FRANCHISE DISCLOSURE DOCUMENT

Blue Moon Franchise Systems, LLC
900 Wilshire Drive, Suite 102
Troy, MI 48084
(919) 632-4902
www.BlueMoonEstateSales.com

Blue Moon Franchise Systems, LLC ("Blue Moon") offers franchises for the operation of a business that provides services dedicated to selling the personal property including, but not limited to, furniture, tools, jewelry, and décor, as well as the provision of consignment sales for those who are downsizing, relocating, or are deceased.

The total investment necessary to begin operation of a single Blue Moon franchise ranges from $54,865 to $100,425.

The total investment necessary to operate a multiple unit Blue Moon franchises ranges from $99,515 to $221,325. This includes $54,200 to $154,800, depending on the number of units purchased and the franchise offering elected, that must be paid to us or our affiliates.

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 a binding agreement with, or make any payment to, 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 your disclosure document in another format that is more convenient to you. To discuss the availability of disclosures in different formats, contact David Tarr at 900 Wilshire Drive, Suite 102, Troy, MI 48084, (248) 499-5190, dtarr@bestlifebrands.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 contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

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

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

Issuance Date: April 1, 2023; Amended October 1, 2023

How to Use This Franchise Disclosure Document

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

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

What You Need to Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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:

Out-of-State Dispute Resolution. The franchise agreement requires you to resolve disputes with the franchisor by mediation and/or litigation only in North Carolina. 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 or litigate with the franchisor in North Carolina than in your own state.

Spousal Liability. Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even if your spouse has no ownership interest in the franchise. This guarantee will place both you and your spouse's marital and personal assets (perhaps including your house) at risk if your franchise fails.

Mandatory Minimum Payments. You must make minimum royalty and 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.

Sales Performance Required. You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and the loss of your investment.

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.

Unopened Franchises. The Franchisor has signed a significant number of Franchise Agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you may also experience delays in opening your own outlet.

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.

DISCLOSURES REQUIRED BY MICHIGAN LAW

The following is applicable to you if you are a Michigan resident or your Franchised Business will be located in Michigan.

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

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee after entering into a franchise agreement from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such a failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years, and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 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 to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

i. The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.
ii. The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
iii. The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
iv. The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third-party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value

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

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

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

If the franchisee has any questions regarding this notice, those questions should be directed to the Michigan Department of Attorney General, Consumer Protection Division, Attn.: Franchise, 670 Law Building, Lansing, Michigan 48913, telephone: (517) 373-7117.

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ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Franchise Disclosure Document, "we," "us," "our," or "Blue Moon" means Blue Moon Franchise Systems, LLC, the franchisor. "You," "your," or "Franchisee" means the person, and its owners, if the Franchisee is a business entity, who buys the franchise from Blue Moon.

The Franchisor

Blue Moon Franchise Systems, LLC previously known as Blue Moon Estate Sales USA, LLC is a North Carolina limited liability company that was organized on April 26, 2013. Our principal business address is located 900 Wilshire Drive, Suite 102, Troy, MI 48084 and our telephone number is (919) 632-4902. We do not do business under any names other than our legal name "Blue Moon Franchise Systems, LLC" and our trade names "Blue Moon Estate Sales." We have offered franchises since 2013.

We are not engaged in any business other than offering Blue Moon franchises and administering the Blue Moon franchise system, nor have we offered franchises in any other line of business. We have not operated a business similar to the Blue Moon business being offered under this franchise. We do not have any predecessors required to be disclosed in this Item 1.

Our Parents and Affiliates

Our immediate parent company is Best Life Brands, LLC, a Michigan limited liability company, whose principal place of business is 900 Wilshire Drive, Suite 102, Troy, MI 48084-1600. Best Life Brands, LLC is owned entirely by CFC Holding Company, LLC, a Delaware limited liability company, whose principal place of business is 45 Rockefeller Center 630 Fifth Avenue, Suite 400, New York, NY 10111. CFC Holding Company, LLC's majority owner is TRC CFC, LLC, whose principal place of business is 45 Rockefeller Center, 630 Fifth Avenue, Suite 400, New York, NY 10111.

The name and principal business address of each of the companies that directly or indirectly control TRC CFC, LLC are as follows:

NAME OF COMPANY	PRINCIPAL BUSINESS ADDRESS	OWNERSHIP OR CONTROL OF COMPANY
RMCF IV Associates AIV I, L.P.	45 Rockefeller Center, 630 Fifth Avenue, Suite 400, New York, NY 10111	Owned by various individual investors and investor groups.
Riverside Micro-Cap Fund IV-A, L.P.	45 Rockefeller Center, 630 Fifth Avenue, Suite 400, New York, NY 10111	Owned by various individual investors and investor groups.
CFC Blocker Corporation	45 Rockefeller Center, 630 Fifth Avenue, Suite 400, New York, NY 10111	Wholly owned by Riverside Micro-Cap Fund IV-A, L.P.
TRC CFC, LLC	45 Rockefeller Center, 630 Fifth Avenue, Suite 400, New York, NY 10111	Majority owned by RMCF IV Associates AIV I, L.P. Minority owned by CFC Blocker Corporation

RMCF IV Associates AIV I, L.P. and Riverside Micro-Cap Fund IV-A, L.P. are part of The Riverside Company, a global private equity firm focused on investing in and acquiring growing businesses and it maintains its principal business address at 45 Rockefeller Center, 630 Fifth Avenue, Suite 400, New York, NY 10111.

Our Affiliates

"Affiliate" means an entity controlled by, controlling, or under common control with another entity. However, it is important to note that each of our affiliates are separate, distinct, independently-owned and operated companies.

Common Control Affiliates

Through common control with Best Life Brands, LLC, we are affiliated with the franchise programs offered by:

- Boost Franchise Systems, LLC ("Boost") whose principal address is 900 Wilshire Drive, Suite 102, Troy, MI 48084. Since July 2021, Boost has offered franchises that provide intermittent care ordered by a doctor and is performed by a Home Health Aide (HHA), Licensed Practical Nurse/Licensed Vocational Nurse (LPN/LVN), Registered Nurse (RN), Physical Therapy (PT), Occupational Therapy (OT), Speech Language Pathologist (ST) and Medical Social Worker (MSW) to patients of all ages with acute and chronic long term complex health conditions within the patient's residence or within health care facilities. As of December 31, 2022, Boost had six franchises in operation in the U.S, of which three are owned by our parent company, Best Life Brands, LLC and currently operate under the name of PROHealth Home Care Services, LLC, a California limited liability company. PROHealth maintains its principal business address at 4221 Wilshire Blvd, #275, Los Angeles, CA 90010. Boost has never offered services similar to those offered by Blue Moon nor has it offered franchises in other lines of business.

- CarePatrol Franchise Systems, LLC ("CarePatrol") whose principal place of business is 900 Wilshire Dr., Suite 102, Troy, MI 48084-1600. Since April 2009, CarePatrol has offered franchises that provide referral and senior placement services under the CarePatrol name. At various times since 2012, CarePatrol has also sold four area representative franchisees in selected areas. As of December 31, 2022, CarePatrol had 160 franchises in operation in the U.S. CarePatrol has never offered any services similar to those offered by Blue Moon nor has it offered franchises in other lines of business.

- ComForCare Franchise Systems, LLC whose principal place of business is 900 Wilshire Drive, Suite 102, Troy, MI 48084. Since April 2001, ComForCare has offered franchises which provide (i) companionship and personal/domestic care services, and other special needs services, primarily on a non-medical basis, for seniors and people of all ages so that they may remain in their residences, (ii) supplemental healthcare staffing services for persons who need this kind of assistance in their home or a facility in which they reside, and (iii) private duty nursing services (extended hourly nursing care for the treatment of medical ailments, Non-Medicare). As of December 31, 2022, ComForCare has 218 franchises in the U.S. and 11 franchises in Canada. ComForCare has never offered any services similar to those offered by Blue Moon nor has it offered franchises in other lines of business.

Agent for Service of Process

See Exhibit C.

Franchise Offered

We franchise the right to operate a business that provides services dedicated to selling the personal property including, but not limited to, furniture, tools, jewelry, and décor, as well as the provision of consignment sales for those who are downsizing, relocating or are deceased using the trade name or trademark, Blue Moon Estate Sales, and also uses our other related trade names, trademarks or logos proprietary marks ("Proprietary Marks"). The franchise operates using our standards, methods, procedures and specifications, called our "System."

A Blue Moon franchise is characterized by a unique system that includes: distinctive design, décor, trademarks, color scheme and furnishings; hardware and software programs; standards, specifications, and procedures for operations; training and assistance; and advertising and promotion programs; all of which we may improve, amend, and further develop from time to time. The typical Blue Moon Estate Sales franchise is operated from a home office or 150 to 300 square feet of leased space.

Market and Competition

The target market for Blue Moon clients includes individuals who are downsizing, relocating or otherwise selling belongings.

Franchisees compete primarily with other estate sale services, auction houses, antique and thrift dealers, and other similar type businesses. The estate sale industry is fragmented with competitors of various sizes.

Laws and Regulations

You must comply with all federal and state licensing and other regulatory requirements relating to the operation of your Business. In addition, you should independently verify whether local municipalities and homeowner's associations within your Protected Territory have implemented regulations related to the provision of estate sales services. Regulations vary from state to state and locality to locality. Most states and localities have specific regulations and ordinances generally that may apply to the operation of your business and set standards pertaining to employee health and safety. The Americans with Disabilities Act ("ADA") also may apply to the operation of your business. In addition, Federal law prohibits the sale of certain animals that have been preserved via taxidermy (e.g., American Bald Eagles). Contact the US Department of Natural Resources for more information regarding these prohibitions. Finally, the sale of offensive materials, such as Nazi memorabilia, may be prohibited either where you operate your business or through on-line sales sites.

We will alter our system in these states to comply with state and local laws. There may be other local, state and/or federal laws or regulations pertaining to your Business with which you must comply. We strongly suggest that you investigate these laws before buying this franchise. You alone are responsible for compliance despite any advice or information that we may give you. We have not researched any of these laws or regulations to determine the specific applicability to your business.

ITEM 2

BUSINESS EXPERIENCE

Chief Executive Officer: **J.J. Sorrenti**

J.J. Sorrenti has served as the Chief Executive Officer (CEO) of our parent, Best Life Brands, LLC, as well as the Manager/CEO of Best Life Brands, LLC parent, CFC Holding Company, LLC, since March 2020 (both companies are based in Troy, MI). Prior to joining Best Life Brands, J.J. was the President and Director of Safeguard Business Systems, Inc. ("Safeguard") (Dallas, TX) since its formation in September 2014 through February 2020. In addition, from January 2009 through February 2020, J.J. served as the: President and Director of Safeguard's two franchising arms (also based in Dallas, TX), SBS and SF Systems; the Vice President of Strategic Channels for Deluxe Small Business Sales, Inc., including the DFS Group; and the President of Safeguard Business Systems Limited, which was Safeguard's Canadian affiliate. J.J. also serves as a Director and Secretary of Snappy Casual Corporation and has held that position since February 2004 and has been a member of Snappy Casual Texas, LLC since June 2013 (both companies are based in Sewickley, PA). He is also a board member for the Gals Scholarship Foundation, a 501(C)(3) public charity that awards scholarships to women in golf. J.J. is also a trustee for the Board of the International Franchise Association's Education Foundation.

Chief Financial Officer: **Kevin Vesely**

Kevin Vesley has served as Director and Secretary of the Franchisor since September 2023. Kevin has also served as the Chief Financial Officer of our parent company, Best Life Brands, LLC, since September 2023. Prior to joining Best Life Brands, LLC, Kevin was the Vice President of Finance for Sonova, Inc. (Chicago, IL) from March 2022 to September 2023. Kevin was the CFO of Alpaca Audiology from October 2019 to March 2022 when it was acquired by Sonova, Inc.. Previously Kevin was a director with PwC's National Office (Florham Park NJ) from June 2017 to October 2019. Kevin is a Certified Public Accountant (CPA) licensed in the State of Arkansas.

Chief Marketing Officer **Jennifer LoBianco**

Jennifer LoBianco (aka Jennifer LoBianco Gregersen) has served as the Chief Marketing Officer (CMO) since December 2022 (Troy, MI). Jennifer was Senior Vice President of Marketing from June 2021 to December 2022. Prior to joining Best Life Brands, LLC, Jennifer was the CMO at Huntington Learning Center (Oradell, NJ) from February 2018 to May 2020. Jennifer previously was the CMO at American Financial Resources (Parsippany, NJ) from March 2016 to February 2018. Jennifer also serves in a voluntary capacity as an advisory council member and mentor with the Buccino Leadership Institute at Seton Hall University (South Orange, NJ).

Brand President: **Bob Lang**

Bob Lang has served as our Brand President since August 2020. Prior to joining us, from December 2009 through March 2020, Bob served as the Vice President of Operations – Business Intelligence for Brightstar Care, a franchisor of home care providers.

Vice President of Franchise Development: **David Tarr**

David Tarr has served as the Vice President of Franchise Development since November 2022. Prior to that, David had been Director of Franchise Development with The Rep'm Group based in Charlotte, NC from February 2020 to October 2022. David was Director of Franchise Development for St. Gregory Development Group based in Cincinnati, OH from May of 2018 to Jan of 2020.

Director of Resales: **Branden Worback**

Branden Worback has served as the Director of Resales for our parent company, Best Life Brands, LLC since February 2020. Prior to this, Branden served as the Director of Operations for our affiliate, ComForCare Franchise Systems, LLC (Troy, MI), from January 2019 to February 2020. From January 31, 2017, to December 31, 2018, he was the Director of Operations for the predecessor of ComForCare Franchise Systems, LLC, ComForCare Health Care Holdings, LLC (Troy, MI).

In-House Counsel: **Stephen D. Greenwald**

Stephen D. Greenwald, Esq. has served as our in-house counsel since our inception as well as the in-house counsel of our affiliates: Troy, MI based Boost Franchise Systems, LLC (since July 2021, Troy), MI based ComForCare Franchise Systems, LLC (since December 2018), and Troy, MI based CarePatrol Franchise Systems, LLC (since January 2019). In addition, Stephen is the general counsel of our parent, Troy, MI based Best Life Brands, LLC (since January 2019). From January 31, 2017 to December 31, 2018, he was the in-house counsel for our predecessor parent, ComForCare Health Care Holdings, LLC (Troy, MI). Stephen serves on the board of the Home Care Association of America and is a member of the State Bar of Michigan.

Minority Owner: **Steven Siegel**

Steve has been a minority owner of our parent, CFC Holding Company, LLC, since January 2017. In addition, Steve is the: Managing Partner of Brookside Consulting, a franchise and retail consulting firm based in Thornton, New Hampshire (since 2001), a senior advisor to the Riverside Company, a private equity firm based in Cleveland, Ohio, (since 2011), a director of AIA (Adventures in Advertising), It's Just Lunch (a franchisor of professional dating services), Clintar (a commercial property services provider), and the New Hampshire Music Festival (all since 2011).

ITEM 3

LITIGATION

Administrative Actions

Federal Trade Commission Docket No C-4379

On December 3, 2012, the Federal Trade Commission ("FTC") issued an administrative complaint against CAREPATROL, Inc. (which is not an existing entity but was incorrectly named), the predecessor franchisor to our Common Controlled Affiliate, CarePatrol Franchise Systems, LLC, alleging issues with certain wording on CarePatrol's website. The FTC objected to wording that seemed to imply that CarePatrol "monitors or grades the care history and violations of all or a substantial majority, of assisted living facilities in a consumer's desired location," that it was incorrect to list every state under a "Click Below to Meet our Consultants" heading, in states in which CarePatrol does not have franchises, as CarePatrol does not have consultants in every state, and that CarePatrol "does not monitor or grade assisted living facilities based on most recent state inspections" in non-franchised areas. There was no intent to mislead, and the wording was for marketing and internet search engine optimization purposes only. The FTC sought to have CarePatrol change the website. In compliance, CarePatrol modified the wording on its website pursuant to FTC instructions. No consumer was involved nor made any complaint. There was no fine or penalty imposed.

Administrative Proceeding before the Securities Commissioner of Maryland: Case No. 2010-0082

In 2007, the predecessor franchisor (ComForCare Health Care Holdings, Inc.) to our Common Controlled Affiliate, ComForCare Franchise Systems, LLC, filed a franchise renewal application in Maryland that was effectuated December 10, 2007, and subsequently, in 2008, filed an amendment application that was effectuated October 7, 2008. After ComForCare's Maryland registration expired on December 10, 2008, ComForCare sold three franchises in Maryland. On April 15, 2010, ComForCare and the Maryland Securities Commissioner, reached an agreement to enter a Consent Order pursuant to which ComForCare agreed to cease and desist from offering or selling franchises in violation of Maryland Franchise Law and agreed to offer rescission to the three Maryland franchises. One franchisee elected to rescind.

Other than the action detailed above, no other actions are 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

Single Unit Franchise

Standard Offering. At the time you sign the Franchise Agreement, you will pay us: (i) an initial franchise fee of $57,000; (ii) a $2,500 Marketing Kit Fee; and (iii) a $100.00 Digital Platform License Setup Fee (for the first license). The initial fees for the Standard Offering during the time period indicated above are uniformly imposed.

Reduced Initial Fee Offering. At our discretion, we may offer you the right to purchase a Blue Moon Franchise under our Reduced Initial Fee Offering. If you are approved, at the time you sign the Franchise Agreement, you will pay us: (i) an initial franchise fee of $24,500; (ii) a $2,500 Marketing Kit Fee; and (iii) a $100.00 Digital Platform License Setup Fee (for this single unit). The initial fees for the Reduced Initial Fee Offering are uniformly imposed.

In exchange for the payment of a reduced initial franchise fee, you will be required to pay us a higher ongoing Royalty Fee – 7.5% of your Gross Sales (or certain minimum fees, whichever is greater) than the Standard Offering ongoing Royalty Fee – 5% of your Gross Sales (or certain minimum fees, whichever is greater). See Item 6 for additional information regarding your Royalty Fee obligations.

Multi-Unit Development

At our discretion, we may offer to qualified candidates the right to purchase more than one single franchise unit. Qualified candidates who are allowed to purchase additional units will be required to sign a separate franchise agreement for each franchise they purchase.

Standard Offering. Approved purchasers of two single units will pay an initial franchise fee of $104,500 ($57,000 for the first unit purchase and $47,500 for the second unit purchased). Purchasers of three single units will pay an initial franchise fee of $147,000 ($57,000 for the single unit purchase; $47,500 for the second unit purchased; and $42,500 for the third unit purchased). Any additional units purchased thereafter will be an additional $32,500 each. In addition, you will pay us a $2,500 Marketing Kit Fee and a $100.00 Digital Platform License Setup Fee (for each unit purchased.) The initial fees for the Standard Offering during the time period indicated above are uniformly imposed.

Reduced Initial Fee Offering. Approved purchasers of two single units will pay an initial franchise fee of $49,000 ($24,500 for each unit purchased). Approved purchasers of three single units will pay an initial franchise fee of $73,500 ($24,500 for each unit purchased). Any additional units purchased thereafter will be an additional $24,500 each. In addition, you will pay us a $2,500 Marketing Kit Fee and a $100.00 Digital Platform License Setup Fee (for each unit purchased.) The initial fees for the Reduced Initial Fee Offering are uniformly imposed.

In exchange for the payment of a reduced initial franchise fees, you will be required to pay us a higher ongoing Royalty Fee – 7.5% of your Gross Sales (or certain minimum fees, whichever is greater), **for each territory**, than the Standard Offering ongoing Royalty Fee – 5% of your Gross Sales (or certain minimum fees, whichever is greater), for each territory. See Item 6 for additional information regarding your Royalty Fee obligations.

You may not purchase multiple units from both offerings. All multiple units must be either via the Standard Offering or the Reduced Initial Fee Offering.

Expansion; Discounts

Occasionally we may establish various franchise expansion programs, which are generally, but not exclusively, available only to existing franchise owners. These programs are intended to provide incentives

for existing franchise owners to expand their existing franchise territories, acquire existing franchise operations from other franchise owners or expand into additional franchise territories. Under these programs, which are established and maintained at our sole discretion, initial franchise fees for additional franchise territories may be reduced, rebated or provided certain credits, provided that the new existing franchise meets certain sales or other performance criteria. However, any such expansion must be solely through the offering program of the franchisee's original franchise agreement(s). For instance, if you purchased your Franchised Business under our Standard Offering, any future expansions must also be under the then Standard Offering program.

Affiliate Franchisee

At our discretion, we may offer qualified candidates, who are currently existing franchisees, the right to purchase a franchise from one of our affiliated brands (as described in Item 1). Such franchisees must independently qualify to own and operate that brand per its then current standards and requirements. If so awarded, the initial franchise fee will be 50% of that brand's then current fee for the first unit purchased only.

Purchase of Existing Franchise (Transfer):

If you are a new Franchisee and purchase an existing Franchised Business, you will pay us a $2,500 Marketing Kit Fee and a $100.00 Digital Platform License Transfer Fee (for each unit purchased.). If you are an existing Franchisee, and purchase another existing Franchised Business, you will only have to pay us the $100.00 Digital Platform License Transfer Fee which, again, is payable upon execution of the Franchise Agreement.

If you purchased your Franchised Business(es) under the Reduced Initial Fee Program, upon transfer, the transferee may not elect to change their Royalty Fee to the then lower Standard Offering rate.

Deposit

If the funding for the purchase of your Blue Moon franchise comes in part or in full from the SBA 7(a) loan program or from a loan against your retirement benefits (e.g., 401k loan), we, at our sole discretion, may allow you to pay a deposit upon execution of your franchise agreement/s in lieu of the full initial franchise fee. This deposit must be at least 20% of the initial franchise fee owed with the remaining balance of your initial franchise fee due in full the sooner of your funding from the SBA or 401k loan or 60 days from your Franchise Agreement's Contract Date. This deposit is non-refundable and you will owe the remaining balance of the initial franchise fee whether you successfully obtain an SBA or retirement benefits loan. If you are eligible to participate in this deposit program, you will still be required to pay the $2,500 Marketing Kit Fee and $100.00 Digital Platform License Setup Fees, for each unit purchased, when you pay your deposit upon execution of the franchise agreement/s. You are not eligible to participate in this deposit program if you elect (and qualify) to participate in the initial franchise fee financing program described in Item 10 – Financing. We reserve the right to offer, modify, withdraw or reinstate this program in the future without notice to you.

Conversion Single Unit Development

At our discretion, we may offer qualified candidates the right to purchase and convert a currently operating independent estate sales business into a Blue Moon franchise ("Conversion Program"). We may, but are not obligated, to reduce (or waive) the initial franchise fee for a converted franchise based on such factors as the length of time you have been in business and revenue being generated. The conversion initial franchise fee is deemed fully earned and nonrefundable upon payment. During our fiscal year 2022, we did not grant any conversion franchises.

Veteran's Discount

To honor those men and women who have served in the United States military, the Veterans Transition Franchise Initiative, known as "VetFran," was developed to help those individuals' transition to civilian life. This initiative is a voluntary effort of International Franchise Association (IFA) member-companies that is designed to encourage franchise ownership by offering financial incentives to honorably discharged veterans. Blue Moon offers a 20% discount off the initial franchise fee for the first single unit purchased to individuals who qualify under VetFran. This discount does not apply to Conversion Franchises.

