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Dated: \_\_\_\_\_

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO  
THE INDIANA FRANCHISE DISCLOSURE LAW AND  
THE INDIANA DECEPTIVE FRANCHISE PRACTICES ACT**

The Indiana Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with Indiana law, including the Indiana Franchises Act, Ind. Code Ann. §§ 1 - 51 (1994) and the Indiana Deceptive Franchise Practices Act, Ind. Code Ann. § 23-2-2.7 (1985) (collectively referred to as the “Acts”). To the extent that (a) the jurisdictional requirements of the Acts are met and (b) this Franchise Disclosure Document and Franchise Agreement contain provisions that are inconsistent with the following, such provisions are hereby amended:

(a) To the extent the Franchise Agreement contains provisions allowing the establishment of franchisor-owned outlets that are inconsistent with the Indiana Deceptive Franchise Practices Act § 23-2-2.7(2), the requirements of this section of the Indiana Act will control.

(b) The franchisor may not make any substantial modification of the Franchise Agreement without the franchisee’s written consent.

(c) To the extent any provision regarding renewal or termination of the Franchise Agreement is inconsistent with the Indiana Deceptive Franchise Practices Act §§ 23-2- 2.7(7) and (8), the provisions of these sections of the Indiana Act will control.

(d) Any requirement in the Franchise Agreement that requires the franchisee to prospectively assent to a release, assignment, novation, wavier or estoppel shall not relieve any person from liability arising under the Acts.

(e) To the extent the covenants not to compete upon expiration or termination of the Franchise Agreement are inconsistent with the Indiana Deceptive Franchise Practices Act § 23-2-2.7(9), the provisions of this section of the Indiana Act will control.

(f) To the extent that any provision of the Franchise Agreement would be deemed unenforceable pursuant to the Indiana Deceptive Franchise Practices Act § 23-2-2.7(10), as this section of the Indiana Act is interpreted and applied, such provision of the Franchise Agreement shall be so deleted therefrom.

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT  
AS REQUIRED BY THE STATE OF MARYLAND**

The following provisions shall amend the Set the Stage® Franchise Disclosure Document and apply to (a) any Set the Stage franchise offered for sale from Maryland, (b) any offer to purchase a Set the Stage franchise that is accepted in Maryland, (c) residents of Maryland, and (d) Set the Stage franchises to be operated in Maryland:

1. All representations requiring you 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 under the Maryland Franchise Registration and Disclosure Law.

2. Item 5 of the Disclosure Document is amended to state:

Notwithstanding anything to the contrary contained in this Disclosure Document, we will defer collection of all initial fees due to us, including the Initial Franchise Fee, until we complete our pre-opening obligations as listed in Item 11.

3. Items 17(c) and 17(m) are revised to provide that, pursuant to COMAR 02.02.08.16L, the general release required as a condition to renewal, sale or consent to assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. Items 17(v) and 17(w) of the Disclosure Document are amended to add the following:

Any Franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

5. Item 17(v) of the Disclosure Document is revised to provide that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

6. Item 17(h) of the Disclosure Document is revised to state that our right to terminate you upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. §101 *et. seq.*).

7. 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.

**THE REGISTRATION OF THIS FRANCHISE DISCLOSURE DOCUMENT WITH MARYLAND SECURITIES DIVISION OF THE OFFICE OF ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE SECURITIES COMMISSIONER.**

**AMENDMENT TO THE SET THE STAGE, INC  
FRANCHISE AGREEMENT REQUIRED BY THE STATE OF MARYLAND**

The Franchise Agreement is specifically amended as follows:

1. Notwithstanding anything contained in the Franchise Agreement to the contrary, 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.

2. Notwithstanding anything contained in Sections 2.2 or 14.3 of the Franchise Agreement to the contrary, 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.

3. Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. Sections 4.1, 6.2, and 7.8 of the Franchise Agreement are each thereby amended with the addition of the following:

“We will defer collection of the initial fees due to us until we complete our pre-opening obligations to you.”

4. Section 15.1 of the Franchise Agreement is hereby amended to further state:

17(h) “Our right to terminate you upon your bankruptcy, however, may not be enforceable under federal bankruptcy law (11 U.S.C. §101 et. seq.)”

5. To the extent of any inconsistencies, Item 17 of the FDD and Section 26.3 of the Franchise Agreement are hereby amended to further state:

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

6. To the extent of any inconsistencies, Item 17 of the FDD and Section 26.6 of the Franchise Agreement are hereby amended to further state:

“Any claims arising under the Maryland Franchise Law must be brought within three (3) years after the grant of the franchise.”

7. 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.

8. Section 1 of the Franchise Agreement, "ACKNOWLEDGMENTS", is deleted in its entirety.

IN WITNESS WHEREOF, the parties hereto have duly executed this Maryland Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:  
SET THE STAGE, INC.

FRANCHISEE:  
\_\_\_\_\_

By \_\_\_\_\_  
Printed Name:  
Title:

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

PRINCIPAL:  
\_\_\_\_\_  
Printed Name: \_\_\_\_\_

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT  
AS REQUIRED BY THE STATE OF MINNESOTA**

Notwithstanding anything to the contrary set forth in the Set the Stage® Disclosure Document, the following provisions shall supersede and apply to all Set the Stage franchises offered and sold in the state of Minnesota:

The Minnesota Addendum is only applicable if you are a resident of Minnesota or if your business will be located in Minnesota.

**1. THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.**

**THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.**

2. Items 5 and 7 of the Disclosure Document are amended to reflect a fee deferral whereunder payment of the Initial Franchise Fee shall not be required until Franchisee has opened for business.

3. Late Fees, Convenience Fees, Penalties, and Interest in Item 6 of the Disclosure Document is amended to include the following:

Pursuant to Minn. Stat. § 604.113, the maximum convenience fee for a failed auto-withdrawal is \$30.00 per occurrence.

4. Item 13 of the Disclosure Document is amended to include the following:

To the extent required by the Minnesota Franchise Act, we will protect your rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols or indemnify you from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the trademarks, provided you are using the names and marks in accordance with the Franchise Agreement. Minnesota

considers it unfair to not protect the franchisee's right to use the trademarks.  
Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).

5. In Item 17 it is disclosed that litigation must be in state or federal courts in Salt Lake County, Utah and that Utah law generally applies to our agreements. However, Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

6. With respect to franchises governed by Minnesota law, we will comply with Minnesota Statutes, Section 80C.14, subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement, and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

7. Items 17(c) and 17(m) of the Disclosure Document are revised to provide that we cannot require you to sign a release of claims under the Minnesota Franchise Act as a condition to renewal or assignment.

8. Minnesota Rules 2860.4400(D) prohibit the franchisor from requiring a franchisee 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, provided that the foregoing shall not bar the voluntary settlement of disputes.

9. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minnesota Rules 2860.4400J. Also, a court will determine if a bond is required.

10. We will comply with Minnesota Statute Section 80C.17 Subd. 5 with respect to limitation of claims.

11. 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.

12. Each provision of this Addendum shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of the Minnesota Franchise Act are met independently without reference to this Addendum.

**AMENDMENT TO THE SET THE STAGE, INC.  
FRANCHISE AGREEMENT REQUIRED BY THE STATE OF MINNESOTA**

**The Franchise Agreement is specifically amended as follows:**

1. In recognition of the Minnesota Franchise Law, Minnesota Statutes, Chapter 80C, Sections 80C.01 through 80C.22, and the Rules and Regulations promulgated pursuant thereto by the Minnesota Commission of Securities, Minnesota Rule 2860.4400, et seq., the parties to the attached SET THE STAGE, INC., Franchise Agreement (the “Franchise Agreement”) agree as follows:

With respect to franchises governed by Minnesota law, the Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that the Franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice of non-renewal of the Agreement.