First Responder's Discount

Blue Moon offers a 15% discount off the initial franchise fee for the first single unit purchased to individuals who serve (or have served) their communities and country as first responders. The term "first responder" refers to those individuals who in the early stages of an incident are responsible for the protection and preservation of life, property, evidence, and the environment, including emergency response providers as defined in section 2 of the Homeland Security Act of 2002 (6 U.S.C. § 101), as well as emergency management, public health, clinical care, public works, and other skilled support personnel (such as equipment operators) that provide immediate support services during prevention, response, and recovery operations. This discount does not apply to Conversion Franchises.

Current Franchise Employee Discount

We offer a $15,000 discount off the initial franchise fee to any current employee of a Blue Moon Franchised Business who wishes to become a Blue Moon franchisee. In order to qualify for this discount, the employee must have worked for an existing Blue Moon Franchised Business for at least 12 months as well as meet our then current new franchisee standards and requirements. Thereafter, if the employee is awarded a Blue Moon Franchised Business, the owner of the Blue Moon that employed him/her will receive a $15,000 referral fee (upon receipt by us of the full discounted initial franchise fee from the employee.) These prospective franchisees are still required to complete all new franchisee training programs although we may accelerate or modify the training requirements, at our discretion, based on the prospective franchisee's operational experience or business acumen. The prospective franchisee cannot be bound by any existing franchise broker and/or franchise referral programs. In addition, you or your immediate relatives cannot have any ownership or equity in their proposed Franchised Business. The Referral Fee is not available for the state of Washington and for the resales of existing Franchised Businesses. We reserve the right to offer, modify, withdraw or reinstate any referral program in the future prior notice to you (but we will let you know once any changes have been implemented).

General Information Regarding Initial Fees

If you have signed a deposit agreement or a promissory note in favor of us for a portion of the initial franchise fee, you will pay to us the portion that has not been financed. The aforementioned initial fees are not refundable, and are fully earned by Blue Moon upon receipt. No other payments will be made to us for goods or services before the opening of your Franchised Business.

Referral Fee

If you refer an unrelated, third-party prospective franchisee directly to us and the prospective franchisee is granted the right to purchase a Franchised Business, upon receipt of the full initial franchise fee, we will pay you a single $15,000 referral fee ("Referral Fee"). These referred prospective franchisees cannot be bound by any existing franchise broker and/or franchise referral programs. In addition, You or your immediate relatives cannot have any ownership or equity in their proposed Franchised Business. The Referral Fee is not available for the state of Washington and for the transfers of existing Franchised Businesses. We reserve the right to offer, modify (including reducing the Referral Fee), withdraw or reinstate any referral program in the future without prior notice to you (but we will let you know once any changes have been implemented).

ITEM 6

OTHER FEES

OTHER FEES			
TYPE OF FEE	**AMOUNT**	**DUE DATE**	**REMARKS**
Royalty Fee (Notes 1, 2 & 3)	*Standard Offering.* 5% of the Gross Sales with a Minimum Royalty Fee per month *Reduced Initial Fee Offering.* 7.5% of the Gross Sales with a Minimum Royalty Fee Per Month	25th day of each month (Or as updated in operational manuals)	Your Royalty is an ongoing payment that allows you to use the Proprietary Marks and the intellectual property of the System and pays for our ongoing support and assistance.
National Advertising Fee (Note 1, 2 & 4)	1% of Gross Sales with a Minimum and Maximum National Advertising Fee per month	25th day of each month (Or as updated in operational manuals)	
Local Marketing Spend (Note 1 & 5)	The greater of 1% of your previous month's Gross Sales or $1,000, per month	Month incurred	Payable to third-party vendors. See Item 7 & 11 for additional information.
Electronic Point-of-Sale Device (Cash Register)	Currently $715 per device to purchase. In addition, you will need to purchase an iPad for each point-of-sale device you purchase which ranges in costs from $100 to $700 per iPad.	One time	Payable to third party vendors. You are required to have one point-of - sale device and two iPad for your business but we recommend that you obtain a second device and iPad within the first six months of your operation. This fee may be increased by the vendor with 60 day's written notice. We reserve the right to change this vendor.
Point-of-Sale Software Fee	Currently $115 per outlet and $69 per month per point-of-sale device	20th day of each month (Or as updated in operational manuals)	Payable to directly to us. We reserve the right to change the vendor utilized for this service as well as increase the fees with 60 days written notice.
Accounting Software	$37 to $75 per month depending on software package you elect to license	Monthly	Payable directly to vendor. This fee may be increased by the vendor with 60 day's written notice. We reserve the right to change this vendor.
Credit Card Payment Provider Processing Software and Device	Varies by vendor. Can range from 2% to 4%	As incurred	Payable directly to approved vendor

OTHER FEES			
Payroll Processing	Currently $80.00 per month plus $12.00 per month per payroll processed	Monthly	Payable directly to vendor
Time Sheet Processing	Currently $1.50 per employee, per week	Weekly	Payable directly to vendor
Google Workspace® Fee	Currently $14.00 per month, per Google Workspace license	20th day of each month (Or as updated in operational manuals)	You and your key employees are required to use Google Workspace as your email platform. At the time of this disclosure, this fee is $14.00 per month per Google Workspace license (plus taxes, if applicable). We reserve the right to increase this fee, per license, with 30 days written notice.
Learning Management System	Currently $0	Monthly	No currently charged but may be up to $50.00 per employee per year. We reserve the right to increase this fee with 30 days written notice.
Applicant Tracking System	Currently $25.00 per month	20th day of each month (Or as updated in operational manuals)	We recommend, but do not require, that you utilize our approved applicant tracking system software provider. If you elect to utilize our approved applicant tracking system, you will pay us this fee directly. We reserve the right to increase this fee, per license, with 60 days written notice.
Smartphone	At least $50/month	Monthly	Payable directly to third-party vendor. Monthly fees vary but you can expect them to be at least $50.00 per month. See Item 11 for additional information.
Estatesales.net Membership	Currently $120 per month	Monthly	Payable directly to Estatesales.net
American Society of Estate Liquidators Membership	Currently $100 per year	Upon demand	Payable directly to American Society of Estate Liquidators
Firearm Safety Course	Varies by provider and state	Month incurred	Payable directly to third-party vendor. Training fees vary but you can expect it to cost at least $50.00. In addition, there may be a continuing education requirement. Course must be completed within 3 months of opening your Franchised Business.

OTHER FEES			
Estate Sale Fulfillment Deposit	$7,500	Your Open Date	Payable to us via EFT. We hold this money in an interest-bearing bank account to ensure Clients receive their estate sale commissions in case you are unable to pay them directly. We will refund this money, plus any accrued interest, to you upon the transfer, sale, or closing of your Franchised Business less any monies owed to us, if applicable.
Protected Territory Change Fee	$5,000	At the time of change	In the event you unilaterally request that we change your Protected Territory from the one granted to you in the Franchise Agreement/s. We are not obligated to grant such a request.
Annual Conference Registration Fee (Notes 6 & 11)	Up to $500 for first attendee; $250 per attendee, thereafter	Upon event registration	Payable to us
Annual Conference Absentee Fee (Notes 6 & 11)	$750	10 days after Annual Conference	Payable to us
Training for Additional Persons	$2,000	Seven days prior to Training	Payable to us. We provide training programs to you. We do not charge fees for the Initial Training Program, but if you appoint another owner to manage the business, we may charge you a fee.
Supplemental Training at Your Office, if needed	$300 per day plus expenses	Seven days prior to Training	This expense is for any optional training you may request. We will provide, at your request, additional training after you have opened for any new key employees.
Renewal Fee	$7,500	When you sign the then-current Franchise Agreement.	Payable to us. If you purchase your Franchised Business(es) under the Reduced Initial Fee Program, upon renewal, **you may not** switch your Royalty Fee to the lower Standard Offering rate. Your renewal agreement will contain the fees associated with the then Reduced Initial Fee Offering Program.

OTHER FEES			
Transfer Fee	$15,000	At the time of transfer	Payable to us at time of transfer. If you purchase your Franchised Business(es) under the Reduced Initial Fee Program, upon transfer, the transferee **may not switch** to the Royalty Fee to the lower Standard Offering rate. The transferee's franchise agreement will contain the fees associated with the then Reduced Initial Fee Offering Program.
Third-party Broker Listing Fee (Note 7)	Varies by broker	Upon execution of new franchise agreement by buyer	Payable to us or escrow agent
Audit Expense (Note 8)	All costs and expenses associated with audit, approximately $1,500 to $5,000	Upon demand	Audit costs payable to us only if the audit shows you have not spent 1% of your monthly Gross Sales on local advertising or if you underreported amounts you owe us by 3% or more.
Client and Location Infraction Fee (Notes 8, 9 & 10)	50% of the Gross Sales realized at the estate sale	Upon demand	Payable to us or affected franchisee
Client Resolution Fee (Notes 8, 9 & 10)	Greater of $500 or $50/hour	Upon demand	Payable to us
Unapproved Services Fee (Note 1)	1% of Gross Sales	Monthly	Payable to us in the event you utilize our Proprietary Marks in the provision of unapproved services.
Interest	Lesser of 18% or the maximum amount allowed by state law	Upon demand	Payable on any fees or payments due to us. The interest rate is per annum, calculated daily.
Late Payment Fee	Up to $150 per week for each individual payment past due	Upon demand	Payable to us. Late fees begin from the date payment was due, but not received, or date of underpayment.
Late Reporting Fee	Up to $150 per report per week for each required report that has not been submitted	Upon demand	Payable to us. Late fees begin from the date the report was due, but not received.

OTHER FEES			
Cost of Enforcement	All costs including reasonable attorneys' fees	Upon demand	You must reimburse us for all costs incurred in enforcing your obligations to us if we prevail.
Fines	Up to $500 per violation	Upon demand	In the event you use unauthorized advertising, fail to attend our convention, or otherwise fail to adhere to system standards following written notification of such violation.
Insurance	Varies	Annually	Payable to us as a reimbursement only if you fail to maintain required insurance coverage and we elect, at our sole discretion, to obtain coverage for you.

Notes to "Other Fees" Table:

All fees paid to us, unless otherwise noted, are uniform and are non-refundable and are due and payable for each territory owned. Fees paid to vendors or other suppliers may be refundable depending on the vendors and suppliers. We currently require you to pay fees and other amounts due to us via electronic funds transfer ("EFT") or other similar means. You must complete the Automated Clearing House Payment Authorization Form (for Electronic Funds Transfer) "ACH Payment Authorization," attached as Addendum D to the Franchise Agreement, for direct debits from your business bank operating account. We can require an alternative payment method or payment frequency for any fees or amounts owed to us or our affiliates under the Franchise Agreement. All fees are current as of the issuance date of this Disclosure Document. Certain fees that we have indicated may increase over the term of the Franchise Agreement.

1. "Gross Sales" means the aggregate amount of all sales of services and the aggregate of all of your charges for all services performed (including service charges in lieu of gratuity) whether for cash or credit or otherwise, made and rendered in, about or in connection with your Franchised Business including, but not limited to, revenue derived the total revenue you receive from estate sales, packing services, cleaning services, handyman services, landscaping services, and staging services. In addition, "Gross Sales" will include all revenues or receipts of any kind derived from the operation of your Franchised Business, including all services provided as a direct or indirect consequence of use of our Proprietary Marks or any respect of the Franchise System as well as any business interruption insurance you received. For purposes of the Royalty Fee, sales are made at the earlier of delivery of services or receipt of payment. The terms "Gross Sales" does not include any federal, state, municipal or other sales, value added or retailer's excise taxes paid or accrued, gift card redemptions, or sales to other franchisees by Franchisee. Royalties on gift cards are assessed when the gift card is sold (and not redeemed). The term "Gross Sales" will not be modified for uncollected amounts.

2. Open Date and Payment of Fees.

    a. New Franchised Business to a new Franchisee. For the purpose of the Franchise Agreement, "Open Date" will mean the sooner of 30 days from your completion of Phase Two of the training program or the date you begin soliciting Estate Sales. However, regardless of the occurrence of these events, you will be deemed open for the purpose of payment of any fees and related obligations that you may have under the Franchise Agreement beginning no later than 120 days from the Contract Date.

b. Purchase of an additional Franchised Business to existing Franchisee. For the purpose of the Franchise Agreement, you will be deemed open immediately upon execution of the new Franchise Agreement.
c. Transfer of existing Franchise to new Franchisee or existing Franchisee. For the purpose of the Franchise Agreement, you will be deemed open immediately upon transfer and subsequent execution of the new Franchise Agreement.

3. During the term of the Franchise Agreement, the monthly Royalty Fee will be calculated as follows:

STANDARD OFFERING ROYALTY FEE CALCULATION	
TIME PERIOD	**MONTHLY ROYALTY FEE**
Open Date through the 2nd Month of Operations	5% of Gross Sales
3rd Month of Operations through the 12th Month of Operations	Greater of $500 or 5% of Gross Sales
13th Month of Operation through the 24th Month of Operation	Greater of $1,000 or 5% of Gross Sales
25th Month of Operation through the Remaining Term	Greater of $1,500 or 5% of Gross Sales

REDUCED INITIAL FEE OFFERING ROYALTY FEE CALCULATION	
TIME PERIOD	**MONTHLY ROYALTY FEE**
Open Date through the 2nd Month of Operations	7.5% of Gross Sales
3rd Month of Operations through the 12th Month of Operations	Greater of $750 or 7.5% of Gross Sales
13th Month of Operation through the 24th Month of Operation	Greater of $1,500 or 7.5% of Gross Sales
25th Month of Operation through the Remaining Term	Greater of $2,250 or 7.5% of Gross Sales

We reserve the right to alter the payment frequency as well as the monthly amounts owed, but not the total amounts owed during a year, due to such factors as your geographic location, holiday seasonality, and time of year considerations.

The monthly Royalty Fee for a Conversion Franchise will be determined at the time of the conversion.

4. During the term of the Franchise Agreement, the monthly National Advertising Fee will be calculated as follows:

NATIONAL ADVERTISING FEE CALCULATION	
Open Date through the 2nd Month of Operation	1% of Gross Sales
3rd Month of Operation through the 12th Month of Operation	Greater of 1% of Gross Sales with a minimum payment of $100 per month and a maximum payment of $425 per month

NATIONAL ADVERTISING FEE CALCULATION	
13th Month of Operation through the 24th Month of Operation	Greater of 1% of Gross Sales with a minimum payment of $200 per month and a maximum payment of $445 per month
25th Month of Operation through the 36th Month of Operation	Greater of 1% of Gross Sales with a minimum payment of $200 per month and a maximum payment of $460 per month
37th Month of Operation through the 48th Month of Operation	Greater of 1% of Gross Sales with a minimum payment of $200 per month and a maximum payment of $480 per month
49th Month of Operation through the 60th Month of Operation	Greater of 1% of Gross Sales with a minimum payment of $200 per month and a maximum payment of $500 per month
61st Month of Operation through the 72nd Month of Operation	Greater of 1% of Gross Sales with a minimum payment of $200 per month and a maximum payment of $520 per month
73rd Month of Operation through the 84th Month of Operation	Greater of 1% of Gross Sales with a minimum payment of $200 per month and a maximum payment of $540 per month
85th Month of Operation through the 96th Month of Operation	Greater of 1% of Gross Sales with a minimum payment of $200 per month and a maximum payment of $560 per month
97th Month of Operation through the 108th Month of Operation	Greater of 1% of Gross Sales with a minimum payment of $200 per month and a maximum payment of $585 per month
109th Month of Operation through Remaining Term	Greater of 1% of Gross Sales with a minimum payment of $200 per month and a maximum payment of $605 per month

The monthly National Advertising Fee for a Conversion Franchise will be determined at the time of conversion.

5. In addition to required contributions to the National Advertising Fund, we recommend that you spend, on a monthly basis, the greater of 1% percent of your previous month's gross revenues or $1,000 a month.

6. You are required to attend the Annual Conference. If you are unable to attend the Annual Conference, you may send an employee, who has been approved for attendance by us. If you fail to attend the Annual Conference (or send an approved employee in your stead), you may be charged a $750 absentee fee ("Annual Conference Absentee Fee"), via EFT, 10 days after the missed Annual Conference concludes. We may increase the Annual Conference Fee with 90 days' written notice prior to the Annual Conference. All Annual Conference attendees are responsible for all of their own travel costs and expenses of lodging, transportation and meals. We reserve the right not to conduct an Annual Conference.

7. If a franchise sales broker is used to sell your Franchised Business, you must pay that broker a Third-Party Broker Sales Fee. Fees vary by broker. For example, some brokers may charge you a flat fee to sell your Franchised Business or a percentage of your eventual sale price (or a combination of both.) It is your responsibility to understand the terms and conditions, including

the fees, any Third-Party Broker may require of you. Additionally, these fees may be assessed for each individual territory sold and must be paid to a licensed escrow agent or to us to then disburse any amounts owed to third-party brokers.

8. You pay our actual costs only. You should be able to investigate these costs by contacting auditors in your area.

9. If you conduct an estate sale on behalf of a client in another franchisee's territory without that franchisee's permission or authorization, you will pay that franchisee 50% of the Gross Sales realized from that sale. In addition, you will be subject to a penalty of up to $5,000, for each client specific infraction, payable to us. You are responsible (rather than us) for any payments or penalties owed to another franchisee for such infractions. We have no obligation to investigate or enforce this provision.

10. In the event we assist in resolving an issue between two or more franchisees regarding a violation of the client and location restriction policy, we may charge the involved parties a client resolution fee that is the greater of $500 or $50/hour. This fee will be invoiced and payable via ACH 10 days from receipt of corresponding invoice. We have no obligation to assist in the investigation of such matters.

11. We may increase the amount of a fixed fee or fixed payment due under the Franchise Agreement or any related agreements. An annual increase to each particular fixed fee or fixed payment may occur only once during any calendar year and may not exceed the corresponding cumulative percentage increase in the Index since the date of the Franchise Agreement or, as the case may be, the date that the last Annual Increase became effective for the particular fixed fee or fixed payment being increased. Annual Increases will be made at the same time during the calendar year. "Annual Increase" means the increase in the amount of a fixed fee or fixed payment due us or an affiliate under a franchise agreement or a related agreement. "Index" means the Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average for all Items (1982-1984=100), not seasonally adjusted, as published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the term of the Franchise Agreement, the other governmental index or computation with which it is replaced will be used to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised.

ITEM 7

ESTIMATED INITIAL INVESTMENT

TABLE A.
YOUR ESTIMATED INITIAL INVESTMENT – SINGLE UNIT FRANCHISE

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
Initial Franchise Fee (Note 1)	$24,500 - $57,000	Lump sum	Upon execution of Franchise Agreement	Blue Moon
Travel Expenses for Training (Note 2)	$0 - $4,450	As incurred	As incurred	Vendors
Real Estate & Related Expenses (Note 3)	Not applicable			
Office Equipment (Note 4)	$50 - $575	As arranged	Before opening	Vendors

TABLE A. YOUR ESTIMATED INITIAL INVESTMENT – SINGLE UNIT FRANCHISE					
Estate Sale Equipment and Materials (Note 5)	$750 - $1,675		Lump sum	Before opening	Vendors
Digital Platform License Setup (Note 6)	$100		Lump sum	Before opening	Blue Moon
Accounting & Payroll Services – 3 Months (Note 7)	$550 - $700		As arranged	Before opening	Vendors
Computer Systems (Note 8)	$3,100 - $3,200		As incurred	Before opening	Vendors
Professional Fees & Business Licenses (Note 9)	$1,250 - $2,500		As incurred	As incurred	Vendors
Dues and Subscriptions – 3 Months (Note 10)	$400 - $500		As arranged	Monthly	Outside Associations and Groups
Initial Marketing Kit (Note 11)	$2,500		Lump sum	Before opening	Blue Moon
Grand Opening Advertising & Marketing; Headshot – 4 months (Note 12)	$8,065 - $8,225		As incurred	Monthly	Vendors
Vehicle - Deposit & 3 Lease Payments (Note 13)	$0 - $1,500		Installments	As incurred	Suppliers
Driver's Safety Course (Note 14)	$500		As incurred	As incurred	Vendors
Insurance – 3-6 months (Note 15)	$600 - $2,000		As incurred	As incurred	Vendors
Additional Funds – 3 Months (Note 16)	$12,000 - $15,000		Prior to opening; As incurred	Prior to opening; As incurred	Various
Total (Notes ((a) - (d))	$54,365	$100,425			

TABLE B. YOUR ESTIMATED INITIAL INVESTMENT – MULTIPLE UNIT FRANCHISE				
TYPE OF EXPENDITURE	**AMOUNT**	**METHOD OF PAYMENT**	**WHEN DUE**	**TO WHOM PAYMENT IS MADE**
Initial Franchise Fee (Note 1)	$49,000 - $147,000	Lump sum	Upon execution of Franchise Agreement	Blue Moon
Travel Expenses for Training (Note 2)	$0 - $4,450	As incurred	As incurred	Vendors
Real Estate & Related Expenses (Note 3)	$0 - $3,400	Monthly	As incurred	Landlord
Office Equipment (Note 4)	$1,100 - $2,500	As arranged	Before opening	Vendors

TABLE B. YOUR ESTIMATED INITIAL INVESTMENT – MULTIPLE UNIT FRANCHISE					
Estate Sale Equipment and Materials (Note 5)	$1,500 - $3,350		Lump sum	Before opening	Vendors
Digital Platform License Setup (Note 6)	$200 - $300		Lump sum	Before opening	Blue Moon
Accounting & Payroll Services – 3 Months (Note 7)	$550 - $700		Monthly	As incurred	Vendors
Computer Systems (Note 8)	$5,600 - $8,000		As incurred	Before opening	Vendors
Professional Fees & Business Licenses (Note 9)	$2,500 - $3,750		As incurred	As incurred	Vendors
Dues and Subscriptions – 3 Months (Note 10)	$400 - $500		As arranged	Monthly	Outside Associations and Groups
Initial Marketing Kit (Note 11)	$5,000 - $7,500		Lump sum	Before opening	Blue Moon
Grand Opening Advertising & Marketing – 4 months (Note 12)	$8,065 - $8,225		As incurred	Monthly	Vendors
Vehicle - Deposit & 3 Lease Payments (Note 13)	$0 - $1,500		Installments	As incurred	Suppliers
Driver's Safety Course (Note 14)	$500		As incurred	As incurred	Vendors
Insurance – 3 - 6 months (Note 15)	$600 - $2,150		As incurred	As incurred	Vendors
Additional Funds – 3 Months (Note 16)	$24,500 - $27,500		Prior to opening; As incurred	Prior to opening; As incurred	Various
Total (Notes ((a) - (6))	$99,515	$221,325			

(a) All of the fees paid to us are not refundable. The fees that are paid to vendors, landlords, and other service providers may not be refundable.

(b) To account for inflation, we have increased the upper cost of the following expenditures by 4%: Travel Expenses for Training, Real Estate & Related Expenses, Office Equipment, and Estate Sale Equipment & Materials.

(c) Table B Specific Note. The low end of this figure is for a two-pack multi-unit franchise while the high end is for a three-pack multi-unit franchise.