As required by Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), the Franchisor will reimburse the Franchisee for any costs incurred by the Franchisee in the defense of the Franchisee’s right to use the Marks, so long as the Franchisee was using the Marks in the manner authorized by the Franchisor, and so long as the Franchisor is timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

A general release shall not relieve any person from liability imposed by the Minnesota Franchise Law, Minn. Stat., Chapter 80C, Section 80C.22.

Minn. Statutes §80C.21 and Minn. Rule 2860.4400J prohibit the Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes 1984, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

NSF checks are governed by Minnesota Statute Section 604.113, which puts a limit of \$30 on service charges

2. Section 4.1, 6.2, and 7.8 of the Franchise Agreement is hereby amended to defer the Franchisee’s obligation to pay the initial franchise fees until the Franchisee has opened for business.
3. Section 4.3(b) of the Franchise Agreement is hereby amended to add the following:

“Any such convenience fee will be capped at \$30 per occurrence.”

4. THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT

THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

5. 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.
6. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Statutes Chapter 80C are met independently without reference to this Amendment.

The parties hereto have duly executed this Minnesota Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:  
SET THE STAGE, INC.

FRANCHISEE:  
\_\_\_\_\_

By \_\_\_\_\_  
Printed Name:  
Title:

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

PRINCIPAL:  
\_\_\_\_\_  
Printed Name: \_\_\_\_\_

**ADDENDUM TO THE TO THE FRANCHISE DISCLOSURE DOCUMENT  
AS REQUIRED BY THE STATE OF NEW YORK**

Notwithstanding anything to the contrary set forth in the Set the Stage® Disclosure Document, the following provisions shall supersede and apply to all Set the Stage franchises offered and sold in the state of New York:

The New York Addendum is only applicable if you are a resident of New York or if your business will be located in 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 SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS 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 CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**

2. The following is added at the end of Item 3 of the Disclosure Document:

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

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and 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 Item 4 of the Disclosure Document:

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

4. The following is added to the end of Item 5 of the Disclosure Document:

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

5. 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.

6. The following language replaces the “Summary” section of Item 17(d) of the Disclosure Document, titled “**Termination by franchisee**”: “You may terminate the agreement on any grounds available by law.”

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

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

8. 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 upon the franchisee by Article 33 of the General Business Law of the State of New York.

9. 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.
10. 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 earliest 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.
11. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the New York General Business Law are met independently without reference to the Addendum.

**AMENDMENT TO THE SET THE STAGE, INC FRANCHISE AGREEMENT  
AS REQUIRED BY THE STATE OF NEW YORK**

In recognition of the requirements of the New York General Business Law, Article 33, the parties to the attached Franchise Agreement agree as follows:

1. Section 2.2.8 of the Franchise Agreement, under the heading “Term and Renewal,” shall be deleted in its entirety, and shall have no force or effect; and the following paragraph shall be substituted in lieu thereof:

2.8 You shall execute a general release, in a form prescribed by us, of any and all claims, known or unknown, that you might have against us or our affiliates, or our respective officers, directors, agents, and employees; provided, however, that all rights enjoyed by you and any causes of action arising in its favor from the provisions of New York General Business Law Sections 680-695 and the regulations issued thereunder, shall remain in force, it being the intent of this provision that the non-waiver provisions of N.Y. Gen. Bus. Law Sections 687.4 and 687.5 be satisfied;

2. Section 14.1 of the Franchise Agreement, under the heading “Our Right to Transfer” shall be supplemented by the following language, which shall be considered an integral part of the Agreement:

However, no assignment shall be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under this Agreement.