Notes to Tables A & B:

1. The Initial Franchise Fee for a:
    a. Standard Offering: a single-unit Franchise is $57,000; a two-pack, multi-unit franchise is $104,500 ($57,000 for the first unit and $47,500 for the second unit); for a three-pack, multi-unit franchise is $147,000 ($57,000 for the first unit, $47,500 for the second unit, and $42,500 for the third unit.)

i. Qualifying franchisees may be eligible to finance part of this fee either via a Deposit Agreement as identified in Item 5 or through the financing program as identified in Item 10 – Financing.

b. Reduced Initial Fee Offering: a single-unit Franchise is $24,500; a two-pack, multi-unit franchise is $49,000 ($24,500 for the first unit and $24,500 for the second unit); for a three-pack, multi-unit franchise is $73,500 ($24,500 for the first unit, $24,500 for the second unit, and $24,500 for the third unit.)

2. You are required to attend the entire Initial Training Program at our Designated Location. If your training is completed via virtual training sessions, you will not incur this expense. Please see Item 11.

3. Real Estate Requirements:

   a. Single-Unit. Blue Moon is a home-based business however a few of our single franchisees have elected to obtain a commercial office space.
   b. Multi-Unit. Multi-unit owners of a Blue Moon Franchise Business are not currently required to obtain commercial office space. However, if you elect to do so, a typical Blue Moon office would require 150 to 300 square feet with a monthly rental fee ranging from $500 to $1000. A security deposit equal to 2 months' rent to lease an office space is estimated to be $1,500. Estimated rental costs for 3 months are included with the category "Additional Funds" (see Note 15 below).

4. This estimates your costs to purchase basic office supplies. You must obtain and use a phone number that is used exclusively for Blue Moon business purposes.

5. We have found that you will need, on average, to purchase between 10 to 15 foldable tables as well as chairs and covers to stage an estate sale prior to opening (per territory).

6. You must license our Digital Platform, which is comprised of Point-of-Sale software and other related business management applications, to use in your business and pay us the first month license setup fee prior to opening. You need to license one version of our Digital Platform for each franchised unit. The platform setup fee paid to us will depend on how many additional cash registers you license beyond the first one. As the current computer system requirements change, you may be required to upgrade or update your hardware and software.

7. This figure includes the fees you will pay for your accounting, payroll and timesheet software.

8. This amount is necessary to purchase and/or license your point-of-sale devices, computer hardware, smartphone purchase/fees, applicant tracking system software, and the Google Workspace Fee. Also included in this amount is an estimated point-of-sale software fee for your first three months of operation for a single unit franchise ($70/month x's 3 months = $210). If you plan on opening additional units within your first three months of operation, you can expect the fee to be $70 a month, for each franchise unit.

9. This fee includes any legal, accounting, licensing, and business consulting services you may need.

10. You will be required to pay certain dues and subscription fees as part of the franchised business. These fees are paid to organizations that will supplement and support your franchised business.

11. At the time you attend the Initial Training Program, you must purchase from us an initial marketing kit for each franchised unit purchased.

12. You are required to spend at least $2,000 a month during the first four months of operation ($8,000 in total) on your local marketing spend and client acquisition efforts, which are comprised of several activities including, but not limited to the purchase of printed marketing collateral, the purchase of

digital marketing solutions using our approved vendor, participating in local networking events, and engaging in traditional marketing tactics every month in order to promote your "Grand Opening." This spend is in lieu of your ongoing Local Marketing Spend requirements during this same period. Guidance on specific marketing activities, strategies, and tactics can be found in the most current Local Marketing Playbook.

a. Headshot. You are also required to obtain, at your expense, a professionally taken "headshot" (picture). Your high-resolution headshot must be in a digital format and must be forwarded to us prior to opening your Franchised Business. Prices vary but you can expect it to range from $65 to $200.

13. Due to the nature of this business, you must have a vehicle. We do not have any standards or specifications for your vehicle other than it must be well maintained (clean and damage free). For purposes of this estimate, we assume that you will lease a vehicle. The low estimate assumes you already own or lease a vehicle, in which case you will not incur any additional expense.

14. Because safety is of the utmost importance to our brand, we may require that you attend a driver's safety course of our choosing at your cost if we receive complaints regarding unsafe driving by you or your employees.

15. This amount represents an initial insurance deposit. Required insurance policies include comprehensive general liability, including automobile liability, third-party fidelity bond coverage, employment practices liability insurance, worker's compensation, and any other insurance required by statute or state law. The estimated cost for all insurance except workers' compensation (which varies by location) during the first year of operation is $2,400 - $4,500. We may reasonably increase the minimum liability protection requirement annually and require, at any time on reasonable prior notice to you, different or additional kinds of insurance to reflect inflation, changes in standards of liability or higher damage awards in public, product or motor vehicle liability litigation or other relevant changes in circumstances.

16. We require that you begin your Franchised Business with at least 3 months of additional working capital funds to cover operating expenses, including rent (if applicable), utilities, and employees' salaries (but not owner's salary). These expenses are typically non-refundable. The estimate of costs assumes you will utilize a home office. In addition, upon your Open Date, we will debit from your bank account of record a $7,500 Estate Sale Fulfilment Deposit. We will hold this money in an interest bearing bank account to ensure that Clients receive their estate sale commissions in case you are unable to pay them directly. We will refund this money, plus any accrued interest, to you upon the transfer, sale, or closing of your Franchised Business less any monies owed to us, if applicable. These figures are estimates and we cannot guarantee that you will not incur additional expenses starting the business.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Standards and Specifications

To ensure that the highest degree of quality and service is maintained, you must operate the Franchised Business in strict conformity with the methods, standards, and specifications that we list in our proprietary and confidential Manual, which may exist in various parts, locations, and formats, and may include a combination of audio, video, written material, electronic media, website content, and/or software components. You must not: (i) deviate from these methods, standards, and specifications without our prior written consent, or (ii) otherwise operate in any manner which reflects adversely on our Proprietary Marks or the System. Our Manual states our standards, specifications, and guidelines for all goods and services that we require you to obtain in establishing and operating your Franchised Business.

We may, from time to time, notify you of new or modified standards, specifications, and guidelines through periodic amendments, or supplements to the Manual or through written communication (including electronic communication).

You must purchase, install, maintain in sufficient supply, and use, only those items that conform to the standards and specifications described in the Manual or otherwise in writing; you must not use nonconforming items. In addition, you must sell or offer for sale only those products and services that we have expressly approved for sale in the Manual or otherwise in writing, and discontinue selling any products or services that we, at our discretion, determine may adversely affect the System. You must not offer any unapproved products or services.

Purchases from Approved Suppliers

As described below in more detail, we currently require that you purchase or lease the following source restricted goods and services: computer equipment; marketing materials; certain operating supplies; credit card processor, and insurance policies. We estimate that between 5% and 8% of the total purchases and leases that will be required to establish your Franchised Business as well as your ongoing operating expenses will consist of source restricted goods or services. There are not any officers of the franchisor who own any interest in our approved suppliers nor are we the approved suppliers for any products or services. Information about the supplier approval process criteria is available to you upon request.

Computer Hardware and Software

You must purchase the minimum computer hardware and software from the vendors we designate. You are required to purchase a PC computer, a Square point of purchase terminal, our designated accounting software, and access to our Digital Platform. You are required to use Google Workspace as your email platform. At the time of this disclosure, this fee is $8.50 per month per Google Workspace license (plus taxes, if applicable). You will purchase the hardware and software directly from the vendors. You must license our proprietary Digital Platform to use in your business and pay us the first month license fee prior to opening. More information on the computer equipment required is included in Item 11.

Marketing Materials

All of your marketing materials (brochures, business cards, etc.) must comply with our standards, requirements and specifications as stated in the Manual that may be changed from time to time. We must approve all of your marketing materials and/or advertisements before you use them. You may only purchase branded marketing materials from us or other suppliers that we designate or approve.

Operating Supplies

You must purchase certain operating supplies that meet our standards and specifications, including a smartphone and digital camera as stated in our Manuals that may be changed from time to time. You may purchase these items from any supplier of your choosing.

Purchase Agreements

In the future, we may try to negotiate relationships with suppliers to enable our affiliates and franchisees to purchase certain items at discounted prices (we do not have any purchase agreements in place at this time). If we succeed, you will be able to purchase these items at the discounted prices that we negotiate (less any rebates or other consideration paid to us). Alternatively, we reserve the right to purchase the items in bulk and resell them to you at our cost plus a reasonable markup (your total cost to purchase the items from us will not exceed your total cost to purchase the items directly from the supplier without the benefit of our group purchasing power). There are no purchasing cooperatives, although we reserve the right to establish one or more purchasing cooperatives in the future. You do not receive any material benefits for using designated or approved suppliers other than having access to any discounted pricing that we negotiate.

Franchisor Revenues from Source Restricted Purchases

We may receive rebates, payments or other material benefits from suppliers based on franchisee purchases and we have no obligation to pass them on to our franchisees or use them in any particular manner. However, we do not currently receive any rebates, payments or other material benefits from suppliers.

For the year ending December 31, 2022, our revenue from:

- The license of Google Workspace® to our franchisees was $18,228 or 0.71% of our total revenue of $2,552,646.
- The license of CareerPlug recruiting software to our franchisees was $11,000 or 0.43% of our total revenue of 2,552,646.
- The license of Vend point-of-sale software to our franchisees was $126,608 or 4.96% of our total revenue of 2,552,646.

Approval of New Suppliers

If you would like to use any product or service in establishing or operating your business that we have not approved (for products and services that require supplier approval), you must request approval by providing us with a sample of the item you would like us to approve. We do not charge a fee for this approval. Unless we provide you written approval within 30 days of your request, your request will be deemed unapproved. We may revoke the approval of a supplier if it fails to continue to meet our standards. We will notify you if we revoke our approval of a product, service or supplier and you must immediately stop purchasing said products or services or utilizing that supplier.

Insurance

You must obtain the insurance coverage that we require from time to time (whether in the Franchise Agreement or in the Manual). You must purchase these policies through our designated insurance broker.

Comprehensive general liability insurance with a minimum liability coverage of One Million Dollars ($1,000,000) on an occurrence basis;

Bodily injury to or death of one or more persons with minimum coverage of One Million Dollars ($1,000,000);

Twenty-Five Thousand Dollars ($25,000) theft/dishonesty bond;

Non-owned vehicle coverage with minimum coverage of Five Hundred Thousand Dollars ($500,000); and Business interruption insurance.

Auto Coverage. We recommend purchasing a commercial auto insurance policy for your vehicle. In the event you elect to continue your personal auto insurance policies, a “Business Use Endorsement” is required to be added to the policy along with a One Million Dollar ($1,000,000) personal umbrella policy. Proof of both coverages must be provided to us annually.

You must also purchase any other limits and coverage that we periodically require. The required coverage and policies are subject to change. All insurance policies must be endorsed to: (i) name us (and our members, officers, directors, and employees) as additional insureds; (ii) contain a waiver by the insurance carrier of all subrogation rights against us; and (iii) provide the we receive 10 days’ prior written notice of the termination, expiration, cancellation or modification of the policy.

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 obligation in these agreements and other items of this Disclosure Document.

Obligation	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Section 1, 5	Item 11
b. Pre-opening purchase/lease	Section 1 & 5	Item 11
c. Site development and other pre-opening requirements	Section 1, 5	Items 7, 8, & 11
d. Initial and ongoing training	Section 4	Item 11
e. Opening	Section 4	Item 11
f. Fees	Section 3	Items 5, 6, 7, 11,
g. Compliance with standards and policies/Operating Manual	Section 4, 5, 6, 7, 9, 11, & 12	Item 11
h. Trademarks and proprietary information	Section 8 & 9	Items 13 & 14
i. Restrictions on products/service offered	Section 1, 5, & 7	Items 8 & 16
j. Warranty and customer service requirements	Section 5, 6, & 7	Item 11
k. Territorial development and sales quotas	Section 1, 5, & 6	Item 12
l. Ongoing product/service purchases	Section 5 & 6	Item 8
m. Maintenance, appearance and remodeling requirements	Section 1, 2, & 5	Item 11
n. Insurance	Section 12	Item 7
o. Advertising	Section 3 & 10	Items 7 & 11
p. Indemnification	Section 18	Not applicable
q. Owner's participation/ management/ staffing	Section 5	Item 15
r. Records and reports	Section 12	Item 11
s. Inspections and audits	Section 12	Items 6
t. Transfer	Section 13	Item 17
u. Renewal	Section 2	Item 17
v. Post-termination obligations	Section 15	Item 17
w. Non-competition covenants	Section 16	Item 17
x. Dispute resolution	Section 23	Item 17

ITEM 10

FINANCING

FINANCING PROGRAM OVERVIEW	
Loan Amount	Up to 50% of Initial Franchise Fee (for Standard Offering only)
Interest Rate	10% per annum
Term	60 months
Loan Start Date	Open Date

We have no obligation to provide you any financing, but we may agree to finance up to 50% of the Initial Franchise Fee for qualified prospective franchisees who are awarded a franchise under our Standard Offering under specified terms and conditions. Our decision to finance the Initial Franchise Fee may be based, in part, on your credit-worthiness, the collateral you have available to secure the financing and our then-current financing policies. We also explicitly reserve the right to conduct credit score inquiries as long as the loan exists. This Financing Program is not available to those who elect to purchase their Franchised Business under our Reduced Initial Fee Offering Program.

You must make a written representation to us, in a form we specify, confirming the dollar amount of your obligations. The representation must remain true through execution of your Franchise Agreement and we may elect not to approve a transfer, including a transfer to a corporation or other entity wholly owned by you, if you do not either maintain the same investment in your Franchised Business or pay any loans payable to us and our affiliates, if applicable, in full.

Your Loan Start Date will be the earlier of your Open Date or six months from your Contract Date. Interest will begin accruing on your Loan Start Date. We currently charge an interest rate of 10% per annum.

If we agree to finance a portion of the Initial Franchise Fee, you must sign a promissory note when you sign the Franchise Agreement. An example of our promissory note is attached as Addendum G to the Franchise Agreement. You must pay us the down payment when you sign the Franchise Agreement and pay the balance in monthly installments.

You must make note payments to us by ACH. Some banks and other financial institutions may charge a fee for electronic transfers but these electronic transfer fees are often negotiable. Monthly payments will begin no later than six months from your Franchise Agreement's Contract Date, regardless of when you complete training or open your business. The length of the repayment term is 60 months.

We require a security interest in the franchise. You must sign a security agreement, substantially in the form included in the promissory note attached as Addendum H to the Franchise Agreement, on all your assets, including after acquired property and we will file a UCC financing statement with the appropriate governmental authority. We have the right to require additional forms of security.

You may prepay the note at any time without penalty. If you default, we may declare the entire remaining amount due. If you do not pay us the entire balance, and any accrued, unpaid interest, you may be responsible for the court costs and attorneys' fees we incur in collecting the debt from you. We may terminate your Franchise Agreement if you do not pay us.

You must waive your rights to certain notices of a collection action in our promissory note, security agreement and guaranty but there are no waivers of defense in our promissory note, security agreement or guaranty. If you are a legal entity, your shareholders, members, partners and/or owners must personally guarantee the debt and agree to pay the entire debt and all collection costs. We have the right to require a spouse's personal guaranty.

We may sell, assign or discount any promissory note or other obligation arising out of the Franchise Agreement to a third-party. If we sell or assign your promissory note, it will not affect our obligation to provide the services to you that are described in the Franchise Agreement but the third party may be immune under the law to any defenses to payment you may have against us.

We may periodically agree with third-party lenders to make financing available to our qualified franchisees and we may, at our sole discretion, refer you to a third-party lender for financing. We have no control over whether financing will be offered to you by any third-party lender. The lender is not obligated to provide financing to you or to any other franchisee that the lender finds does not meet its credit requirements and loan criteria. If we refer you to a third-party lender for financing, we may agree to take a short-term promissory note (in a form we provide to you) until your financing is arranged. You must use the proceeds from the lender to pay any promissory note to us.

We do not guarantee your obligations to third parties.

We may, in limited circumstances, agree to finance a portion of any expansion fee for qualified franchisees at an 10% interest rate under specified terms and conditions. Our decision to finance an expansion fee may be based, in part, on your credit-worthiness, the collateral you have available to secure the financing and our then-current financing policies.

ITEM 11

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

Except as listed below, Blue Moon is not required to provide you with any assistance.

Pre-Opening Obligations

Before you open your business, we will:

1. Designate your Protected Territory (Section 1 and Addendum B of the Franchise Agreement). You may request specific areas, but we have ultimate decision-making authority over the territory granted in the Protected Territory. Your Protected Territory will be agreed upon with you prior to signing the Franchise Agreement.
2. Provide you with the requirements you must fulfill before attending the Initial Training Program. (Section 4, Franchise Agreement)
3. Provide the Initial Training Program for up to 2 people as described further below (Section 4, Franchise Agreement).
4. We will loan you one copy of the Blue Moon Estate Sales Operations Manual or provide you with access to an electronic copy of the Operations Manual.

Site Development

Blue Moon is a home-based business. We do not impose any standards or have any requirements for your home office. You have the unrestricted right to relocate your home office at any time; however, you must notify us of this move, in writing, at least thirty (30) days prior. You may, if you choose to do so, establish a separate office in a commercial facility. If you elect to lease commercial office space, it must be centrally located within your territory and you must seek our approval prior to executing a lease and/or relocating. You are responsible for all costs, liability, expenses and are responsible for locating, selecting, procuring, obtaining and developing this space. We do not select nor do we own or lease to you your office location nor will we reject your selected office location unless it is not within your Protected Territory.

Most of your business activities will be conducted from your vehicle. Because safety is of the utmost importance to our brand, we may require that you attend a driver's safety course of our choosing at your cost if we receive complaints regarding unsafe driving by you or your employees.

Time to Open

You may not open your Franchised Business before: (i) you pay the Initial Franchise Fee and all other amounts then due to us; (ii) the successful completion of the first two phases of our Initial Training Program; (iii) you purchase all required insurance; and (iv) you obtain all required licenses, permits and other governmental approvals. We anticipate that a typical Blue Moon franchisee will open his or her Blue Moon business within 120 days after signing the Franchise Agreement. Some of the factors that may affect this time are financing, completion of the first two phases of our Initial Training Program, obtaining insurance, and complying with local laws and regulations. Unless we agree to the contrary, your Business must be opened within 30 days after completion of the first two phases of our Initial Training Program. Your failure to open within the 30-day period constitutes an event of default under your Franchise Agreement.

Obligations After Opening

During the operation of your Franchised Business we:

1. Will conduct, at our discretion, additional training you are required to attend. (Section 4, Franchise Agreement)
2. Will provide ongoing guidance and recommendations on ways to improve the marketing and operation of your Franchised Business by telephone during normal business hours or through visits by our field representatives.
3. Will research and develop new marketing procedures and lead sources as deemed necessary, and communicate this information to you.
4. We will not establish pricing for the items in your sales, however, upon request, we may provide guidance on how to determine the proper pricing for items.

Advertising

The Fund

We have created a national advertising fund (the "Fund") and require you and other franchise locations to pay a monthly National Advertising Fee of the greater of 1% of your Gross Sales or $200 per month with a maximum monthly fee depending on your time in business (see Item 6.) All franchisees contribute to The Fund at 1% of gross sales, but the minimum may differ based on when their Franchise Agreement originated. Currently, we do not have any Franchisor owned outlets, so there is no contribution to The Fund. If we did open a Franchisor owned outlets, it would contribute at the same rate as other franchisees. The Fund will be administered by us, or our affiliates or designees, at our discretion, and we may use a professional advertising agency or media buyer to assist us. The Fund will be in a separate bank account, commercial account, or savings account. We may use the Fund for marketing, advertising, research, sales promotion, collateral material development, public and consumer relations, recruitment efforts, website development and search engine optimization, the development of marketing-technology for the System, content and social media development, and any other purpose to promote the franchised brand. In addition, the Fund may be applied toward: franchisor specific (not franchisee) internet and/or e-commerce programs, corporate SEO efforts, client and referral lead management, and the reasonable salaries, benefits, and expenses of personnel who create, manage and administer recruiting and branding programs, may include but not limited to, marketing department personnel, external agencies and consultants. We will not use the Fund to defray any of our expenses except for our costs and overhead that we incur in activities related to the administration of the Fund, including costs of personnel for creating, implementing, and managing advertising and marketing programs.

We will not use the Fund contributions for advertising that is principally a solicitation for the sale of franchises, but we reserve the right to include a notation in any advertisement indicating "franchises available" or similar phrasing.

The Fund is not a trust fund, and we do not have any fiduciary duty to you with respect to the Fund's administration, activities, or expenditures. We will direct all advertising and promotional programs, with sole discretion over the creative concepts, materials, and media used in such programs, and the placement

and allocation thereof. We are not required to spend any amount on advertising in the area or territory in which you are located. The Fund's objectives are to maximize general public recognition and acceptance of the Proprietary Marks for the benefit of the System; and that we are not obligated, in administering the Fund, to make expenditures for you that are equivalent or proportionate to your contribution, or to ensure that any particular franchisee or geographic region benefits directly or pro rata from the advertising or promotion conducted under the Fund. We have established a Marketing Advisory Council ("MAC") with representatives from a group of franchisees and Blue Moon management personnel. The MAC serves in an advisory capacity and does not have authority to establish or modify the policies of Blue Moon. The MAC will have input into formulating advertising and marketing plans, programs and policies that affect franchisees. The MAC will initially have four franchisee members and four management members. As the systems grows, the MAC will have the authority to expand the representation. The MAC may be dissolved at any time by Blue Moon by issuing notice to all members of the MAC and the MAC will determine the proper method for handling any remaining balances in the Fund.

An unaudited statement of the operations of the Fund, as shown on the book of the Fund, will be prepared annually by us. Upon thirty (30) days of a written request by you, we will provide you an unaudited statement of the expenditures from the account. During our last fiscal year ending December 31, 2022, we spent $131,089. (See Sections 3 & 11 of the Franchise Agreement for additional information.)

Local Marketing Spend

In addition to required contributions to the Fund, we recommend that you spend, on a monthly basis, the greater of 1% percent of your previous month's gross revenues or $1,000 a month. Guidance on specific marketing activities, strategies, and tactics can be found in the most current Local Marketing Playbook.

We have developed advertising and communications materials you may use in your marketing program. We will also continue to test and develop, through active franchisees, new advertising techniques and tools for you to use in your market (Section 10 of the Franchise Agreement).

At your own expense, you may develop advertising materials for use in your local market. However, you may not use any unapproved advertising materials until the corporate marketing department has approved them. In order to obtain approval, you must submit true copies of any proposed advertising materials to our marketing department. Thereafter, unless we approve them within 30 days of submission, such submissions will be deemed unapproved and you may not use them.

We do not require participation in any local or regional advertising cooperative.

Computer Systems

You are required, at your expense, to purchase or lease, and thereafter maintain and use, only such computer(s), hardware (including, without limitation, laptops, tablets, smartphones, etc.), software, firmware, web technologies or applications, required dedicated internet access and power lines, modem(s), printer(s), and other related accessories or peripheral equipment, and methods of operation, as we specify in the Manual or otherwise in writing (collectively, "Computer System"). The Computer System will have the capacity to electronically exchange information, messages, and other data with other computers, by such means (including, but not limited to, the internet), and using such protocols as we may reasonably prescribe in the Manual or otherwise in writing. You will keep your Computer System in good maintenance and repair and, at your expense, promptly make any and all additions, changes, modifications, substitutions, and/or replacements to your Computer System as we direct. You will pay any and all, annual, monthly or otherwise, software fees, or other fees, as required by us or our approved suppliers in order to maintain your Computer System. It is estimated that you will need to spend between $750 and $1,750 for your Computer System depending on whether you lease or purchase some of the equipment (See Item 6 and 7 for additional information regarding these expenses.) You are also solely responsible for all fees related to the service or maintenance of any Computer System equipment or software you may use in your Franchised Business. You acknowledge and agree that we or our suppliers have the right to increase or decrease the software fees at any time, in their sole discretion, upon written notice to you. You further acknowledge and agree that we

reserve the right to change our approved suppliers, including any software suppliers, at any time and at our sole discretion. You may not alter your Computer System, or use alternative software or suppliers of technology, without our prior written approval. If you are in default of any obligations under this Franchise Agreement, we may, in addition to any other remedy we may have under this Franchise Agreement, temporarily inhibit your access to all or part of the Computer System until you have cured such default completely. Computer systems are vulnerable to varying degrees to computer viruses, bugs, power disruptions, communication line disruptions, internet access failures, internet content failures, data related problems and attacks by hackers and other unauthorized intruders ("E-Problems"). We have taken reasonable steps so E-Problems will not materially affect our business. We do not guarantee that information or communication systems we or others supply will not be vulnerable to E-Problems. It is your responsibility to protect yourself from E-Problems. You should also take reasonable steps to verify your suppliers, lenders, landlords, customers, and governmental agencies on which you rely, have reasonable protection from E-Problems. This may include trying to secure your Computer Systems (including firewalls, password protection, and anti-virus systems), and to provide backup systems. We will have independent access to the information generated by and stored in the Computer Systems.

Website and Internet

We have the right, but not the obligation, to establish and maintain a website to promote the Proprietary Marks and/or the System (the "Website"): (i) we will have sole control over all aspects of the Website, and can discontinue operation of the Website at any time without notice to you; (ii) unless you obtain our prior written consent, you are prohibited from establishing or maintaining a separate website or otherwise maintaining another presence on the internet through any social networking site in connection with the operation of the Franchise Business; (iii) we have the right to modify or supplement our policies regarding social media and internet use at any time in writing, whether as part of the Manuals, or otherwise.

If you are in default of any obligations under the Franchise Agreement, we may, in addition to our other remedies, temporarily remove reference to your Franchised Business from the Website until such defaults are cured to our satisfaction. We may, at our option, discontinue, replace, and/or modify the Website at any time and at our sole discretion. Nothing in this Section will limit our right to maintain websites other than the Website.

Unless otherwise authorized by us, you will only use an e-mail address, related to or associated with the operation of your Franchised Business, which is a part of the "BlueMoonEstateSales.com" internet domain name or other domain as authorized by the Manual.

Smartphones

You are required to obtain and maintain a "Smartphone" (or upgrade your existing Smartphone) for your Franchised Business. A smartphone is a mobile phone with highly advanced features. A typical smartphone has a high-resolution touch screen display, WIFI connectivity, Web browsing capabilities, and the ability to accept sophisticated applications. The majority of these devices run on Android or iOS operating systems. We expressly reserve the right to implement further policies or guidelines regarding these devices.

Information Security System Requirements

We expressly reserve the right to implement further policies or guidelines regarding information security including, but not limited to: risk management protocols, email encryption standards, document retention policies, PCI compliance and the use of third-party security advisors and their security systems/products. You understand that either us, or our approved third-party information security system providers, may charge you both initial and ongoing fees for the creation, implementation and maintenance of any information security system we, at our sole discretion, deem necessary.

Accounting System

You will use and maintain, at your expense, a specific system and/or process of accounting ("Accounting System"). The Accounting System may involve, at our discretion, third-party subscription fees, the purchase of software and updates, storing and/or transferring information electronically, and your active and continual participation in entering data and information needed to ensure the accuracy of the Accounting System. We, at all times, have the right to access the information and data related to the Accounting System. We and our selected third-party vendors, at all times, have the right to access the information and data related to the Accounting System. We will also, at all times, have the right to modify, change, or replace the Accounting System, at which time you will be required to, at your expense, comply with such modification, change, or replacement.

Table of Contents of our Manuals:

We disseminate the manuals electronically. Therefore, the following number of pages per section is just an approximation of the actual size of the information provided.

Topic	Section	Approximate No. of Pages
The History of Blue Moon Estate Sales	1	1
The Opportunity	2	1
The Blue Moon Culture, Standards & Brand	3	2
Core Values	4	3
Ethics	5	6
Building A Team	6	5
The Hiring Process	7	1
The Blue Moon Estate Sale Process	8	17
The Blue Moon Pricing System	9	4
Conducting A Sale	10	9
Accounting/Bookkeeping	11	1
Incident Reports	12	1
Staff Breaks	13	1
Connecting with Other Services in Your Area	14	1
Marketing the Blue Moon Way	15	4
Firearms and Other Weapons	16	1
Testing Precious Metals & Stones	17	4

Training Program

Our Training Program has three phases and takes approximately 8-10 weeks to complete. Phase One Training takes approximately two-four weeks to complete and occurs at your Approved Location/Protected Territory via a mix of eLearning and Virtual classes. Phase Two Training takes approximately 2.5 weeks to complete and occurs at our Designated Location and/or via a mix of eLearning and Virtual classes in your Approved Location/Protected Territory. Phase Three Training takes between 2 to 4 weeks to complete and occurs in your Approved Location/Protected Territory via a mix of in-person (if allowed) and/or eLearning and Virtual classes. You are expected to complete this Training Program within three months of the execution of your Franchise Agreement.

You, the owners, must attend and complete all three phases of our Training Program. You must pay all travel and lodging expenses incurred by you or your other approved attendees in connection with any training conducted at our Designated Location. However, we expressly reserve the right to conduct any

training scheduled at our Designated Location, or conducted in-person within your Approved Location/Protected Territory by a member of our team, remotely via a mix of eLearning and Virtual classes.

Our training program is conducted under the supervision of Kayla Smith, our Director of Training. Kayla has worked for us in this capacity since May, 2021.

PHASE ONE TRAINING PROGRAM

Phase One Training begins once you have signed your Franchise Agreement and takes up to 2-4 weeks to complete. It occurs at your Approved Location/Protected Territory and it consists of a mix of administrative set-up, community research, and eLearning. You, the owner, must complete all of Phase One Training. We will not schedule Phase Two Training until you have completed Phase One Training to our sole satisfaction.

PHASE ONE TRAINING			
SUBJECT	**HOURS OF INTERACTIVE TRAINING**	**HOURS OF FIELD TRAINING**	**LOCATION**
Learning the Platform/Tech	1	N/A	Remote/Online within the Approved Location/ Protected Territory
Establishing your Business	5	N/A	Remote/Online within the Approved Location/ Protected Territory
Outfitting your Business	5	N/A	Remote/Online within the Approved Location/ Protected Territory
Blue Moon Culture – I	1	N/A	Remote/Online within the Approved Location/ Protected Territory
Competitive Analysis – I	3	N/A	Remote/Online within the Approved Location/ Protected Territory
Community Network Research	2	N/A	Remote/Online within the Approved Location/ Protected Territory
Community Pricing	3	N/A	Remote/Online within the Approved Location/ Protected Territory
Check-In's	3	N/A	Remote/Online within the Approved Location/ Protected Territory
Totals	**23**		

PHASE TWO TRAINING PROGRAM

Phase Two Training begins once you have completed your Phase One Training (to our sole satisfaction) as it aligns with our scheduled training times and is comprised of approximately 72 hours of training conducted over two calendar weeks. This time period may include weekends. It is typically conducted every six weeks, or as needed, to meet the collective needs of new franchisees and you may not attend (or begin) Phase Two Training until you have been explicitly invited to this phase of training by our training department.

Phase Two Training occurs at our Designated Location however we expressly reserve the right to conduct this training remotely via a mix of eLearning and Virtual classes. You must pay all travel and lodging

expenses incurred by you or your other approved attendees in connection with the Phase Two Classroom Training,

PHASE TWO TRAINING			
SUBJECT	**HOURS OF INTERACTIVE TRAINING**	**HOURS OF FIELD TRAINING**	**LOCATION**
Blue Moon Culture – II	3	N/A	Designated Location and/or Remote/On-line within the Approved Location/ Protected Territory
Financials and Profitability	4	N/A	Designated Location and/or Remote/On-line within the Approved Location/ Protected Territory
Photography – I	1.5	N/A	Designated Location and/or Remote/On-line within the Approved Location/ Protected Territory
Face-to-Face Marketing	10	N/A	Designated Location and/or Remote/On-line within the Approved Location/ Protected Territory
Competitive Analysis – II	1.5	N/A	Designated Location and/or Remote/On-line within the Approved Location/ Protected Territory
Client Interviews	4	N/A	Designated Location and/or Remote/On-line within the Approved Location/ Protected Territory
Job Selection	3	N/A	Designated Location and/or Remote/On-line within the Approved Location/ Protected Territory
Contracts	2	N/A	Designated Location and/or Remote/On-line within the Approved Location/ Protected Territory
Building a Team- 1	2	N/A	Designated Location and/or Remote/On-line within the Approved Location/ Protected Territory
Branding – I	1	N/A	Designated Location and/or Remote/On-line within the Approved Location/ Protected Territory
Staging a Sale – I	4	N/A	Designated Location and/or Remote/On-line within the Approved Location/ Protected Territory

PHASE TWO TRAINING			
Pricing	6	N/A	Designated Location and/or Remote/On-line within the Approved Location/ Protected Territory
Identifying Specialty Items	3	N/A	Designated Location and/or Remote/On-line within the Approved Location/ Protected Territory
Conducting a Sale & Event Management	4	N/A	Designated Location and/or Remote/On-line within the Approved Location/ Protected Territory
Digital & Social Media Marketing	2.5	N/A	Designated Location and/or Remote/On-line within the Approved Location/ Protected Territory
Digital Platform Overview	2	N/A	Designated Location and/or Remote/On-line within the Approved Location/ Protected Territory
POS Training	2	N/A	Designated Location and/or Remote/On-line within the Approved Location/ Protected Territory
Peer Mentorship	1	N/A	Designated Location and/or Remote/On-line within the Approved Location/ Protected Territory
Totals	**56.5**		

PHASE THREE TRAINING PROGRAM

Phase Three Training begins once you have completed your Phase Two Training **and** have opened your Franchised Business. It takes place over approximately 4 weeks and consists of 20 hours of intensive support, at our expense, in your Approved Location/Protected Territory via a mix of in-person and/or eLearning and Virtual classes. However, we expressly reserve the right to conduct this training remotely via a mix of eLearning and Virtual classes. If you cancel a scheduled in-person visit, this cancelled visit will count toward 5 hours of the 20 hours. If you fail to attend and/or cancel a scheduled eLearning or Virtual Class without prior notice, this canceled class or meeting will count toward 2 hours of the 20 hours.

PHASE THREE TRAINING			
SUBJECT	**HOURS OF INTERACTIVE TRAINING**	**HOURS OF FIELD TRAINING**	**LOCATION**
Financials and Profitability II	N/A	3	In-person and/or Remote/ Online within the Approved Location/ Protected Territory

PHASE THREE TRAINING			
Face-to-Face Marketing II	N/A	8	In-person and/or Remote/ Online within the Approved Location/ Protected Territory
Building a Team – II	N/A	1	In-person and/or Remote/ Online within the Approved Location/ Protected Territory
Digital & Social Media Marketing – II	N/A	2	In-person and/or Remote/ Online within the Approved Location/ Protected Territory
Totals		**14**	

Firearm Safety Training

You are required to successfully complete a firearm safety course within three months of opening your Franchised Business. Fees vary by location and you may be required to participate in continuing education courses.

Supplemental/Additional Training

We do not provide you any additional or supplemental training, however, you can request additional on-site assistance at any time. We will provide it at our option, but the Franchise Agreement does not require us to do so.

Periodic Training

From time to time, and at our sole discretion, we may offer additional training courses for you. We may designate these training courses as optional or mandatory. You are required to attend all mandatory additional training courses.

ITEM 12

TERRITORY

The Franchise Agreement designates the Approved Location for the Franchised Business. If no Approved Location exists at the time you sign the Franchise Agreement, as is typically the case, we will describe the Approved Location in an amendment to the Franchise Agreement after you select and we approve the Approved Location. You may not relocate your office without our express written consent, not to be unreasonably withheld. Any relocation is at your sole expense.

Territory

You will have the right to operate your Franchised Business in a specific geographic area ("Protected Territory"). Your Protected Territory will have a population of approximately 500,000 people. Your Protected Territory will be defined by reference to specified U.S. Postal Service ZIP codes that will be described in Addendum B of the Franchise Agreement. ZIP codes are a system of postal codes used by the United States Postal Service ("USPS") and are changed by the USPS from time to time. The map of your Protected Territory will be for illustrative purposes only and will illustrate the ZIP codes as they exist in your Protected Territory on the date that you sign your Franchise Agreement. Changes by the USPS will affect the ZIP code and area that make up your Protected Territory. For example, if the USPS moves certain addresses from a ZIP code in your Protected Territory into a ZIP code in another franchisee's area or into an unassigned area, those addresses will no longer be part of your Protected Territory. However, we will work with you to minimize the impact of such a change. We determine Protected Territory populations using GbBis mapping application, and population statistics/estimates are updated every 6 months as

released by the United States Census Bureau. Statistics for housing units, facilities, et.al., are updated on an annual basis. More information regarding GbBis can be found at www.gbbis.com.

Your Protected Territory is protected only to the extent that we will not locate another franchise or company-owned location within its geography and to the extent that we will not facilitate estate sales under the Mark "Blue Moon Estate Sales" for clients who live within your Protected Territory (as long as you are in compliance with your Franchise Agreement). You will not receive an exclusive territory.

You may face competition from other franchises or from other channels of distribution or competitive brands that we control.

For purposes of this disclosure document, "clients" are those for whom you perform estate sales and whose items you sell as part of the estate sales. "Customers" refer to those persons who purchase the items sold at the estate sales. At your estate sales, you may sell to any customers who visit the estate sales, regardless of where those customers reside.

You may not directly market to, or solicit, clients located outside of your Protected Territory including other channels of distribution including the internet, catalog sales, telemarketing or other direct marketing. You may only hold estate sales for clients who live within your Protected Territory, unless no other franchise has that protected territory, in which case you may hold that estate sale. If a client contacts you from another protected territory to conduct an estate sale, you must direct that client to the franchisee within whose Protected Territory that client resides. Regardless of the sources, you are required to generate at least 75% of your annualized Gross Sales from estate sales conducted within your Protected Territory.

We reserve the right to establish other channels of distribution for the sale of products, including Internet sales, catalog sales, telemarketing, or other direct marketing. We will not compensate you for any sales made in your Protected Territory through an alternate channel of distribution.

We, and our affiliates, have the exclusive right, but not the obligation, to negotiate and enter into agreements or approve forms of agreements to provide services to National Accounts via our National Accounts Program. A "National Account" is a referral source that offers, on a local, statewide, national, or regional basis, the opportunity for franchisees in the applicable area, geographic area or Protected Territory to provide any services and/or products to the referral sources, members, affiliates, or, however designated, other persons who have a similar relationship with that referral source ("National Account Client.") Any dispute as to whether a particular entity is a National Account will be determined by us and our determination will be final and binding.

If you choose to convert your existing estate sale business to a Blue Moon Franchised Business, your Protected Territory may have more or less population than as stated above depending on factors that include our Protected Territory criteria and your current trade area. Your Protected Territory will be defined in the Franchise Agreement after our completion of a review of your prior business operations.

If you are converting an existing business to a Blue Moon Franchised Business and have clients outside the Protected Territory, you may be prohibited from continuing to provide services to such clients if such clients are receiving such services in another franchisee's Protected Territory. We do not have any plans to operate or conduct a business similar to that being offered in this Franchise Disclosure Document.

Minimum Performance Requirements

In order to maintain your territorial rights, we require you meet the following Minimum Performance Requirements:

FROM…	YOU MUST ACHIEVE GROSS SALES OF AT LEAST…
Open Date through the 2rd Month of Operation	No Performance Requirements

FROM…	YOU MUST ACHIEVE GROSS SALES OF AT LEAST…
3rd Month of Operation through the 12th Month of Operation	$100,000
13th Month of Operation through the 24th Month of Operation	$240,000
25th Month of Operation and each year thereafter through the Remaining Term	$360,000 (per year)

For any renewal term, you must attain and maintain the highest minimum performance requirements indicated above for the operation of the Franchised Business by the first month of the renewal term.

The Minimum Performance Requirements for a transfer or Conversion Franchisee is determined at the time of the conversion.

If you choose to convert your existing estate sale business to a Conversion Franchised Business, your Protected Territory may have more or less population than as stated above depending on factors that include the location of your Conversion Franchised Business, our Protected Territory criteria, and your current trade area. Your Protected Territory will be defined in the Franchise Agreement after our completion of a review of your prior business operations.

If you are converting an existing business to a Conversion Franchised Business and have clients outside the Protected Territory, you may, as determined by us based on facts and circumstances, be prohibited from continuing to provide services to such clients if such clients are receiving such services in another franchisee's Protected Territory.

Your failure to meet these Minimum Performance Requirements constitutes a material default under your Franchise Agreement, permitting us to terminate your franchise, refuse to enter into a renewal agreement with you, reduce the size of your Protected Territory, or terminate your territorial rights. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

The designated minimum performance levels do not imply you will achieve these amounts or any other amounts within any certain time frame.

ITEM 13
TRADEMARKS

The following table shows the status of federal trademark registrations and applications for federal registration on the Principal Register with the United States Patent and Trademark Office ("USPTO") for registrations of these Marks licensed to you.

MARK	REGISTRATION NUMBER	REGISTRATION DATE
Blue Moon Estate Sales (standard character mark)	4509571	April 8, 2014
	5714186	April 2, 2019

We have filed and intend to file all necessary affidavits of use and renewal applications when they become due.

We may establish new Marks in the future and you must use and display the Marks according to our specifications. You must modify or discontinue use of a trademark or trade dress if we modify or discontinue using it. You will bear all costs associated with changes to the Marks or introduction of new Marks. You must follow our rules when you use these Marks. You cannot use a name or Mark as a part of a corporate name or with modifying works, designs, or symbols except for those which Blue Moon has licensed to you. You may not use the registered Blue Moon Estate Sales name in the sale of an unauthorized product or service or in any manner we do not authorize in writing. You may not use any other Mark, name, commercial symbol or logo in connection with the operation of your Franchised Business.

There is presently no effective determination of the U.S. Patent and Trademark Office, Trademark Trial and Appeal Board, the trademark administrator of this state, or any state or federal court, of any pending infringement, opposition or cancellation proceeding or any pending material litigation involving the Marks which is relevant to the use of the Marks in accordance with the terms of the Franchise Agreement in this state, and no agreements exist which significantly limit in any manner material to you, the rights of Blue Moon to use or license the use of Marks, names, logos, or symbols.

You may not use the terms "Blue Moon" or "Blue Moon Estate Sales" in your business entity's legal name. You must not contest, directly or indirectly, our use or, rights in and ownership of the Marks, trade secrets or methods and procedures are a part of the System. You must not register, seek to register or contest our sole right to register, use and license others to use the Marks, names, information, and symbols.

You must immediately notify us of the use of, or claim or rights to, a trademark identical to or confusingly similar to any Marks, and we have sole discretion to take the action it deems appropriate. If it deems such action necessary and appropriate, although we are not required to do so, we will protect the right to use the Marks and defend you against claims of infringement or unlawful competition arising out of the use of the Marks. We have the right to control any administrative proceedings or litigation involving a trademark license to you by us.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not currently own any rights to any patent that is material to the Franchised Business, nor are there any pending patent applications material to the Franchised Business.

The information in the Manual, as well as certain other written materials developed by us to assist you in the operation of your Franchised Business, is proprietary, and is protected by copyright and other laws. The designs contained in the Proprietary Marks, the layout of our advertising materials, the content and format of our products, and any other writings and recordings in print or electronic form are also protected by copyright and other laws. In addition, although we have not applied for copyright registration for some of our advertising materials, the content and format of our products, or any other writings and recordings, we claim common law and federal copyrights in these items. We grant you the right to use this proprietary and copyrighted information (the "Works") for the operation of your Franchised Business, but such copyrights remain our sole property.

You are prohibited from copying, or otherwise reproducing or making the Works available to any unauthorized person. Any software or Work provided to you, in whole or in part, must be returned to us if you materially breach the Franchise Agreement, or if the Franchise Agreement is terminated or expires.

You must not directly or indirectly contest our right to our claimed copyrights that are a part of the Franchised Business. You must notify us immediately if you learn about an infringement or challenge to our copyrighted Works. We will take the action we think is appropriate. We have the right to control any administrative proceedings or litigation involving a Work subject to copyright that is licensed to you by us.

You must modify or discontinue use of a Work if we modify or discontinue using it. You will bear all costs associated with changes to Works or introduction of new Works. You must follow our rules when you use these Works.

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

We will disclose parts of the Confidential Information and Trade Secrets to you as we deem necessary or advisable for you to develop your Franchised Business during training and in guidance and assistance furnished to you under the Franchise Agreement, and you may learn or obtain from us additional Confidential Information and Trade Secrets during the term of the Franchise Agreement. The Confidential Information and Trade Secrets are valuable assets of ours and are disclosed to you on the condition that you, and your owners, if you are a business entity, and employees, agree to maintain the information in confidence by entering into a confidentiality agreement we can enforce.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

We require that you personally supervise the Franchised Business full-time as either a dedicated Field Manager or dedicated Marketer. You may not personally fulfill both of these roles. In addition, we have found that the most successful franchise owners also employ, full-time, a person to serve as the dedicated marketer or Field Manager (depending on your role in the Franchised Business) as well as two to three Sales Associates. Any Field Manager is not required to possess any equity interest in the franchised business and is not required to complete our training program. "Full-time" is defined as the expenditure of at least 35 hours of work per week, including vacation, sick leave, and other excused absences.

If you are awarded multiple franchised businesses, in addition to the staffing indicated above, you should also employ at least one "Field Team" for each Protected Territory you are awarded. A Field team consists of a Field Manager, a Team Leader, and two to three Sales Associates.

All of your officers, employees, independent contractors and other agents or representatives who attend our Initial Training Program and/or may have access to our confidential information must sign the Confidentiality Agreement which is attached to the Franchise Agreement.

All of the owners of the Franchise must sign a personal guaranty in the form attached to the Franchise Agreement.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell only products and services that we have expressly approved for sale in the Manual or otherwise in writing. You must discontinue selling and offering for sale any products or services that we disapprove in writing at any time. You must not offer any unapproved products or services. You have the ability to set your own prices for products or services sold through your Franchised Business.