3. Section 14.3.4 of the Franchise Agreement, under the heading “Conditions of Transfer” shall be deleted in its entirety, and shall have no force or effect; and the following paragraph shall be substituted in lieu thereof:

14.3.4 That the transferor shall have executed a general release, in a form prescribed by us, of any and all claims against us and our affiliates, and our respective officers, directors, agents, shareholders, and employees; provided, however, that all rights enjoyed by the transferor and any causes of action arising in its favor from the provisions of New York General Business Law Sections 680-695 and the regulations issued thereunder, shall remain in force; it being the intent of this provision that the non-waiver provisions of N.Y. Gen. Bus. Law Sections 687.4 and 687.5 be satisfied;

4. Section 26.1 of the Franchise Agreement, under the heading “Applicable Law,” shall be amended by adding the following section at the end of the Section:

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.

5. Each provision of this Amendment to the Franchise Agreement shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of New York

General Business Law, Article 33, Section 680 through 695, and of the Codes, Rules, and Regulations of the State of New York, Title 13, Chapter VII, Section 200.1 through 201.16 are met independently without reference to this Amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this New York Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:  
SET THE STAGE, INC.

FRANCHISEE:  
\_\_\_\_\_

By \_\_\_\_\_  
Courtney Clark, CEO

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

PRINCIPAL:  
\_\_\_\_\_  
Printed Name: \_\_\_\_\_

**STATE SPECIFIC ADDENDUM  
AS REQUIRED BY  
THE VIRGINIA RETAIL FRANCHISING ACT**

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Set the Stage® Franchise Disclosure Document for SET THE STAGE, INC. for use in the Commonwealth of Virginia shall be amended as follows:

1. The following language is added to the end of the “Summary” section of Item 17(e) entitled “Termination by franchisor without cause”:

“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 ground 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.”

2. Under subsection D of § 13.1-559 of the Virginia Retail Franchising Act, for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to terms of this chapter shall be governed by the laws of the Commonwealth of Virginia.

3. Under subdivision A 4 of § 13.1-563 of the Virginia Retail Franchising Act, it is unlawful to offer or enter into a franchise agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the franchise agreement. However, subsection B of § 13.1-563 of the Virginia Retail Franchising Act provides that if a franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, such sale may include a term restricting the right of such franchisee to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two years after such sale

4. 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.

5. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Virginia Retail Franchising Act are met independently without reference to this Addendum.

6. The initial franchise fees and other initial payments owed by the franchisee to the franchisor are deferred until the franchisor meets its pre-opening obligations.

Dated this day of \_\_\_\_\_.

FRANCHISOR:  
SET THE STAGE, INC.

FRANCHISEE:  
\_\_\_\_\_

By \_\_\_\_\_  
Courtney Clark, CEO

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

PRINCIPAL:  
\_\_\_\_\_  
Printed Name: \_\_\_\_\_

**WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT,  
THE FRANCHISE AGREEMENT, AND ALL RELATED AGREEMENTS**

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Set the Stage® Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

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

**2. Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

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

**4. General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

**5. Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

**7. Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

**8. Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

**9. Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

**10. Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

**11. Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

**12. Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

**13. Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

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

**15. Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee

of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

**16. Questionnaires and Acknowledgments.** 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.

**17. Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

**18. Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

**19. Fee Deferral.** Franchisor will defer collection of the Initial Franchise Fee and all other initial fees identified in Item 5 until the franchisor has fulfilled its initial pre-opening obligations to the franchisee and the franchisee is open for business. This amends Item 5 and all applicable provisions of the franchise agreement for franchises or franchisees in Washington.

The undersigned parties do hereby acknowledge receipt of this Addendum.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_.

FRANCHISOR:  
SET THE STAGE, INC.