You may not solicit sales outside your Protected Territory (see Item 12 and Section 6 of the Franchise Agreement for more information on restrictions).

Except as described in the preceding paragraph, you are not restricted by the Franchise Agreement, or any of our practices or customs, regarding the products or services you offer for sale or to whom you may sell. You must comply with all reasonable requirements if we supplement, improve, or modify the System, including offering and selling new or different services and products that we specify. We have the right to change the types of authorized goods and services, and there are no limits on our right to make changes.

ITEM 17

RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

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

THE FRANCHISE RELATIONSHIP		
PROVISION	**SECTION IN FRANCHISE OR OTHER AGREEMENT**	**SUMMARY**
a. Length of the franchise term	Section 2	10 years
b. Renewal or extension of the term	Section 2	If you are in good standing and you meet other requirements, you may add one (1) successor renewal terms and the then current term length. In addition, if you purchase your Franchised Business(es) under the Reduced Initial Fee Program, upon renewal, **you may not** switch your Royalty Fee to the then lower Standard Offering rate. Your renewal agreement, if so offered, will contain the fees associated with the then Reduced Initial Fee Offering Program.
c. Requirements for franchisee to renew or extend	Section 2	Renewal means the right to sign a new franchise agreement. Give timely written notice; not be in default; be current in debt obligations; execute our then-current franchise and any ancillary documents (this new franchise agreement may have materially different terms and conditions than your original Franchise Agreement); at our option, execute with us a mutual general release of claims; pay renewal fee. In addition, if you purchase your Franchised Business(es) under the Reduced Initial Fee Program, upon renewal, **you may not** switch your Royalty Fee to the then lower Standard Offering rate. Your renewal agreement, if so offered, will contain the fees associated with the then Reduced Initial Fee Offering Program.
d. Termination by franchisee	Not applicable	Franchisees may terminate under any grounds permitted by law.
e. Termination by franchisor without cause	Not applicable	Not applicable
f. Termination by franchisor with cause	Section 14	We cannot terminate the Franchise Agreement without cause.

THE FRANCHISE RELATIONSHIP		
g. "Cause" defined – curable defaults	Section 14	You have 30 days to cure: nonpayment of fees, failure to obtain an office lease, failure to attend training, unauthorized use of Proprietary Marks, failure on three or more occasions in any 12 months to submit financial statements, reports or other data, and any other breach of the agreement not listed.
h. "Cause" defined – non-curable defaults	Section 14	Bankruptcy, unsettled judgments, loss or right to conduct business, abandonment of Franchised Business.
i. Franchisee's obligations on termination/nonrenewal	Section 15	Termination of the Franchise Agreement will require removal of identification, payments of amounts due and return of Manual, operating software and confidential information
j. Assignment of contract by franchisor	Section 13	No restrictions on our right to assign.
k. "Transfer" by franchisee – defined	Section 13	Includes transfer of contract or assets or ownership change
l. Franchisor approval of transfer by franchisee	Section 13	We have the right to approve all transfers but will not unreasonably withhold approval. However, if you purchase your Franchised Business(es) under the Reduced Initial Fee Program, upon transfer, the transferee **may not** switch their Royalty Fee to the then lower Standard Offering rate. The transferee's franchise agreement, if so offered, will contain the fees associated with the then Reduced Initial Fee Offering Program.
m. Conditions for franchisor approval of transfer	Section 13	New franchisee qualifies, business transfer fee paid, business transfer training reserve provided, purchase agreement approved, training arranged and current franchisee agreement signed by new franchisee. No transfer fee for transfer to immediate family member. However, if you purchase your Franchised Business(es) under the Reduced Initial Fee Program, upon transfer, the transferee **may not** switch their Royalty Fee to the then lower Standard Offering rate. The transferee's franchise agreement, if so offered, will contain the fees associated with the then Reduced Initial Fee Offering Program.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 13	We can match any offer for the franchisee's business
o. Franchisor's option to purchase franchisee's business	Not applicable	Not applicable
p. Death or disability of franchisee	Section 13	Franchise must be assigned by estate to an approved buyer in twelve months
q. Non-competition covenants during the term of the franchise	Section 16	No involvement in competing business anywhere in US
r. Non-competition covenants after the franchise are terminated or expires	Section 16	No competing business for two years within 75 miles of your location or within 75 miles of another Blue Moon franchise
s. Modification of the agreement	Section 21	No modifications generally, except in writing. Manual may be modified. Only the terms of the franchise agreement and Disclosure Document are binding (subject to state law). Any representations or promises outside of the Disclosure Document or franchise agreement may not be enforceable.

THE FRANCHISE RELATIONSHIP		
t. Integration/merger clause	Section 19	Only the terms of the Franchise Agreement are binding (subject to federal law). Any other promises may not be enforceable, except as set forth in this Disclosure Document. Notwithstanding the foregoing, nothing in this or any related agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.
u. Dispute resolution by arbitration or mediation	Section 23	Except for certain claims, the parties must first mediate any dispute subject to applicable state law.
v. Choice of forum	Section 22	North Carolina (subject to applicable state law)
w. Choice of law	Section 22	North Carolina law applies (subject to applicable state law)

ITEM 18

PUBLIC FIGURES

We do not use any public figure to promote the franchise.

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned units, 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: (i) a franchisor provides the actual records of an existing unit you are considering buying; or (ii) a franchisor supplements the information provided in this Item, for example, by providing information about possible performance at a particular location or under particular circumstances.

Blue Moon Estate Sales businesses derive their revenue from the commissions they charge to sellers of estates. Typically, this commission is a percentage of the gross sales of the items sold at estate sales. For purposes of this Item 19, the gross sales of the estate sales (the total sale price of all property sold at the estate sales), less any sales tax, is referred to as "Gross Sales."

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

Tables A below provides the average and median annual Gross Sales for all franchised locations that were operating during the period from January 1, 2022 to December 31, 2022 including the location operated by our former affiliate, Blue Ribbon Business Ventures, LLC.

Tables B below provides the average and median annual Gross Sales for all franchised owners that were operating during the period from January 1, 2022 to December 31, 2022 including the location operated by our former affiliate, Blue Ribbon Business Ventures, LLC.

Table C below provides the average & median number of estate sales for all franchised locations that were operating during the period from January 1, 2022 to December 31, 2022 including the location operated by our former affiliate, Blue Ribbon Business Ventures, LLC.

Table D below provides the average & median gross estate sales for all franchised locations that were operating during the period from January 1, 2022 to December 31, 2022 including the location operated by our former affiliate, Blue Ribbon Business Ventures, LLC.

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

TABLE A – GROSS SALES INFORMATION BY FRANCHISE TERRITORY OPERATING PRIOR TO JANUARY 1, 2022

TIME IN BUSINESS	TERRI-TORIES	AVERAGE GROSS SALES	NUMBER/ PERCENT ATTAINED OR EXCEEDED AVERAGE		MEDIAN GROSS SALES	NUMBER/ PERCENT ATTAINED OR EXCEEDED MEDIAN		HIGHEST PERFORMER	LOWEST PERFORMER
60+ months	5	$591,846	2	40%	$529,574	3	60%	$1,124,866	$257,904
49-60 months	3	$372,744	1	33%	$230,001	2	67%	$689,091	$199,139
37-48 months	0	$0.00	0	0%	$0.00	0	0%	$0.00	$0.00
25-36 months	9	$336,517	4	44%	$261,606	5	56%	$608,341	$103,851
12-24 months	27	$250,751	11	41%	$229,759	14	52%	$628,231	$48,507
TOTALS	**44**	**$315,372**	**18**	**41%**	**$258,738**	**24**	**55%**	**$1,124,866**	**$48,507**

TABLE B – GROSS SALES INFORMATION BY FRANCHISE OWNER OPERATING PRIOR TO JANUARY 1, 2022

TIME IN BUSINESS	TERRI-TORIES	AVERAGE GROSS SALES	NUMBER/ PERCENT ATTAINED OR EXCEEDED AVERAGE		MEDIAN GROSS SALES	NUMBER/ PERCENT ATTAINED OR EXCEEDED MEDIAN		HIGHEST PERFORMER	LOWEST PERFORMER
60+ months	7	$560,251	3	43%	$529,574	4	57%	$1,124,866	$209,071
49-60 months	3	$372,744	1	33%	$230,001	2	67%	$689,091	$199,139
37-48 months	0	$0.00	0	0%	$0.00	0	0%	$0.00	$0.00
25-36 months	9	$445,598	4	44%	$364,786	5	56%	$818,303	$93,132
12-24 months	23	$287,325	11	48%	$257,510	12	52%	$749,247	$48,507
TOTALS	**42**	**$372,830**	**19**	**45%**	**$304,239**	**23**	**55%**	**$1,124,866**	**$48,507**

TABLE C – AVERAGE AND MEDIAN NUMBER OF ESTATE SALES BY FRANCHISE TERRITORY OPERATING PRIOR TO JANUARY 1, 2022									
TIME IN BUSINESS	**TERRI-TORIES**	**AVERAGE # ESTATE SALES**	**NUMBER/ PERCENT ATTAINED OR EXCEEDED AVERAGE**		**MEDIAN # ESTATE SALES**	**NUMBER/ PERCENT ATTAINED OR EXCEEDED MEDIAN**		**HIGHEST PERFORMER**	**LOWEST PERFORMER**
60+ months	5	42	1	20%	31	3	60%	87	26
49-60 months	3	40	1	33%	34	2	67%	67	19
37-48 months	0	0	0	0%	0	0	0%	0	0
25-36 months	9	34	2	22%	30	5	56%	71	13
12-24 months	27	27	13	48%	26	16	59%	46	9
TOTALS	**44**	**31**	**17**	**39%**	**30**	**26**	**59%**	**87**	**9**

TABLE D – AVERAGE AND MEDIAN GROSS ESTATE SALES BY FRANCHISE TERRITORY OPERATING PRIOR TO JANUARY 1, 2022									
TIME IN BUSINESS	**TERRI-TORIES**	**AVERAGE GROSS SALES**	**NUMBER/ PERCENT ATTAINED OR EXCEEDED AVERAGE**		**MEDIAN GROSS SALES**	**NUMBER/ PERCENT ATTAINED OR EXCEEDED MEDIAN**		**HIGHEST PERFORMER**	**LOWEST PERFORMER**
60+ months	5	$14,920	2	40%	$14,380	3	60%	$23,120	$8,597
49-60 months	3	$9,416	2	67%	$10,285	2	67%	$12,105	$5,857
37-48 months	0	$0.00	0	0%	$0.00	0	0%	$0.00	$0.00
25-36 months	9	$9,823	4	44%	$9,270	5	56%	$16,269	$6,306
12-24 months	27	$8,908	14	52%	$9,009	14	52%	$14,839	$3,449
TOTALS	**44**	**$9,813**	**22**	**50%**	**$9,422**	**24**	**55%**	**$23,120**	**$3,449**

Table A, C and D Notes:

(a) Table A provides the annual average Gross Sales reported to us by an individual franchise territory.

(b) Table C provides the average and median number of estate sales by an individual franchise territory.

(c) Table D provides the average and median gross estate sale by an individual franchise territory.

(d) As of the time of this disclosure, we have 92 franchised territories in operation. Of the 92 territories, 34 territories' sales were excluded from these tables because it had not been in operation for a year. 10 territories were excluded for the purpose of this disclosure because the territories were either held for resale, had not been developed or had transferred territories during the 2022 calendar year. The remaining 4 territories were excluded because they report combined (2 owners that own 2 territories each but report as 1).

(e) These tables include territories opened in each year from 2009 through December 31, 2021 with the distribution of start dates as follows: 27 franchised territories opened in 2021; 9 franchised territories opened in 2020; 3 franchised territories opened in 2018; 3 franchised territories opened in 2017; 1 franchised territory opened in 2016 and 1 franchised territory opened in 2009. We consider a territory to be open once they have completed their training and their assigned door opening task.

Table B Notes

(a) Table B provides the annual Gross Sales reported by the franchisees, and aggregates Gross Sales by owner regardless of the number of territories they may own. As a result, the data represented in this table may be more favorable than the data reported by franchise territory as represented in Table A.

(b) Of the 42 franchises listed in Table B, 16 of the included franchisees own one additional territory and 1 of the included franchisees own two additional territories.

(c) 21 franchise owners were excluded from this Table because they were not in operation for a year. This includes 2 owners with 4 territories each, 2 owners with 3 territories each, 2 owners with 2 territories each and 15 single territory owners. An additional 4 owners were excluded from this Table because their territories were held for resale (2 owners with 2 territories and 2 single territory owners). 1 owner with 3 territories was excluded because they had transferred territories during the year.

(d) For the distribution of start dates, see Tables A, C and D; Note (e)

Additional Notes

(a) "Annual Gross Estate Sales" means the total revenue of all estate sales generated during the 2022 calendar year.

(b) "Average Gross Estate Sales" means the total revenue generated by a subset divided by the number of outlets in that subset.

(c) "Median Gross Estate Sales" means the middle revenue value within the subset.

(d) **Some outlets have sold this amount. Your individual results may differ. There is no assurance that you will this much.**

(e) The figures for franchises in operation for 60 months or greater includes the gross sales of our former affiliate, Blue Ribbon Business Ventures, LLC. For the 12 months ending December 31, 2022, this former affiliate's gross sales were $1,124,866 and were derived from a territory with a population of 647,152 people. In contrast, your territory will likely contain a population of approximately 400,000 people.

(f) Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting David Tarr at Blue Moon Franchise Systems, LLC, 900 Wilshire Drive, Suite 102. Troy, MI 48084-1600, (248) 499-5190, dtarr@bestlifebrands.com, the Federal Trade Commission and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

TABLE 1 - SYSTEM-WIDE OUTLET SUMMARY FOR YEARS 2019-2021 (AS OF DECEMBER 31 OF EACH YEAR)				
OUTLET TYPE	**YEAR**	**OUTLETS AT THE START OF THE YEAR**	**OUTLETS AT THE END OF THE YEAR**	**NET CHANGE**
Franchised	2020	26	33[3]	+7
	2021	31[3]	63	+32
	2022	63	92	+29
Company-Owned	2020	0	0	0
	2021	0	0	0
	2022	0	0	0
Total Outlets*	2020	26	33[3]	+7
	2021	31[3]	63	+32
	2022	63	92	+29

TABLE 2 - TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR) FOR YEARS 2020 TO 2022		
STATE	**YEAR**	**NUMBER OF TRANSFERS**
Arizona	2020	0
	2021	1
	2022	0
Georgia	2020	0
	2021	1
	2022	0
North Carolina	2020	0
	2021	1
	2022	0
South Carolina	2020	0
	2021	1
	2022	0
Total	2020	0
	2021	4
	2022	0

TABLE 3 - STATUS OF FRANCHISED OUTLETS FOR YEARS 2020-2022								
STATE	**YEAR**	**OUTLETS AT START OF YEAR**	**OUTLETS OPENED**	**TERMINATIONS**	**NON-RENEWALS**	**REACQUIRED BY FRANCHISOR**	**CEASED OPERATIONS - OTHER REASONS**	**OUTLETS AT END OF YEAR**
Arkansas	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Arizona	2020	0	1	0	0	0	0	1
	2021	1	1	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Colorado	2020	0	1	0	0	0	0	1
	2021	1	3	0	0	0	0	4
	2022	4	2	0	0	0	0	6
Connec-ticut	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	1	0	0	0	0	2
Florida	2020	0	0	0	0	0	0	0
	2021	0	5	0	0	0	0	5
	2022	5	7	0	0	0	2	10[4]
Georgia	2020	2	4	0	0	0	2	4
	2021	4	4	0	0	0	0	8
	2022	8	0	0	0	0	3	5[5]
Illinois	2020	0	0	0	0	0	0	0
	2021	0	2	0	0	0	0	2
	2022	2	1	0	0	0	2	1
Indiana	2020	0	0	0	0	0	0	0
	2021	0	4	0	0	0	0	4
	2022	4	0	0	0	0	0	4
Kentucky	2020	1	1	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Maryland	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	1	0
	2022	0	0	0	0	0	0	0
Massachu-setts	2020	0	1	0	0	0	0	1
	2021	1	1	0	0	0	1	1
	2022	1	1	0	0	0	0	2
Michigan	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	4	0	0	0	0	5
Minnesota	2020	0	3	0	0	0	0	3[3]
	2021	1[3]	1	0	0	0	0	2
	2022	2	1	0	0	0	0	3
Nebraska	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Nevada	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
New Jersey	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	3	0	0	0	0	4[4]
New Mexico	2020	1	0	0	0	0	1	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0

TABLE 3 - STATUS OF FRANCHISED OUTLETS FOR YEARS 2020-2022								
New York	2020	0	0	0	0	0	0	0
	2021	0	2	0	0	0	0	2
	2022	2	0	0	0	0	0	2
North Carolina	2020	14[1]	0	0	0	2	3	8[2]
	2021	8[2]	1	0	2	0	0	7
	2022	7	1	0	0	0	0	8
Ohio	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	2	0	0	0	0	2
Oklahoma	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Pennsyl-vania	2020	1	0	0	0	0	1	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
South Carolina	2020	4	1	0	0	0	0	5
	2021	5	0	0	0	0	1	4
	2022	4	2	0	0	0	0	6[5]
South Dakota	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Tennessee	2020	1	0	0	0	0	0	1
	2021	1	3	0	0	0	0	4
	2022	4	0	0	0	0	1	3
Texas	2020	1	2	0	0	0	0	3
	2021	3	6	0	0	0	1	8
	2022	8	5	0	0	0	0	13
Utah	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Virginia	2020	2	0	0	0	0	0	2
	2021	2	0	0	1	0	1	0
	2022	0	0	0	0	0	0	0
Totals	2020	26	16	0	0	2	7	33[2]
	2021	31[3]	40	0	3	0	5	63
	2022	63	34	0	0	0	5	92[5]

[1] Affiliate owned stores became a franchisee

[2] Two multi-unit locations were evaluated and determined to represent one less territory each than previously reported in the 2020 FDD.

[3] Three reported openings in Minnesota should have been reported as one location open and two locations signed franchise agreements, but outlets not opened.

[4] A Franchisee with two open locations in Florida relocated his territories to New Jersey.

[5] A Franchisee relocated a territory from Georgia to South Carolina.

TABLE 4 - STATUS OF COMPANY-OWNED OUTLETS FOR YEARS 2020 TO 2022							
STATE	**YEAR**	**OUTLETS AT START OF YEAR**	**OUTLETS OPENED**	**OUTLETS REACQUIRED FROM FRANCHISEE**	**OUTLETS CLOSED**	**OUTLETS SOLD TO FRANCHISEE**	**OUTLETS AT END OF YEAR**
North Carolina	2020	2	0	0	0	2	0[1]
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0

TABLE 4 - STATUS OF COMPANY-OWNED OUTLETS FOR YEARS 2020 TO 2022							
Totals	2020	2	0	0	0	0	0[1]
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0

TABLE 5 - PROJECTED OPENINGS AS OF DECEMBER 31, 2022			
STATE	**FRANCHISE AGREEMENTS SIGNED BUT OUTLET NOT OPENED**	**PROJECTED NEW FRANCHISED OUTLETS IN THE NEXT FISCAL YEAR**	**PROJECTED NEW COMPANY-OWNED OUTLETS IN THE NEXT FISCAL YEAR**
Arizona	0	2	0
California	4	6	0
Colorado	0	2	0
Connecticut	0	0	0
Florida	5	3	0
Georgia	0	2	0
Illinois	0	0	0
Indiana	0	0	0
Kansas	0	0	0
Kentucky	1	0	0
Maryland	0	1	0
Massachusetts	1	0	0
Michigan	0	1	0
Minnesota	0	2	0
Missouri	0	2	0
New York	0	4	0
North Carolina	1	2	0
Ohio	4	2	0
Pennsylvania	0	4	0
South Carolina	0	2	0
Tennessee	0	2	0
Texas	0	4	0
Virginia	0	2	0
Wisconsin	0	2	0
Total	16	45	0

A list of all current Blue Moon franchisees is attached to this Disclosure Document as Exhibit G, including their names and the addresses and telephone numbers of their outlets as of December 31, 2022. In addition, Exhibit H lists the name, city and state, and the current business telephone number (or, if unknown, the last known home 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 our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document. **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

All Blue Moon franchisees are required to sign a confidentiality agreement have done so in the three years prior to this disclosure. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with Blue Moon Estate Sales. You may wish to speak with current and former franchisees, but be aware that not all of those franchisees will be able to communicate with you.

ITEM 21

FINANCIAL STATEMENTS

Exhibit A includes the audited consolidated financial statement of CFC Holding Company, LLC, the parent of our parent, Best Life Brands, LLC for fiscal years 2020, 2021, and 2022. CFC Holding Company, LLC has guaranteed our performance with you.

ITEM 22

CONTRACTS

The following contracts are attached as Exhibits:

Exhibit B	-	Franchise Agreement
Exhibit D	-	Power of Attorney – Telephone and Internet
Exhibit E	-	Sample Deposit Agreement
Exhibit F	-	Sample Release Agreement
Exhibit I	-	State Addenda

ITEM 23

RECEIPTS

Exhibit L is a document to use for acknowledging receipt of the Franchise Disclosure Document, including all exhibits, of the Blue Moon Franchised Business.

EXHIBIT A

FINANCIAL STATEMENTS

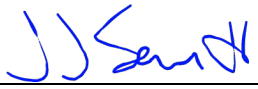
GUARANTEE OF PERFORMANCE

For value received, CFC Holding Company, LLC (the "Guarantor"), located at 45 Rockefeller Center, 630 5th Avenue, Suite 400, New York, NY 10111, absolutely and unconditionally guarantees to assume the duties and obligations of Blue Moon Franchise Systems, LLC, located at 900 Wilshire Dr., Suite 102, Troy, MI 48084 (the "Franchisor"), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2022 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at 900 Wilshire Dr., Suite 102, Troy, MI 48084, on this 31st day of March, 2023.

Guarantor:

CFC Holding Company, LLC

By: 

Name: J.J. Sorrenti

Title: CEO

RSM US LLP

719 Griswold Street
Suite 820
Detroit, MI 48226

T +1 313 335 3900

www.rsmus.com

RSM US, LLP consents to the use in the Franchise Disclosure Document issued by Blue Moon Franchise Systems, LLC (the "Franchisor") on April 1, 2023, as it may be amended, of our report dated March 27, 2023 relating to the consolidated financial statements of CFC Holding Company, LLC and Subsidiaries as of December 31, 2022 and 2021 and for the years ending December 31, 2022, 2021 and 2020.

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CFC Holding Company, LLC and Subsidiaries

Consolidated Financial Report
December 31, 2022

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RSM US LLP

Independent Auditor's Report

Board of Directors
CFC Holding Company, LLC and Subsidiaries

Opinion

We have audited the consolidated financial statements of CFC Holding Company, LLC and its subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, the related consolidated statements of operations, changes in members' (deficit) equity, and cash flows for the years ended December 31, 2022, 2021 and 2020, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years ended December 31, 2022, 2021 and 2020 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 (GAAS). 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 issued or available to be issued.

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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 GAAS 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 GAAS, 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.

RSM US LLP

Detroit, MI
March 27, 2023

CFC Holding Company, LLC and Subsidiaries

Consolidated Balance Sheets
December 31, 2022 and 2021

	2022	2021
Assets		
Current assets:		
Cash	**$ 5,969,700**	$ 6,342,428
Restricted cash	**4,029,309**	3,031,624
Royalty receivables, net	**2,175,573**	1,426,293
Other receivables	**4,367,812**	3,093,034
Current deferred commissions	**714,769**	869,861
Current contract asset	**270,933**	318,733
Prepaid expenses	**518,435**	346,978
Total current assets	**18,046,531**	15,428,951
Property and equipment, net	**95,904**	93,392
Other assets:		
Right of use asset - operating leases, net	**502,042**	-
Goodwill, net	**12,685,642**	15,223,900
Franchise agreements, net	**2,694,783**	3,693,983
Trade names, net	**1,443,696**	1,549,346
Internally developed software, net	**109,566**	283,466
Noncurrent deferred commissions	**1,095,787**	651,149
Noncurrent contract asset	**267,815**	611,706
Total other assets	**18,799,331**	22,013,550
Total assets	**$ 36,941,766**	$ 37,535,893
Liabilities and Members' (Deficit) Equity		
Current liabilities:		
Accounts payable	**$ 2,849,921**	$ 1,790,614
Accrued liabilities	**5,436,879**	5,909,200
Current deferred revenue	**1,438,265**	1,490,482
Operating lease liabilities, current	**117,574**	-
Total current liabilities	**9,842,639**	9,190,296
Noncurrent deferred revenue	**2,064,106**	1,313,132
Operating lease liabilities noncurrent	**456,502**	-
Long-term debt, net of debt issuance costs	**24,827,272**	24,744,363
Members' (deficit) equity	**(248,753)**	2,288,102
Total liabilities and members' equity	**$ 36,941,766**	$ 37,535,893

See notes to consolidated financial statements.

- -

CFC Holding Company, LLC and Subsidiaries

Consolidated Statements of Operations
Years Ended December 31, 2022, 2021 and 2020

	2022	2021	2020
Revenues:			
Franchise fees	**$ 2,974,329**	$ 3,937,072	$ 2,641,074
Franchise royalties	**14,267,295**	12,946,253	12,423,342
National advertising fund revenue	**2,805,447**	2,506,896	609,201
Marketing fees	**2,250,119**	2,029,630	1,685,810
Technology fees	**2,122,923**	1,805,270	1,474,595
Patient service revenue	**3,201,760**	3,216,129	-
Other revenue	**547,695**	385,725	562,098
Total revenues	**28,169,568**	26,826,975	19,396,120
Expenses:			
General and administrative expenses	**20,554,431**	18,697,702	14,644,929
National advertising fund expense	**2,805,447**	2,506,896	609,201
Amortization expense	**3,817,008**	4,175,599	3,825,787
Transaction expenses	**-**	564,466	529,462
Franchise broker commissions	**1,158,212**	1,721,267	1,177,418
Total expenses	**28,335,098**	27,665,930	20,786,797
Operating loss	**(165,530)**	(838,955)	(1,390,677)
Other expense:			
Interest expense	**2,371,325**	2,312,146	1,480,598
Net loss	**$ (2,536,855)**	$ (3,151,101)	$ (2,871,275)

See notes to consolidated financial statements.

CFC Holding Company, LLC and Subsidiaries

Consolidated Statements of Changes in Members' (Deficit) Equity
Years Ended December 31, 2022, 2021 and 2020

Balance at December 31, 2019	11,810,478
Dividend distribution	(3,500,000)
Net loss	(2,871,275)
Balance at December 31, 2020	5,439,203
Net loss	(3,151,101)
Balance at December 31, 2021	2,288,102
Net loss	(2,536,855)
Balance at December 31, 2022	**$ (248,753)**

See notes to consolidated financial statements.

CFC Holding Company, LLC and Subsidiaries

Consolidated Statements of Cash Flows
Years Ended December 31, 2022, 2021 and 2020

	2022	2021	2020
Cash flows from operating activities:			
Net loss	**$ (2,536,855)**	$ (3,151,101)	$ (2,871,275)
Adjustments to reconcile net loss to cash provided by operating activities:			
Depreciation	**21,358**	14,809	16,207
Accretion of debt issuance costs	**82,909**	82,910	93,107
Amortization	**3,817,008**	4,175,599	3,825,787
Loss on disposal of assets	**-**	183,130	-
Provisions for doubtful accounts	**54,404**	141,971	(79,111)
Changes in operating assets and liabilities, net of effects of business acquisitions:			
Royalty receivables	**(2,047,201)**	(69,116)	555,342
Other receivables	**(31,261)**	(832,100)	(667,036)
Deferred commissions	**(289,546)**	(487,861)	(517,790)
Contract asset	**391,691**	293,637	(522,274)
Prepaid expenses	**(171,457)**	53,881	5,218
Accounts payable	**1,059,307**	808,675	(635,339)
Accrued liabilities	**(472,321)**	2,345,450	2,171,193
Deferred revenue	**698,757**	589,339	407,126
Operating lease assets and liabilities	**72,034**	-	-
Net cash provided by operating activities	**648,827**	4,149,223	1,781,155
Cash flows from investing activities:			
Acquisition of businesses, net of cash acquired	**-**	(4,916,130)	-
Purchase of furniture and computers	**(23,870)**	(114,360)	(53,511)
Net cash used in investing activities	**(23,870)**	(5,030,490)	(53,511)
Cash flows from financing activities:			
Borrowings from loan	**-**	-	10,000,000
Payment of debt issuance costs	**-**	-	(250,000)
Distributions to members	**-**	-	(3,500,000)
Net cash provided by financing activities	**-**	-	6,250,000
Net increase (decrease) in cash	**624,957**	(881,267)	7,977,644
Cash and restricted cash:			
Beginning	**9,374,052**	10,255,319	2,277,675
Ending	**$ 9,999,009**	$ 9,374,052	$ 10,255,319

(Continued)

CFC Holding Company, LLC and Subsidiaries

Consolidated Statements of Cash Flows (Continued)
Years Ended December 31, 2022, 2021 and 2020

	2022	2021	2020
Supplemental disclosure of cash flow information:			
Cash payments for interest	**$ 2,028,736**	$ 2,025,173	$ 1,387,491
Supplemental schedule of noncash operating, investing and financing activities:			
Acquisition of businesses:			
Assets acquired	**$ -**	$ 1,200,188	$ -
Liabilities assumed	**-**	290,464	-
Net identifiable assets acquired	**-**	909,724	-
Goodwill	**-**	4,095,739	-
Net assets acquired	**-**	5,005,463	-
Less cash acquired	**-**	(89,333)	-
Cash purchase price	**$ -**	$ 4,916,130	$ -

See notes to consolidated financial statements.

Note 1. Nature of Business and Significant Accounting Policies

Nature of business: CFC Holding Company, LLC and Subsidiaries (collectively, the Company) entered into an agreement to acquire 100% of the interest in ComForCare Healthcare Holdings, Inc. (Holdings) on January 31, 2017. The subsidiaries of the Company include Best Life Brands, LLC (BLB), ComForCare Franchise Systems, LLC (ComForCare), CarePatrol Franchise Systems, LLC (CarePatrol), Blue Moon Franchise Systems, LLC (Blue Moon), Boost Home Health, LLC (Boost), and PROHealth Home Health Services, LLC (PROHealth). BLB was formed as a holding company which is wholly owned by the Company. BLB wholly owns ComForCare, CarePatrol, Blue Moon, Boost, and PROHealth.

ComForCare is a franchisor of certain nonmedical home health care services and business operations primarily in North America. ComForCare provides a systematic method for starting and operating a home health care business under the trade name “ComForCare Home Care” and “At Your Side Home Care” (hereinafter collectively CHC). ComForCare provides its franchisees territorial rights for operation of their CHC businesses. They also provide initial training and ongoing support for franchisees to assure continuity and growth of their business operations.

CarePatrol is a franchisor that offers franchises for the operation of a business that provides assisted living senior referral and placement services, as well as information and marketing services for families looking for assisted living, in-home care and other senior-related services.

Blue Moon is a franchisor that provides management of estate sales.

Boost is a franchisor that provides home health programs relating to rehabilitation and clinical services that enhance at-home healing and support recovery.

PROHealth is a home health agency providing in home health care.

Significant accounting policies:

Basis of presentation: The consolidated balance sheets are presented as of December 31, 2022 and 2021. The consolidated statements of operations, changes in members’ (deficit) equity, and cash flows are presented for the years ended December 31, 2022, 2021 and 2020. The accompanying consolidated financial statements of CFC Holding Company, LLC include its wholly owned subsidiaries, BLB, ComForCare, CarePatrol, Blue Moon, Boost and PROHealth. All intercompany accounts and transactions have been eliminated in consolidation.

Use of accounting estimates: The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and restricted cash: The Company maintains cash balances that, at times, may exceed federally insured limits. Management believes the Company is not exposed to any significant risk on these cash balances. Cash collected and held within the National Advertising Fund is recorded as restricted cash (see Note 6). In addition, the Company has approximately $826,000 deposited in a separate bank account and designated as collateral for the letters of credit (see Note 7).

Note 1. Nature of Business and Significant Accounting Policies (Continued)

The following table provides a reconciliation of cash and restricted cash (Note 6) reported within the consolidated balance sheets that sums to the total of the same such amounts shown in the consolidated statements of cash flows:

	2022	2021
Cash	$ 5,969,700	$ 6,342,428
Restricted cash	4,029,309	3,031,624
	$ 9,999,009	$ 9,374,052

Royalty receivables: Royalty receivables represent amounts due from franchisees pursuant to their individual franchise agreements. Royalty receivables are stated at historical value which approximates fair value. Management provides for probable uncollectible amounts through a charge to earnings and a credit to an allowance account based on the history of past write-offs and collections and its assessment of the current status of individual accounts. The Company routinely assesses the financial strength of its franchisees and, as a consequence, believes that its royalty receivable credit risk exposure is limited to the allowances provided.

The Company has deducted an estimated amount for accounts that will not be collected based on experience, historical payment patterns on amounts invoiced and the aging of outstanding balances. As of December 31, 2022 and 2021, royalty receivables were reduced by allowances for doubtful accounts of approximately $300,000 and $223,000, respectively.

Other receivables: Other receivables represent amounts due from franchisees pursuant to their individual franchise for franchise fees, marketing fees, technology fees, national ad fund revenue and other revenue. In addition, other receivables includes amounts due from patient service fees. Patient receivables are carried at the transaction price consisting of the original charge for the service provided, less any applicable discounts, explicit price concessions for contractual adjustments and an estimated allowance for implicit price concessions (formerly known as allowance for doubtful accounts).

Property and equipment: Property and equipment, which primarily consist of furniture and office equipment, are recorded at cost and depreciated over the estimated useful life of the assets using the straight-line method. Useful lives used to depreciate property and equipment range from three to seven years.

Goodwill: Goodwill results from business acquisitions and represents the excess of the purchase price over the fair value of the identifiable net assets acquired.

The Company follows an accounting alternative that allows it to amortize goodwill on a straight-line basis over a period of 10 years. Also pursuant to the accounting alternative, the Company will test its goodwill for impairment at the entity level only upon the occurrence of an event or circumstance that may indicate the fair value of the entity is less than its carrying amount. As of December 31, 2022 and 2021, the Company has determined that there was no occurrence of an event or circumstance that might indicate the fair value of the entity is less than the carrying amount.

Intangible assets: Intangible assets are amortized over their finite useful lives using the straight-line method. Intangible assets include franchise agreements, internally developed software and trade names.

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Impairment of long-lived assets: The Company reviews long-lived assets, including property and equipment and certain intangible assets, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of these assets is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment charge to be recognized is measured by the amount by which the carrying amount of the asset exceeds the estimated fair value of the asset. There were no impairment charges for the years ended December 31, 2022 and 2021.

Deferred revenue: The Company receives deposits of initial and renewal franchise fees for certain territories and future rights to the ComForCare, CarePatrol, Blue Moon and Boost business models. The Company recognizes revenue when contracts have been signed and each performance obligation has been performed.

Debt issuance costs: Debt issuance costs associated with long-term debt are capitalized as a reduction to the related debt obligation and amortized over the terms of the related debt using the effective-interest method. Amortization expense is included within interest expense in the consolidated statements of operations.

Revenue recognition: The Company recognizes revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 606*,* which provides a five-step model for recognizing revenue from contracts with customers as follows:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when or as performance obligations are satisfied

Nature of revenues: The Company’s revenues consist of franchise revenue, which includes franchise royalties, advertising fund contributions, marketing fees, technology fees and initial and renewal franchise fees.

The Company also collects lead placement revenue, through its CarePatrol franchise.

Note 1. Nature of Business and Significant Accounting Policies (Continued)

The Company collects patient service revenue, through its PROHealth subsidiary which is derived from patient service by providing medical services.

A summary of the Company's significant products and services are as follows:

Franchise revenues: Franchise agreements include (a) the right to use symbolic intellectual property over the term of each franchise agreement, (b) ongoing services, such as management of the advertising fund contributions, marketing services, and providing access to franchise specific technology, and (c) pre-opening services, such as training.

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods and services to the customer. Agreements may include initial and renewal franchise fees (includes the right to use symbolic intellectual property and pre-opening services), royalties (includes the right to use symbolic intellectual property), marketing fees (ongoing services), technology fees (ongoing services), and National Ad Fund fees (ongoing services).

The right to use symbolic intellectual property and ongoing services are highly dependent upon and interrelated with the franchise right granted in the franchise agreement, so they are not considered to be individually distinct and, therefore, are accounted for as a single performance obligation (License of IP). The performance obligation under the franchise agreement is the promise to provide daily access to the symbolic intellectual property over the term of each franchise agreement, which is a series of distinct services that represents a single performance obligation. Although the franchisor's underlying activities associated with the symbolic intellectual property will vary both within a day and day-to-day, the symbolic intellectual property is accessed over time and the franchisee simultaneously receives and consumes the benefit from the franchisor's performance of providing access to the symbolic intellectual property (including ongoing services).

ComForCare royalties are calculated as a percentage of franchise sales that are related entirely to the License of IP performance obligation under the franchise agreement. These royalties are considered variable consideration. Royalty revenue is recognized as franchisee sales occur.

CarePatrol royalties are charged to some franchisees as a percentage of franchise sales and others as standard fixed amounts in which all royalties are related entirely to the License of IP performance obligation under the franchise agreement.

CarePatrol royalties charged as a percentage of franchise sales are considered variable consideration. Royalty revenue is recognized as franchisee sales occur.

CarePatrol royalties charged as standard fixed amounts are considered fixed consideration. Royalty amounts are billed each month for each franchisee. The agreements call for increasing fees throughout the life of the agreement. CarePatrol recognizes revenues for these standard amounts on a straight-line basis over the life of the agreements which results in a contract asset which is presented on the Company's consolidated balance sheets.

Blue Moon royalties are calculated as a percentage of franchise sales that are related entirely to the License of IP performance obligation under the franchise agreement. These royalties are considered variable consideration. Royalty revenue is recognized as franchisee sales occur.

Note 1. Nature of Business and Significant Accounting Policies (Continued)

The Company charges marketing fees, technology fees and National Ad Fund fees which are related entirely to the License of IP performance obligation under the franchise agreement. These revenues are recognized as the fees are billed to franchisees.

Initial and renewal franchise fees are recognized as revenue in regard to two identified performance obligations within the contract. A portion of the fee is recognized when the Company provides training services, as these services are distinct within the contract. The remaining portion of the fees is recognized as revenue related to the License of IP performance obligation on a straight-line basis over the term of the respective agreement beginning when the franchisee signs an agreement. Stand-alone selling price for each performance obligation was determined using an expected cost plus margin approach for training and an observable selling price for the License of IP.

All franchise revenue is recognized over time as the services are provided to franchisees.

Lead placement revenue: Specific to placement services that CarePatrol provides, the Company collects a lead placement fee from retirement facilities when a senior is placed within that facility. This revenue is recognized at a point in time when placement has occurred.

Patient service revenue: PROHealth's patient service revenues are fee-for-service, the patient is charged a fee based on the services performed. For patients that receive treatment there is consent (written, implied or verbally) to obtain treatment. The Company receives payments directly from private consumers, commercial insurers, Medicare and other third-party payors. Revenue is recognized as performance obligations are satisfied.

Because all of its performance obligations relate to contracts with a duration of less than one year, the Company has elected to apply the optional exemption and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

The Company determines the transaction price based on standard charges for goods and services provided, reduced by explicit price concessions comprised of contractual adjustments provided to third-party payors and discounts provided to uninsured patients in accordance with the Company's policy, and implicit price concessions proved to uninsured patients. The Company determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policies, and historical experience. The Company determines its estimate of implicit price concessions based on its historical collection experience with this class of patients.

All patient service revenue is recognized at a point in time when the services are provided to the patients.

Total revenue recognized at a point in time and over time was as follows for the years ended December 31:

	2022	2021	2020
Revenue recognized at a point in time	$ 3,410,580	$ 3,381,192	$ 461,805
Revenue recognized over time	24,758,988	23,445,783	18,934,315
	$ 28,169,568	$ 26,826,975	$ 19,396,120

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Costs to obtain a contract

Franchise broker commissions paid to brokers that are incremental to the acquisition of customer contracts are capitalized as deferred franchise broker commissions on the consolidated balance sheets when the period of benefit is determined to be greater than one year. The Company determines the period of benefit for commissions paid for the acquisition of an initial contract by taking into consideration the initial estimated customer life, as well as future expectations about whether the renewal commission will be commensurate with the pattern of revenue recognition.

Leases: In February 2016, the FASB issued ASC Topic 842, Leases, to increase transparency and comparability among organizations related to their leasing arrangements. The update requires lessees to recognize most leases on their balance sheets as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Topic 842 also requires additional disclosure of key quantitative and qualitative information for leasing arrangements. Similar to the previous lease guidance, the update retains a distinction between finance leases (similar to capital leases in Topic 840, Leases) and operating leases, with classification affecting the pattern of expense recognition in the income statement. The Company adopted Topic 842 on January 1, 2022, using the optional transition method to the modified retrospective approach, which eliminates the requirement to restate the prior-period financial statements. Under this transition provision, the Company has applied Topic 842 to reporting periods beginning on January 1, 2022, while prior periods continue to be reported and disclosed in accordance with the Company's historical accounting treatment under ASC Topic 840, Leases.

The Company elected the "package of practical expedients" under the transition guidance within Topic 842, in which the Company does not reassess (1) the historical lease classification, (2) whether any existing contracts at transition are or contain leases, or (3) the initial direct costs for any existing leases. The Company has not elected to adopt the "hindsight" practical expedient, and therefore will measure the ROU asset and lease liability using the remaining portion of the lease term upon the adoption of Topic 842 on January 1, 2022.

The Company determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the Company obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Company also considers whether its service arrangements include the right to control the use of an asset.

The Company made an accounting policy election available under Topic 842 not to recognize ROU assets and lease liabilities for leases with a term of twelve months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease (or January 1, 2022, for existing leases upon the adoption of Topic 842). The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, the Company made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date (or remaining term for leases existing upon the adoption of Topic 842).

The Company has made an accounting policy election to account for lease and non-lease components in its contracts as a single lease component for its various asset classes. The non-lease components typically represent additional services transferred to the Company, such as common area maintenance for real estate, which are variable in nature and recorded in variable lease expense in the period incurred.

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Adoption of Topic 842 resulted in the recording of additional ROU assets and lease liabilities related to the Company's operating leases of approximately $620,000 at January 1, 2022. The adoption of the new lease standard did not materially impact consolidated net earnings or consolidated cash flows and did not result in a cumulative-effect adjustment to the opening balance of retained earnings.

Recent accounting pronouncements: In June 2016, the FASB issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which creates a new credit impairment standard for financial assets measured at amortized cost and available-for-sale debt securities. The ASU requires financial assets measured at amortized cost (including loans, trade receivables and held-to-maturity debt securities) to be presented at the net amount expected to be collected, through an allowance for credit losses that are expected to occur over the remaining life of the asset, rather than incurred losses. The ASU requires that credit losses on available-for-sale debt securities be presented as an allowance rather than as a direct writedown. The measurement of credit losses for newly recognized financial assets (other than certain purchased assets) and subsequent changes in the allowance for credit losses are recorded in the statement of income as the amounts expected to be collected change. The ASU is effective for fiscal years beginning after December 15, 2022. The Company is currently evaluating the impact of adopting this new guidance on its consolidated financial statements and does not expect the impact to be significant.

Subsequent events: The Company has evaluated subsequent events for potential recognition and/or disclosure through March 27, 2023, the date the consolidated financial statements were available to be issued.

Note 2. Business Acquisitions

PROHealth Home Health Services, LLC acquisition:

Effective March 5, 2021, BLB acquired 100% of the membership interest in PROHealth for total consideration of $5,005,463. BLB obtained control of the business by acquiring all of the rights to the inputs and processes of its business; therefore the acquisition was accounted for as a business combination. PROHealth is a home health agency providing in home health care. As a result of the acquisition, BLB and its investors seek to increase the value of their investment by having PROHealth's complementary services.

BLB funded the acquisition through the use of cash.

The goodwill arising from the above acquisition is largely due to the fair value of certain intangible assets along with the assembled workforce being subsumed into goodwill, the Company's presence in the marketplace, and its long-term expected revenue growth. A tax election was filed, therefore, goodwill is deductible for income tax purposes.

Note 2. Business Acquisitions (Continued)

The business combination was accounted for under the acquisition method of accounting. The following table summarizes the consideration paid and assets acquired and liabilities assumed recognized at the fair value at the date of acquisition:

Consideration:		
Cash	$	5,357,793
Due from seller		(352,330)
Total invested capital	$	5,005,463
Recognized amount of identifiable assets acquired and liabilities assumed:		
Cash		89,333
Accounts receivable		874,475
Prepaid expenses and other assets		14,131
Property and equipment, net		18,249
Intangible assets		204,000
Accounts payable		(6,210)
Accrued expenses		(212,865)
Deferred revenue		(71,389)
Total identifiable net assets acquired		909,724
Goodwill		4,095,739
	$	5,005,463

In connection with the transaction, the Company incurred $393,866 of transaction expenses which were expensed as incurred in the accompanying consolidated statements of operations.

Of the $204,000 of identified intangible assets all was assigned to trade names (20 year life).

Note 3. Related-Party Transactions

The Company pays consulting fees to certain members of management of the Riverside Company. Consulting fees for the years ended December 31, 2022, 2021 and 2020 were approximately $530,000, $425,000 and $519,000, respectively. Accrued consulting fees as of December 31, 2022 and 2021 were approximately $78,000 and $78,000, respectively, and were included in accrued liabilities in the accompanying consolidated balance sheets.