FRANCHISEE:  
\_\_\_\_\_

By \_\_\_\_\_  
Courtney Clark, CEO

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

PRINCIPAL:  
\_\_\_\_\_  
Printed Name: \_\_\_\_\_

**STATE SPECIFIC ADDENDUM  
AS REQUIRED BY  
THE WISCONSIN FAIR DEALERSHIP LAW**

Notwithstanding anything to the contrary set forth in the Set the Stage® Franchise Disclosure Document or Franchise Agreement, the following provisions shall supersede and apply to all Set the Stage franchises offered and sold in the state of Wisconsin:

The Wisconsin Fair Dealership Law applies to most franchise agreements in the state and prohibits termination, cancellation, non-renewal or the substantial change of the competitive circumstances of a dealership agreement without good cause. The law further provides that 90 days prior written notice of a proposed termination, etc. must be given to the dealer. The dealer has 60 days to cure the deficiency and if the deficiency is cured, the notice is void. The Disclosure Document and Franchise Agreement are hereby modified to state that the Wisconsin Fair Dealership Law, to the extent applicable, supersedes any provisions of the Franchise Agreement that are inconsistent with the Wisconsin Fair Dealership Law, Wis. Stat. Ch. 135.

Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Wisconsin Fair Dealership Law are met independently, without reference to this Addendum.

**EXHIBIT K**  
**FRANCHISE QUESTIONNAIRE**

**If you are a resident of California or your franchise is located in California, you are not required to sign this Questionnaire. If any California franchisee completes this Questionnaire, it is against California public policy and will be void and unenforceable, and we will destroy, disregard, and will not rely on such Questionnaire.**

**This Questionnaire does not apply to Hawaii or Maryland franchisees. Do not sign this Questionnaire if you are a resident of Hawaii or Maryland or the franchise is to be operated in Hawaii or Maryland.**

The purpose of this **FRANCHISE QUESTIONNAIRE** is to determine whether any statements or promises were made to you that we have not authorized and that may be untrue, inaccurate, or misleading. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

1. Have you received and personally reviewed our Franchise Agreement and any attachments to them?

**Yes:**       **No:**

2. Have you received and personally reviewed our Franchise Disclosure Document (“FDD”)?

**Yes:**       **No:**

3. Did you sign a Receipt for the FDD indicating the date you received it?

**Yes:**       **No:**

4. Have you discussed the benefits and risks of purchasing a Set the Stage franchise (the “Franchised Business”) with an attorney, accountant, or other professional advisor?

**Yes:**       **No:**

If “No,” do you wish to have more time to do so?

**Yes:**       **No:**

5. Has any employee or other person speaking on our behalf made any statement or promise concerning the revenues, profits, or operating costs of a Set the Stage franchise (other than the information contained in Item 19 of the FDD)?

**Yes:**       **No:**

6. Has any employee or other person speaking on our behalf made any statement (other than the information contained in Item 19 of the FDD), or any promise regarding the amount of money you may earn in operating a Set the Stage franchise?

**Yes:**       **No:**

7. Has any employee or other person speaking on our behalf made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Set the Stage franchise?

Yes:  No:

8. Has any employee or other person speaking on our behalf made any statement, promise, or agreement concerning the training or support service or other assistance that we will furnish to you that is contrary to, or different from, the information contained in the FDD?

Yes:  No:

9. Have you paid any money to us concerning the purchase of your Set the Stage franchise prior to today?

Yes:  No:

10. If you answered "Yes" to any of Questions 5 to 9, please provide a full explanation of each "Yes" answer in the following blank lines. Attach additional pages, if necessary, and refer to them below.

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11. I signed the Franchise Agreement on \_\_\_\_\_, 20\_\_\_\_, and acknowledge that no agreement with us is effective until signed and dated by Set the Stage, Inc.

Your responses to these questions are important to us and we will rely on them.

**This questionnaire does not waive any liability the Franchisor may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.**

By signing below, you are representing that you have responded truthfully to the above questions.

Applicant represents and warrants that (1) no employee or other person speaking on Franchisor's behalf made any statement or promise concerning the revenues, profits, or operating costs of a Set the Stage franchise; (2) no employee or other person speaking on Set the Stage's behalf made any statement (other than the information contained in Item 19 of the FDD), or any promises regarding the amount of money Applicant may earn in operating a Set the Stage franchise; and (3) no employee or other person speaking on Set the Stage's behalf made any statement or promise concerning the likelihood of success that Applicant should or might expect to achieve from operating a Set the Stage franchise.