Note 4. Property and Equipment

Property and equipment is summarized as follows:

	2022	2021
Furniture and fixtures	$ 88,558	$ 87,348
Computer equipment	53,217	30,557
Leasehold improvements	19,855	19,855
	161,630	137,760
Less: accumulated depreciation	(65,726)	(44,368)
	$ 95,904	$ 93,392

Note 5. Intangible Assets and Goodwill

Following is a summary of the intangible assets:

	December 31, 2022			
	Amortization Period (in Years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Franchise agreements—ComForCare	10	$ 6,186,000	$ (3,660,050)	$ 2,525,950
Franchise agreements—CarePatrol	5	1,470,000	(1,445,500)	24,500
Franchise agreements—Blue Moon	5	433,000	(288,667)	144,333
Trade names	20	1,943,000	(499,304)	1,443,696
Software	5	912,000	(802,434)	109,566
		$ 10,944,000	$ (6,695,955)	$ 4,248,045
Goodwill	10	$ 25,382,575	$ (12,696,933)	$ 12,685,642

	December 31, 2021			
	Amortization Period (in Years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Franchise agreements—ComForCare	10	$ 6,186,000	$ (3,041,450)	$ 3,144,550
Franchise agreements—CarePatrol	5	1,470,000	(1,151,500)	318,500
Franchise agreements—Blue Moon	5	433,000	(202,067)	230,933
Trade names	20	1,943,000	(393,654)	1,549,346
Software	5	912,000	(628,534)	283,466
		$ 10,944,000	$ (5,417,205)	$ 5,526,795
Goodwill	10	$ 25,382,575	$ (10,158,675)	$ 15,223,900

Note 5. Intangible Assets and Goodwill (Continued)

The change in the carrying value of goodwill for the years ended December 31, 2022 and 2021, is as follows:

Balance at December 31, 2020	$	13,598,158
Acquisition of PROHealth		4,095,739
Amortization expense		(2,469,997)
Balance at December 31, 2021		15,223,900
Amortization expense		(2,538,258)
Balance at December 31, 2022	$	12,685,642

Amortization expense recognized on intangible assets and goodwill totaled $1,278,750 and $2,538,258, respectively, for the year ended December 31, 2022. Amortization expense recognized on intangible assets and goodwill totaled $1,705,602 and $2,469,997, respectively, for the year ended December 31, 2021. Amortization expense recognized on intangible assets and goodwill totaled $1,697,104 and $2,128,683, respectively, for the year ended December 31, 2020.

Estimated amortization expense for existing amortizable intangibles and goodwill is as follows for each of the next five years ending December 31:

	Intangible Assets	Goodwill
2023	$ 896,683	$ 2,538,258
2024	813,216	2,538,258
2025	715,750	2,538,258
2026	715,750	2,538,258
2027	148,700	1,041,655

Note 6. National Advertising Fund

The Company maintains a National Advertising Fund (NAF) for the creation and development of marketing, advertising, and related programs and materials for all franchises located in the United States and Canada. On behalf of the NAF, ComForCare collects 1% of gross monthly membership billings from franchisees. CarePatrol, Blue Moon and Boost collect varying amounts based on respective franchise agreements. The use of amounts received by the NAF is restricted to advertising, product development, public relations, merchandising, and administrative expenses and programs to increase sales and further enhance the public reputation of each brand. The Company consolidates and reports all balances held by the NAF within the consolidated financial statements. Amounts received and not spent by the NAF are reported as restricted cash which amounted to $4,029,309 and $3,031,624 as of December 31, 2022 and 2021, respectively. The Company records all revenues and expenses of the NAF within the consolidated statements of operations.

Note 7. Long-Term Debt

On December 4, 2020, the Company amended a term note payable (New Term Loan) with a financial institution. The New Term Loan provides for $25,000,000 in principal borrowings with the full principal amount being due on January 31, 2025. The new term loan was amended on May 7, 2022 and changed the monthly interest to London Interbank Offered Rate (LIBOR) plus 6.25% from the previous rate of LIBOR plus 7.25%.

Borrowings under the New Term Loan agreement are collateralized by substantially all assets of the Company. The term note agreement also includes certain affirmative and negative covenants restricting certain corporate acts and requires the maintenance of consolidated leverage and fixed charge coverage ratios.

In connection with the New Term Loan and previous term loan agreements, the Company incurred debt issuance costs of approximately $666,000, which are amortized over the term of the debt facilities. Amortization of debt issuance costs of $82,909, $82,910, and $93,107 has been included in interest expense for the years ended December 31, 2022, 2021 and 2020, respectively.

A summary of long-term debt is as follows as of December 31:

	2022	2021
Term loan	$ 25,000,000	$ 25,000,000
Less unamortized debt issuance costs	(172,728)	(255,637)
	$ 24,827,272	$ 24,744,363

The Company has letters of credit totaling $825,000 and $150,000 as of December 31, 2022 and 2021, respectively.

Note 8. Operating Leases

The Company leases real estate under operating lease agreements that have initial term of 67 months. Some leases include one or more options to renew, generally at the Company's sole discretion, with renewal terms that can extend the lease twice up to a term of five years each. In addition, certain leases contain termination options, where the rights to terminate are held by either the Company, the lessor or both parties. These options to extend or terminate a lease are included in the lease terms when it is reasonably certain that the Company will exercise that option. The Company's operating leases generally do not contain any material restrictive covenants or residual value guarantees.

Operating lease cost is recognized on a straight-line basis over the lease term. Lease expense is approximately $113,000 for the year ended December 31, 2022. Weighted average remaining on lease term is 4.6 years and the weighted average discount rate is 1.26%.

Supplemental cash flow information related to leases is as follows for the year ended December 31, 2022:

Operating leases		
Operating cash outflows - payments on operating leases	$	51,082
Right of use assets in exchange for new lease obligations:		
Operating leases	$	619,566

Future undiscounted cash flows for each of the next five years and thereafter and a reconciliation to the lease liabilities recognized on the consolidated balance sheets are as follows as of December 31, 2022:

Years ending December 31:		
2023	$	124,817
2024		127,331
2025		129,845
2026		132,358
2027		78,553
Total lease payments		592,904
Less imputed interest		(18,828)
Total present value of lease liabilities	$	574,076

Note 8. Operating Leases (Continued)

Future minimum rentals, as determined under Topic 840, for all non-cancelable leases as of December 31, 2021 payments are as follows:

Years ending December 31:		
2022	$	51,082
2023		124,817
2024		127,331
2025		129,845
2026		132,358
Thereafter		78,553
Total minimum lease payments	$	643,986

Note 9. Members' Equity

Members' (deficit) equity consisted of the following membership units:

	December 31, 2022	
	Units Authorized	Units Issued and Outstanding
Class A Units	1,000,000	23,619
Class B Units	3,029	2,763

	December 31, 2021	
	Units Authorized	Units Issued and Outstanding
Class A Units	1,000,000	23,619
Class B Units	3,029	2,670

Class A Units have voting rights on all matters requiring the consent, approval or vote of the Members. The Class A Units receive preference on distributions.

Class B Units are profit interests that do not have voting rights and have been issued to designated management employees of the Company without any corresponding capital contribution. The holders of these units are entitled to share in the appreciation of the Company's assets that occur subsequent to the date of grant. The Class B Units are dilutive to the participating preferred units.

Note 9. Members' Equity (Continued)

The Company has issued and outstanding units of 2,763 and 2,670 to certain management employees as of December 31, 2022 and 2021, respectively. The units substantially vest upon a change in control of the Company, if still employed. The fair value of the awards at the date of grant is estimated using option pricing models. The expected terms assumption reflects the period for which the Company believes the awards will remain outstanding and is based on the expected behavior of the award holders. The Company determined the volatility of the fair value of its units through comparison to similar entities considering such characteristics as industry, stage of life cycle, size and financial leverage. The risk-free rate reflects the U.S. Treasury yield curve for similar expected life instruments in effect at the time of grant. During the years ended December 31, 2022 and 2021, 266 and 233 units, respectively, were forfeited.

As of December 31, 2022 and 2021 there was unrecognized compensation costs related to the Class B Units of approximately $518,000 and $477,000, respectively. The unrecognized compensation costs will be recognized at the time the vesting criterion is probable to occur.

Note 10. Income Taxes

As a limited liability company, the Company is treated as a partnership for federal and state income tax purposes. As such, the taxable income of the Company is allocated in the tax returns of its members for federal and state tax purposes in accordance with their respective ownership percentage. Accordingly, no provision for federal income taxes is included in the consolidated financial statements. Entity-level, composite state and local income taxes (benefits) are accrued at the applicable rates, if any, and are included in the consolidated statements of operations.

The FASB provides guidance for how uncertain tax provisions should be recognized, measured, disclosed and presented in the consolidated financial statements. The Company identifies its tax positions taken or expected to be taken in the course of preparing its tax returns and determines whether any tax positions are more likely than not of being sustained when challenged or when examined by the applicable tax authority. Management has determined that there are no uncertain tax positions at December 31, 2022 and 2021.

The Company's income tax filings are subject to audit by various taxing authorities. The Company's open audit period is 2020.

CFC Holding Company LLC
Balance Sheet
June 30, 2023

Assets	
Cash	4,753,191
Restricted Cash	2,613,546
Accounts Receivable	7,154,785
Prepaid Expenses	4,202,960
Total Current Assets	**18,724,481**
Property and Equipment, Net	109,425
Other Assets, Net	15,702,295
Total Long-Term Assets	**15,811,720**
Total Assets	**34,536,201**
Liabilities and Equity	
Current Liabilities	
Accounts payable	2,437,694
Accrued Expenses	1,704,129
Deferred Revenue	5,342,855
Other Current Liabilities	2,354,221
Total Current Liabilities	**11,838,899**
Senior Term Note A	25,000,000
Other Debt	325,228
Total Long Term Debt	**25,325,228**
Equity	**(2,627,927)**
Total Liabilities and Shareholders' Equity	**34,536,201**

THESE FINANCIAL STATEMENTS ARE 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 THE CONTENT OR FORM.

CFC Holding Company LLC
Income Statement
For the Six Months Ended June 30, 2023

Revenue	
Franchise Fees	32,666
Recurring Royalties	8,125,551
Recurring Marketing Fees	1,226,474
Recurring Software Fees	1,129,167
Corporate Lead Revenue	96,629
Corporate Store Revenue	939,407
Other Revenue	153,638
Total Revenues	**11,703,532**
Operating Expenses	
Marketing Expenses	865,529
Franchise Development	1,337,826
Franchise Support	1,632,798
Clinical And National Programs	111,564
Information Technology	995,322
Admin Expenses	2,245,312
Legal Expenses	190,834
Corporate Store Expense	1,714,990
Other Expenses	1,301,911
Total Operating Expenses	**10,396,084**
Net Ordinary Income	**1,307,448**
Other (Income)/ Expenses	
Interest (Income)/Expense	1,474,616
Depreciation Expense	13,922
Amortization Expense	1,734,838
Taxes	13,723
Riverside Related	284,168
Total Other (Income)/ Expense	**3,521,266**
Net Income	**(2,213,818)**

THESE FINANCIAL STATEMENTS ARE 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 HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

EXHIBIT B

FRANCHISE AGREEMENT

Franchise Agreement

Offered by: Blue Moon Estate Sales

FRANCHISEE

DATE OF AGREEMENT

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BLUE MOON FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT ("Franchise Agreement" or "Agreement") is made and entered into this _____ day of _____, 20___, ("Contract Date"), by and between Blue Moon Franchise Systems, LLC, a limited liability company formed and operating under the laws of the State of North Carolina and having its principal place of business at 900 Wilshire Drive, Suite 102, Troy, MI 48084 ("we," "us," "our," or "Franchisor") and _____ formed and operating under the laws of the State of _____, and _____, an individual, and having its principal place of business at _____ ("you," "your," or "Franchisee").

RECITALS

A. We, as a result of the expenditure of time, skill, effort, funds, equities, and assets, have developed and own a unique and distinctive business model relating to the establishment and operation of a business ("Franchised Business" or "Blue Moon Business") that provides services dedicated to the selling of the personal property including, but not limited to, furniture, tools, jewelry, and décor, as well as the provision of consignment sales for those who are downsizing, relocating or are deceased ("Approved Services"). In addition, Approved Services include the provision of these ancillary estate sale services: packing services, moving services, cleaning services, handyman services, landscaping services, and staging services.

B. We use, promote, and license certain trademarks, service marks, and other commercial symbols for the operation of the Franchised Business, and we may create, use, and license other trademarks, service marks, and commercial symbols for the same use (collectively, "Proprietary Marks").

C. The Franchised Business operates using certain confidential information, trade secrets, formats, designs, systems, methods, specifications, standards, and procedures, and Proprietary Marks, all of which may be improved, further developed, or otherwise modified by us (the "System").

D. We permit certain individuals and/or entities to establish businesses for the purpose of implementing the Franchised Business under the System.

E. As a franchise owner ("Franchise Owner") of a Blue Moon Business, you must comply with this Agreement in order to maintain the high and consistent quality that is critical to attracting and keeping clients of a Blue Moon Business and preserving the goodwill of the Proprietary Marks.

THE PARTIES AGREE AS FOLLOWS:

1. GRANT

1.1. The Recitals above are incorporated by reference into this Agreement.

1.2. We grant you the right, and you accept the obligation, to own and operate a Franchised Business in accordance with this Agreement and the System within the geographic area described in Addendum B ("Protected Territory").

1.3. Your Franchised Business will be located at the street address indicated in the first paragraph of this Agreement above ("Approved Location"). If a particular site has not been selected and approved at the time this Agreement is signed, after you have an Approved Location, we will

unilaterally modify this Agreement as if originally set forth in this Agreement. Please see Section 5.2.

1.4. During the term of this Agreement, except as permitted by Section 1.5, we (including our affiliates) will not establish, or franchise any entity to establish, a Franchised Business within your Protected Territory.

1.5. You expressly acknowledge and agree that, except as provided in this Section, the franchise is non-exclusive. We retain the right, for ourselves, and/or through any affiliate, in any manner, and on any terms and conditions we deem advisable, and without granting you any rights therein:

1.5.1. To own, acquire, establish, and/or operate, and license others to establish and operate, Franchised Businesses outside the Protected Territory, regardless of their proximity to the Approved Location or your Protected Territory, or the impact on your existing or potential clients;

1.5.2. To use the Proprietary Marks and the System to market and sell, and grant others the right to market and sell, any products and services, similar to those which you will sell, through any channels of distribution within or outside of the Protected Territory, regardless of their proximity to the Approved Location or your Protected Territory, or the impact on your existing or potential clients. This includes, but is not limited to, other channels of distribution such as television, direct mail, mail order, catalog sales, telemarketing, over the Internet, via email, social media, and other channels of e-commerce;

1.5.3. To use and license others to use other proprietary and non-proprietary marks or methods, which are not the same as, or confusingly similar to the Proprietary Marks, whether in alternative channels of distribution, at any location, including within the Protected Territory, related to the operation of a business which may be the same as, similar to, or different from the business operated at your Franchised Business, or to sell products and services (regardless of similarity to products and services sold in your Franchised Business);

1.5.4. To anywhere purchase, merge, acquire (or be acquired by), affiliate with, or engage in any transaction with other businesses (whether competitive or not) having one or more businesses or locations, wherever located, including, but not limited to, transactions or arrangements involving competing outlets and/or brand conversions (to or from the Blue Moon brand and System);

1.5.5. To implement multi-area marketing programs that allow us, or others, to solicit or sell to clients anywhere. We also reserve the right to issue mandatory policies to coordinate such multi-area marketing programs;

1.5.6. To develop relationships and solicit business on behalf of the System within your Protected Territory; and

1.5.7. To engage in any other activity, action, or undertaking that we are not expressly prohibited from taking under this Agreement.

1.6. You have no options or rights of first refusal or similar rights to acquire additional Franchised Businesses.

2. TERM, RENEWAL AND EXPIRED AGREEMENT

2.1. The term of this Agreement begins on the Contract Date and expires ten (10) years after the Contract Date, unless sooner terminated as provided in this Agreement.

2.2. We, at our sole discretion, may provide you with the right to renew Franchised Business(es) for one (1) additional term equal to the then-current initial term granted under the following terms and conditions:

2.2.1. You must give us written notice of your election to renew no fewer than six (6) months, and not more than twelve (12) months, prior to the end of the then-current term;

2.2.2. You must not be in default of any provision of this Agreement, or any other agreements between you and us (including any agreements between you and our affiliates), or of any standards set forth in the Manual (as the term is defined in Section 4.1), and you must have complied with all such agreements and the Manual since the Contract Date;

2.2.3. You must be current with respect to your obligations to your landlord, vendors, and any others with whom you do business;

2.2.4. You must execute the then-current form of franchise agreement, and all other agreements, legal instruments, and documents then customarily used by us in the execution of franchise agreements. The renewal franchise agreement, and any other agreements, legal instruments, and documents, may vary materially from those agreements, legal instruments, and documents currently in use by us, including a longer term and the payment of higher fees; with the exception you are not obligated to pay our then-current initial franchise fee;

2.2.4.1. If you purchased your Franchised Business(es) under the Reduced Initial Fee Program (as described in Section 3), <u>you may not</u> switch your Royalty Fee (as defined in Section 3) to the then lower Standard Offering Royalty Fees. Your renewal agreement, if so offered, will contain the fees associated with the then Reduced Initial Fee Offering Program.

2.2.5. We may require you to attend our then-current training program(s);

2.2.6. You pay the $7,500 renewal fee;

2.2.7. Subject to state law, you and us will execute a General Release Agreement, Waiver and Release of Claims (Exhibit F), in a form prescribed by us, of any and all claims which each may have against the other, and their affiliates (except as to amounts then due to us for royalties, advertising contributions, materials, and the like), and their respective shareholders, directors, employees, and agents in their corporate and individual capacities. Unless otherwise prevented by state law, we will consider your failure to sign said release, and to deliver it to us for acceptance, and execution within thirty (30) days after it is delivered to you, to be an election not to acquire a successor franchise; and

2.3. If you do not sign a new franchise agreement and initiate and comply with the renewal procedures outlined in this section prior to the expiration of this Agreement, and continue to accept the benefits of this Agreement after the expiration of this Agreement; then, at our option, this Agreement may be treated either as:

2.3.1. Expired as of the date of expiration, with you then operating without a Franchised Business, and in so doing, you would be in violation of our rights; or

2.3.2. Continued on a month-to-month basis ("Interim Period"), until you or we provide the other party with written notice of such party's intention to terminate the Interim Period; in which case, the Interim Period will terminate thirty (30) days after receipt of any such notice to terminate the Interim Period. In the latter case, all of your obligations will remain in full force and effect during the Interim Period, as if this Agreement had not expired, and all obligations and restrictions imposed upon you on the expiration of this Agreement, will be deemed to take effect upon the termination of the Interim Period.

3. FEES

3.1. Fees Payable to Us

3.1.1. Initial Fees

3.1.1.1. Standard Offering.

3.1.1.1.1. Single Unit. Upon execution of this Agreement, you will pay us a non-recurring initial franchise fee of (i) a $57,000 initial franchise fee; (ii) a $2,500 Marketing Kit Fee; and (iii) a $100.00 Digital Platform License Setup Fee (for the first license).

3.1.1.1.2. Multiple Units. At our discretion, we may offer you the right to purchase multiple single units. If you are approved, you will pay the following initial franchise fees: $57,000 for the first single unit purchase; $47,500 for the second unit purchased; $42,500 for the third unit purchased; $42,500 for the fourth unit purchased, as well as any thereafter. In addition, you will pay a $2,500 Marketing Kit Fee and a $100.00 Digital Platform License Setup Fee (for each unit purchased).

3.1.1.2. Reduced Initial Fee Offering.

3.1.1.2.1.1. At our discretion, we may offer you the right to purchase a Blue Moon Franchise under our Reduced Initial Fee Offering. If you are approved, upon execution of this Agreement, you will pay us a non-recurring initial franchise fee of (i) a $24,500 initial franchise fee; (ii) a $2,500 Marketing Kit Fee; and (iii) a $100.00 Digital Platform License Setup Fee (for the first license).

3.1.1.2.1.2. At our discretion, we may offer you the right to purchase multiple single units under our Reduced Initial Fee Offering. If you are approved, you will pay the following initial franchise fees: $24,500 for the first single unit purchase; $24,500 for the second unit purchased; $24,500 for the third unit purchased; $24,500 for the fourth unit purchased, as well as any thereafter. In addition, you will pay a $2,500 Marketing Kit Fee and a $100.00 Digital Platform License Setup Fee (for each unit purchased).

3.1.1.2.1.3. A Franchised Business granted under our Reduced Initial Fee Offering is not eligible for financing through a promissory note.

3.1.1.3. If you have signed a deposit agreement or a promissory note in favor of us for a portion of the initial franchise fee, you will pay to us the portion that has not been financed. The initial franchise fees are fully earned and are non-refundable in consideration of administrative and other expenses incurred by us in granting the Franchised Business.

3.1.2. *Estate Sale Fulfilment Deposit*. Upon your Open Date, we will debit from your bank account of record a $7,500 Estate Sale Fulfilment Deposit. We will hold this money in an interest-bearing bank account to ensure that Clients receive their estate sale commissions in case you are unable to pay them directly. We will refund this money, plus any accrued interest, to you upon the transfer, sale, or closing of your Franchised Business less any monies owed to us, if applicable.

3.1.3. *Protected Territory Change Fee*. We reserve the right to charge you a $5,000 Protected Territory Change Fee in the event you unilaterally request that we change your Protected Territory as granted after this Agreement is executed, you may be subjected to a $5,000 Protected Territory Change Fee. Please note, we are not obligated to change your Protected Territory but if your request is denied, no fee will be charged.

3.1.4. Ongoing Fees.

3.1.4.1. Gross Sales. "Gross Sales" means the aggregate amount of all sales of services and the aggregate of all your charges for all services performed (including service charges in lieu of gratuity) whether for cash or credit or otherwise, made and rendered in, about or in connection with your Franchised Business including, but not limited to, revenue derived the total revenue you receive from estate sales, packing services, cleaning services, handyman services, landscaping services, and staging services. In addition, "Gross Sales" will include all revenues or receipts of any kind derived from the operation of your Franchised Business, including all services provided as a direct or indirect consequence of use of our Proprietary Marks or any respect of the Franchise System as well as any business interruption insurance you received. For purposes of the Royalty Fee and National Advertising Fee, sales are made at the earlier of delivery of services or receipt of payment. The terms "Gross Sales" does not include any federal, state, municipal or other sales, value added or retailer's excise taxes paid or accrued, gift card redemptions, or sales to other franchisees by Franchisee. Royalties on gift cards are assessed when the gift card is sold (and not redeemed). The term "Gross Sales" will not be modified for uncollected amounts.

3.1.4.2. Sales Reporting. You are required to provide us a Gross Sales report ("Gross Sales Report") no later than 5 days subsequent to the end of each monthly billing period, based on your Gross Sales for that billing period. Gross Sales has the meaning ascribed to it in Section 3.1.2.1. The Gross Sales Report must contain an itemization of the Gross Sales for the preceding reporting period, as well as any other information required by us. You must provide us the Gross Sales Report via electronic submission, or as otherwise specified by us. You must provide us your Gross Sales Report even if you have no revenue to show for the period (this includes new franchisees who have just opened). We also expressly reserve the right to electronically pull any sales information or data from the operational software at any time. In addition, you will allow us unencumbered access to your electronic databases.