**FRANCHISEE APPLICANT:**

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

Date: \_\_\_\_\_

## STATE EFFECTIVE DATES

The following states 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 Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

<b>State</b>	<b>Effective Date</b>
California	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	April 30, 2026
Minnesota	Pending
New York	Pending
Virginia	Pending
Washington	Pending
Wisconsin	April 30, 2026

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.

**RECEIPT**

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 Set The Stage, Inc. 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. Michigan requires that Set The Stage, Inc. gives you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or payment of any consideration, whichever occurs first. New York requires that Set The Stage, Inc. gives you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. If Set The Stage, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit A.

The name, principal business address, and telephone number of each franchise seller offering the franchise are:

Courtney Clark, 10446 S 1055 W, Ste 101, South Jordan, UT 84096, (801) 662-9117  
Dan Glaser, 708 Austin Ave., Suite 200 Waco, TX 76701, (254) 545-2295

Issuance Date: April 30, 2026

Set The Stage, Inc. authorizes the respective parties identified on Exhibit A to receive service of process for us in the particular state.

I have received a Disclosure Document with an Issuance Date of April 30, 2026, that included the following Exhibits:

- A State Administrators and Agents for Service of Process
- B List of Franchised Operations
- C Financial Statements
- D Standard Franchise Agreement
- E Standard Renewal and Release Agreement
- F Assignment to Entity Agreement
- G Preauthorized Payments Form
- H Non-Disclosures/Non-Competition
- I National Account Policy Agreement
- J State Specific Addenda
- K Franchise Questionnaire

Indicate the date on which you received this Disclosure Document, sign, indicate the date you signed this Receipt, and promptly return one completed copy of the Receipt to Set The Stage, Inc., at 10446 S 1055 W, Ste 101, South Jordan, UT 84096. Keep the second copy of the Receipt for your records.

\_\_\_\_\_  
Date Disclosure Document Received

\_\_\_\_\_  
Prospective Franchisee's Signature

\_\_\_\_\_  
Date Receipt Signed

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
\_\_\_\_\_  
Address

**Sign and date this copy and retain it for your files**

**RECEIPT**

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 Set The Stage, Inc. 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. Michigan requires that Set The Stage, Inc. gives you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or payment of any consideration, whichever occurs first. New York requires that Set The Stage, Inc. gives you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. If Set The Stage, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit A.

The name, principal business address, and telephone number of each franchise seller offering the franchise are:

Courtney Clark, 10446 S 1055 W, Ste 101, South Jordan, UT 84096, (801) 662-9117  
Dan Glaser, 708 Austin Ave., Suite 200 Waco, TX 76701, (254) 545-2295

Issuance Date: April 30, 2026

Set The Stage, Inc. authorizes the respective parties identified on Exhibit A to receive service of process for us in the particular state.

I have received a Disclosure Document with an Issuance Date of April 30, 2026, that included the following Exhibits:

- A State Administrators and Agents for Service of Process
- B List of Franchised Operations
- C Financial Statements
- D Standard Franchise Agreement
- E Standard Renewal and Release Agreement
- F Assignment to Entity Agreement
- G Preauthorized Payments Form
- H Non-Disclosures/Non-Competition
- I National Account Policy Agreement
- J State Specific Addenda
- K Franchise Questionnaire

Indicate the date on which you received this Disclosure Document, sign, indicate the date you signed this Receipt, and promptly return one completed copy of the Receipt to Set The Stage, Inc., at 10446 S 1055 W, Ste 101, South Jordan, UT 84096. Keep the second copy of the Receipt for your records.

\_\_\_\_\_  
Date Disclosure Document Received

\_\_\_\_\_  
Prospective Franchisee's Signature

\_\_\_\_\_  
Date Receipt Signed

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
\_\_\_\_\_  
Address

**Sign and date this copy and return to Franchisor**