3.1.4.3. Royalty Fee. During the term of the Franchise Agreement, Franchisee must pay a monthly non-refundable "Royalty Fee" on the 25th day of each month (or as updated in the Manuals) as follows:

3.1.4.3.1. For a Standard Offering:

STANDARD OFFERING ROYALTY FEE CALCULATION	
TIME PERIOD	**MONTHLY ROYALTY FEE**
Open Date through the 2nd Month of Operations	5% of Gross Sales
3rd Month of Operations through the 12th Month of Operations	Greater of $500 or 5% of Gross Sales
13th Month of Operation through the 24th Month of Operation	Greater of $1,000 or 5% of Gross Sales
25th Month of Operation through the Remaining Term	Greater of $1,500 or 5% of Gross Sales

3.1.4.3.2. For a Reduced Initial Fee Offering:

REDUCED INITIAL FEE OFFERING ROYALTY FEE CALCULATION	
TIME PERIOD	**MONTHLY ROYALTY FEE**
Open Date through the 2nd Month of Operations	7.5% of Gross Sales
3rd Month of Operations through the 12th Month of Operations	Greater of $750 or 7.5% of Gross Sales
13th Month of Operation through the 24th Month of Operation	Greater of $1,500 or 7.5% of Gross Sales
25th Month of Operation through the Remaining Term	Greater of $2,250 or 7.5% of Gross Sales

3.1.4.3.3. "Open Date" is defined under Section 5.3.1.

3.1.4.3.4. Your Royalty is an ongoing payment that allows you to use the Proprietary Marks and the intellectual property of the System and pays for our ongoing support and assistance.

3.1.4.4. National Advertising Fee. During the term of the Franchise Agreement, you will pay us a "National Advertising Fee" as calculated below on the 25th day of each month (or as updated in the Manuals).

NATIONAL ADVERTISING FEE CALCULATION	
Open Date through the 2nd Month of Operation	1% of Gross Sales

NATIONAL ADVERTISING FEE CALCULATION	
3rd Month of Operation through the 12th Month of Operation	Greater of 1% of Gross Sales with a minimum payment of $100 per month and a maximum payment of $425 per month
13th Month of Operation through the 24th Month of Operation	Greater of 1% of Gross Sales with a minimum payment of $200 per month and a maximum payment of $445 per month
25th Month of Operation through the 36th Month of Operation	Greater of 1% of Gross Sales with a minimum payment of $200 per month and a maximum payment of $460 per month
37th Month of Operation through the 48th Month of Operation	Greater of 1% of Gross Sales with a minimum payment of $200 per month and a maximum payment of $480 per month
49th Month of Operation through the 60th Month of Operation	Greater of 1% of Gross Sales with a minimum payment of $200 per month and a maximum payment of $500 per month
61st Month of Operation through the 72nd Month of Operation	Greater of 1% of Gross Sales with a minimum payment of $200 per month and a maximum payment of $520 per month
73rd Month of Operation through the 84th Month of Operation	Greater of 1% of Gross Sales with a minimum payment of $200 per month and a maximum payment of $540 per month
85th Month of Operation through the 96th Month of Operation	Greater of 1% of Gross Sales with a minimum payment of $200 per month and a maximum payment of $560 per month
97th Month of Operation through the 108th Month of Operation	Greater of 1% of Gross Sales with a minimum payment of $200 per month and a maximum payment of $585 per month
109th Month of Operation through Remaining Term	Greater of 1% of Gross Sales with a minimum payment of $200 per month and a maximum payment of $605 per month

3.1.4.5. Point-of-Sale Software Fee. During the term of this Franchise Agreement, you will pay us a non-refundable monthly Point-of-Sale Software Fee of $115 per outlet. Each additional Point-of Sale Software license thereafter is $69.00 per month per outlet. This Fee is due on the 20th day of each month. Please see Section 12 for more information regarding your technology obligations. We reserve the right to change vendors as well as increase this fee in the event we offer updated or additional software or technology for use in the Franchised Business.

3.1.4.6. Google Workspace Fee. You and your key employees are required to utilize Google's Workspace® (formerly Google Workspace®) as your email platform. During the term of this Franchise Agreement, you will pay us a non-refundable monthly Google Workspace Fee of $14.00 (plus applicable taxes, if applicable) per Google Workspace

account via EFT which will be debited on the 20th of each month (or as updated in the Manuals). We reserve the right to increase this fee, per license, with 30 days written notice.

3.1.4.7. Applicant Tracking System Software Fee. We recommend, but do not require, that you utilize our approved applicant tracking system software provider.

3.2. Fees Payable Directly to Third-Parties.

3.2.1. *Point-of-Sale Hardware Fee*. You are required to either purchase or lease at least one point-of-sale device from our approved vendor. Currently, it is $690 per device to purchase. In addition, you will need to purchase an iPad for each point-of-sale device your purchase. This fee may be increased by the vendor with 60 day's written notice. In addition, we reserve the right to change this vendor.

3.2.2. *Credit Card Payment Provider Processing Fee*. You must establish a relationship with a credit card payment processing provider. Fees vary by provider but generally range from 2% to 4% of the dollar amount processed.

3.2.3. *Accounting Software Fee*. At all times, you must utilize our approved third-party accounting software vendor. Currently, the approved vendor charges between $32.00 and $75.00 per month depending on the reporting package you select. We reserve the right to increase this fee as well as designate a new accounting software vendor with 60 days written notice.

3.2.4. *Payroll Processing Software Fee*. At all times, you must utilize our approved third-party payroll processing software vendor. Currently, the approved vendor charges $39.00 per month plus $12.00 per month per payroll processed. We reserve the right to increase this fee as well as designate a new payroll processing software vendor with 60 days written notice.

3.2.5. *Time Sheet Processing Software Fee*. At all times, you must utilize our approved third-party time sheet processing software vendor. Currently, the approved vendor charges $1.50 per week per employee. We reserve the right to increase this fee as well as designate a new time sheet processing software vendor with 60 days written notice.

3.2.6. *Learning Management System Fee*. At all times, you must utilize our approved third-party learning management systems. Currently, there is no charge for accessing this system but we reserve the right to charge you up to $50 per year per employee. In addition, we reserve the right to increase this fee with 60 days written notice

3.2.7. *Membership Fees.*

3.2.7.1. Estatesales.net Membership. You are required to obtain and thereafter maintain a membership with Estatesales.net. Currently, their fee is $120 per month but is subject to change.

3.2.7.2. American Society of Estate Liquidators Membership. You are required to obtain and thereafter maintain a membership with the American Sales Estate Liquidators Association. Currently, their fee is $99 per year but is subject to change.

3.3. Payment of Fees. Unless we specify otherwise, in writing:

3.3.1. *Method of Payment*. All payments required, or amounts owed, under this Franchise Agreement, will be made by automated clearing house ("ACH") payments via electronic funds transfer ("EFT") to an account specified by us or the third-party vendor. You will furnish us, and/or our payee, with such information and authorizations as may be necessary to permit such persons to make withdrawals by ACH via EFT (please see Addendum D – EFT Form). You agree to bear all expenses associated with such authorizations and payments. We have the right to periodically specify (in the "Manual," or otherwise in writing) different payees and/or payment methods, such as, but not limited to, weekly payment, bi-monthly payment, monthly payment by auto-draft, credit card, and payment by check. If you make any payment to us by credit card for any fee required, we will charge a service charge of up to four percent (4%) of the total charge.

3.3.2. *First Payment of the Royalty Fee and National Advertising Fee*. The first payment of your Royalty Fee and National Advertising Fee to us will be due on the 25th day of first full month after your Open Date. For example, if your Open Date is April 15, your first Gross Sales Report will be made on June 10 and we will debit those fees on June 25 (for all revenue generated from April 15.)

3.3.3. *First Payment of Point-of-Sale Software Fee, Applicant Tracking System Software Fee, and Google Workspace Fee.* The first payment of your Point-of-Sale Software Fee, Applicant Tracking System Software Fee, and Google Workspace Fee to us will be due upon issuance of your license or seat, billed in arrears on 20th day of the month. For example, if your license is issued on January 15, you will be billed on February 20 for your January use.

3.3.4. *Late Payments*. Any payment owed under this Agreement not made by the due date will be deemed overdue. In the event any payment owed to us is overdue, we have the right to automatically debit via EFT those fees from your account based on the higher of: (i) the minimum fees owed per this Section 3; (2) the actual fees owed as calculated by our software or this Section 3; or (iii) an estimate based on your previous three fee submissions. In addition to the overdue amounts, you will pay us:

3.3.4.1. A late fee up to $150.00 per week for each individual payment past due; and

3.3.4.2. Interest on such amounts from the date such amounts were due until paid, at 18% percent per annum (calculated daily), or the maximum rate permitted by law, whichever is less, calculated daily. Such interest will be in addition to any other remedies we may have under law or equity.

3.3.5. You agree to pay us, within fifteen (15) days, of any written request we make to you, that is accompanied by reasonable substantiating material, any monies which we have paid, or have paid on your behalf, for goods, services, fees, permits, taxes as provided in Section 7, or any other monies you owe to us for the development and/or operation of your Franchised Business and as required under this Agreement.

3.3.6. Despite any designation you make, we may apply your payments, or payments we receive on your behalf from third parties, to your past due indebtedness to us. We may set off any amounts you and/or your guarantors, if applicable, owe us against any amounts we owe you and, at our option, we may pay your trade creditors out of any sum(s) otherwise due to you. You may not withhold payment of any amounts you owe us due to our alleged non-

performance of any obligations under this Agreement. No endorsement or statement on any check or payment of any sum(s) less than the full sum(s) due to us will be construed as acknowledging payment in full and/or as an accord and satisfaction, and we may accept and cash such check and/or payment without prejudice for the right to recover any balance(s) due, and/or pursue any other remedy provided to us by this Agreement or by law and/or or in equity.

3.3.7. If any payment from you to us does not successfully convey funds due to insufficient funds, stop payment instructions, or any similar event, you must pay, upon demand, an insufficient funds fee of $100.00 per incident.

3.4. Late Reporting Fee. Any report owed to us under this Agreement not submitted by the due date will be deemed overdue. In the event any required report owed to us is overdue, we have the right to automatically debit via EFT a late reporting fee of up to $150.00 per report per week until the overdue reports are submitted. Please see Section 12.8 for additional information.

3.5. Annual Increase of Fixed Fees or Fixed Payments. We reserve the right to increase the amount of any fixed fee or fixed payment including, but not limited to, Technology Fees or Google Workspace Fees due us, or an affiliate, under the Agreement, or a related agreement. An Annual Increase to each particular fixed fee or fixed payment may occur only once during any calendar year and may not exceed the corresponding cumulative percentage increase in the Index, since the date of this Agreement or, as the case may be, the date that the last Annual Increase became effective for the particular fixed fee or fixed payment being increased. Annual Increases will be made at the same time during the calendar year. "Annual Increase" means the increase in the amount of a fixed fee or fixed payment due us or an affiliate under a franchise agreement, area development agreement or a related agreement. "Index" means the Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average for all Items (1982-1984=100), not seasonally adjusted, as published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the term of this Agreement, the other governmental index, or computation with which it is replaced, will be used to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised.

3.6. Payment Frequency. We reserve the right to alter the payment frequency as well as the monthly amounts owed, but not the total amounts owed during a year, due to such factors as your geographic location, holiday seasonality, and time of year considerations.

3.7. Fees Upon Transfers or Renewal.

3.7.1. *Transfer*. If this Agreement is the result of a transfer of an existing Franchised Business, you will begin paying any fees owed to us (and upon verification of the transferring franchisee's financial statements) immediately as follows:

3.7.1.1. Royalties.

GROSS SALES AND MINIMUM ROYALTY FEE CALCULATION		
IF THE TRANSFEROR'S GROSS SALES FOR THE 12 MONTHS PRIOR TO THE SALE WAS:	**THEN DURING YOUR FIRST YEAR OF OPERATION, YOUR MINIMUM MONTHLY ROYALTY FEE WILL START FOR THE:**	
	STANDARD OFFERING	**REDUCED INITIAL FEE OFFERING**
$0 - $120,000	Greater of $500 or 5% of Gross Sales	Greater of $750 or 7.5% of Gross Sales
$120,001 - $240,000	Greater of $1,000 or 5% of Gross Sales	Greater of $1,500 or 7.5% of Gross Sales
$240,001 and above	Greater of $1,500 or 5% of Gross Sales	Greater of $2,250 or 7.5% of Gross Sales
EACH SUBSEQUENT YEAR OF OPERATION WILL FOLLOW THE FEE SCHEDULES IN SECTION 3.1.2.3.		

EXAMPLE:		
TRANSFEROR'S PREVIOUS 12 MONTH'S GROSS SALES IS $125,000	**ROYALTY FEE WILL START AT FOR THE:**	
	STANDARD OFFERING	**REDUCED INITIAL FEE OFFERING**
Your Contract Date through the 12th Month of Operation	Greater of $1,000 or 5% of Gross Sales	Greater of $1,500 or 7.5% of Gross Sales
13th Month of Operation through the Remaining Term	Greater of $1,500 or 5% of Gross Sales	Greater of $2,250 or 7.5% of Gross Sales

3.7.1.2. National Advertising Fee. Your National Advertising Fee will start at the transferring franchisees then current National Advertising Fee level and schedule as indicated in section 3.1.2.4. above.

3.7.1.3. Sales Verification. If you are the transferor under this Agreement, you must provide us any and all reports, tax returns, financial statements we deem necessary to determine your then annual sales so that we can properly align the transferee's fees.

3.7.1.4. If you purchased your Franchised Business(es) under the Reduced Initial Fee Program, upon transfer, the transferee may not switch their Royalty Fee to the then lower Standard Offering rate. The transferee's franchise agreement, if so offered, will contain the fees associated with the then Reduced Initial Fee Offering Program.

3.7.2. *Renewal*. If this Agreement is the result of a renewal of the Franchised Business, you will begin paying any fees owed to us immediately, upon the execution of this Agreement, at the same performance level and schedule obtained under the previous Franchise Agreement, or at the same level and schedule of the then-current Franchise Agreement of similarly situated Franchised Businesses, whichever is greater.

3.7.2.1. If you purchase your Franchised Business(es) under the Reduced Initial Fee Program, upon renewal, you may not switch your Royalty Fee to the then lower Standard Offering rate. Your renewal agreement, if so offered, will contain the fees associated with the then Reduced Initial Fee Offering Program.

3.8. Unapproved Services Fee. In the event you utilize our Proprietary Marks, at our sole discretion, in the provision of unapproved services, you will pay us 1% of the Gross Sales you realize from the provision of said services upon the same frequency and terms as your Royalty Fees.

3.9. Referral Fees. If you refer a prospective franchisee directly to us, and the prospective franchisee is granted the right to purchase a Franchised Business, upon receipt of the full initial franchisee fee, we will pay you a single $15,000 referral fee ("Referral Fee"). In the event the prospective franchisee is awarded more than one territory, you will only be eligible for one Referral Fee. These referred prospective franchisees cannot be bound by any existing franchise broker and/or franchise referral program. In addition, you, or your immediate relatives, cannot have any ownership, or equity, in the prospective franchisee's proposed Franchised Business. The Referral Fee is not available for the state of Washington and for the transfer of existing Franchised Businesses. We reserve the right to offer, modify (including reducing the Referral Fee), withdraw, or reinstate any referral program in the future without notice to you.

4. OUR RESPONSIBILITIES

4.1. The Manual. Subject to Section 9, we will loan you, or otherwise make available to you, one (1) copy of our confidential brand standards manual (the "Manual"), which may exist in various parts, locations, and formats and may, at our sole discretion, include a combination of audio, video, written material, electronic media, website content, and/or software components.

4.2. Initial Training.

4.2.1. The Managing Owner/s must attend and successfully complete our initial training program before you open your Business. "Managing Owner" means the Owner that you designate, and we approve who is primarily responsible for the daily management and supervision of the Business. "Owner" or "Owners" means any individual who owns a direct or indirect ownership interest in the Entity that is the franchisee under this Agreement. "Owner" includes both passive and active owners.

4.2.2. Our training program consists of three phases and is estimated that it will take you eight to 10 weeks to complete. The Initial Franchise Fees include the costs associated with your training, except for the compensation, travel costs, and expenses of lodging, transportation and meals incurred in connection with attending the training program or any supplemental training programs. We reserve the right to modify the Training Program or the frequency of training, at any time.

4.2.2.1. Phase One Training occurs in your Approved Location or within your Protected Territory, is estimated that it will take your two to four weeks to complete, and consists of a mix of administrative set-up, community research, and eLearning. We will not schedule Phase Two Training until you have completed Phase One Training to our satisfaction. The Initial Franchise Fee includes the cost of the Phase One Training for two people in our Designated Location.

4.2.2.2. Phase Two Training occurs at our Designated Location, is estimated that it will take you two calendar weeks to complete (including weekends), and consists of industry specific training as well a franchise marketing and administrative training. However, we expressly reserve the right to conduct this training remotely via a mix of eLearning and virtual classes. You must pay all travel and lodging expenses incurred by you or your other approved attendees in connection with the Phase Two Classroom Training.

4.2.2.3. Phase Three Training occurs once you have completed your Phase Two Training **and** you have opened your Franchised Business. It takes place over approximately 4 weeks and consists of 20 hours of additional training, at our expense, in your Approved Location/Protected Territory via a mix of in-person and/or eLearning and virtual classes and consists of additional industry specific training as well as franchise marketing and administrative training. However, we expressly reserve the right to conduct this training remotely via a mix of eLearning and virtual classes. If you cancel a scheduled in-person visit, this cancelled visit will count toward 5 hours of the 20 hours. If you fail to attend and/or cancel a scheduled eLearning or Virtual Class without prior notice, this canceled class or meeting will count toward 2 hours of the 20 hours.

4.2.3. If you currently own a Blue Moon franchised business and purchase additional territories, we are not obligated to provide you this initial training.

4.2.4. If you cannot, or do not, complete the Initial Training Program to our satisfaction, we may, in addition to any other remedies available to us, terminate this Agreement.

4.3. Firearm Safety Training. You are required to successfully complete a firearm safety course within three months of opening your Franchised Business. Fees vary by location and you may be required to participate in continuing education courses.

4.4. Supplemental Training. Upon your written request, we may provide additional assistance or training to you at a mutually convenient time. We will charge you a Supplemental Training Fee of $300 per day (which includes the day of travel) for any such training that you request, and we provide (debited via EFT 10 days after invoice). If we provide the training within your Protected Territory, you must also reimburse us for all costs and expenses of lodging, transportation, and meals incurred by our representative (including travel, meals, transportation and lodging costs we incur for trips that you need to cancel or reschedule) associated with any Additional Training,

4.5. Periodic Training. From time to time, and at our sole discretion, we may offer additional training courses for you. We may designate these training courses as optional or mandatory. You are required to attend all mandatory courses.

4.6. If, during any training program, we determine that any individual attending is not qualified for the position they are expected to fulfil in your Franchised Business, we will notify you and you must select and enroll a substitute that is suitable to us, in the training program.

4.7. Ongoing Assistance.

4.7.1. We will furnish you guidance in connection with the operation of the Franchised Business as we deem appropriate. Any guidance provided is intended to protect our Proprietary Marks, goodwill and brand consistency, and may be furnished to you in the form of manuals, bulletins, emails, other e-communications, or other written materials, telephonic

consultations and/or consultations at our Designated Location, or at your Approved Location Franchised Business.

4.7.2. You agree and understand that we are not obligated to provide your employment related forms and documents and, therefore, any such forms so provided by us to you are only suggestions, templates, and samples. You are solely responsible for compliance with all federal and state labor matters including, but not limited to, wage and hour compliance. We neither dictate, nor control labor or employment matters for you and your employees.

4.8. National Accounts Program.

4.8.1. We, and our affiliates, have the exclusive right, but not the obligation, to negotiate and enter into agreements or approve forms of agreements to provide services to National Accounts via our National Accounts Program. A "National Account" is a referral source that offers, on a local, statewide, national, or regional basis, the opportunity for franchisees in the applicable territory, geographic area or Protected Territory to provide any services and/or products to the referral sources, members, affiliates, or, however designated, other persons who have a similar relationship with that referral source ("National Account Client.") Any dispute as to whether a particular customer is a National Account will be determined by us and our determination will be final and binding.

4.8.2. If you meet the operational and performance standards (as determined by us at our sole discretion), you may elect to participate in our National Accounts Program. Once enrolled, you are expected to service any National Account Client referred to you in accordance with the National Account Agreement and the guidelines set forth in the Manual. If you determine that you do not want to service the specific referred National Account Client, you may reject said referral conditioned upon you notifying us within 24 hours of this decision along with an explanation for your refusal.

4.8.3. We make no guarantees or promises that you will receive any referrals or generate any revenue through your participation in our National Accounts Program.

4.8.4. You understand that certain National Accounts may charge an enrollment fee and/or ongoing enrollment fees, and that the payment of such fees is solely your responsibility.

4.8.5. If you are in default of any terms of this Agreement, or if you fail to meet the operational and performance standards (as determined by us at our sole discretion); we may remove you from specific National Account, or the entire National Accounts Program.

4.8.6. If you elect not to enroll in a specific National Account's program or the entire National Accounts Program or if you reject a specific National Account Client, we have the right to:

4.8.6.1. Directly provide services to the National Account Client within the Protected Territory on the terms and conditions contained in the National Accounts Agreement; and/or authorize another franchisee, licensee, or agent of ours to provide services to the National Account Client within the Protected Territory on the terms and conditions contained in the National Account Agreement; and/or

4.8.6.2. Contract with a third-party to provide services to the National Account Client within the Protected Territory on the terms and conditions contained in the National Accounts Agreement.

4.8.7. If you fail to provide services to a National Account Client in conformity with the terms and conditions of the National Account Agreement or the Manual, we have the right to:

4.8.7.1. Terminate this Agreement in accordance with Section 14; and/or

4.8.7.2. Directly provide services to the National Account Client within the Protected Territory on the terms and conditions contained in the National Accounts Agreement; and/or authorize another franchisee, licensee, or agent of ours to provide services to the National Account Client within the Protected Territory on the terms and conditions contained in the National Account Agreement; and/or

4.8.7.3. Contract with a third-party to provide services to the National Account Client within the Protected Territory on the terms and conditions contained in the National Accounts Agreement.

4.8.8. Neither the direct provision by us or another franchisee, licensee, or agent of ours, of services to National Account Clients as authorized above, will constitute a violation of your territorial exclusivity, even if such services are delivered from a location within your Protected Territory. You disclaim any compensation or consideration for work performed by others in the Protected Territory pursuant to this section.

4.8.9. You acknowledge and agree that we have the right to delegate to third-party designees, whether these designees are our agents or independent contractors with whom we have contracted: (i) the performance of any portion or all of our obligations under this Agreement; and (ii) any rights that we have under this Agreement.

5. YOUR RESPONSIBILITIES

5.1. Standards.

5.1.1. You understand and acknowledge that every detail of the System and the operation of your Franchised Business are essential to you, us, and other franchisees in order to: (i) develop and maintain quality operating standards; (ii) increase the demand for the products and services sold by all franchisees operating under the System; and (iii) protect our reputation and goodwill. You will maintain our high standards with respect to services, products, and operations.

5.2. Site Selection.

5.2.1. Blue Moon is a home-based business that does not require that you lease or purchase a separate commercial office in connection with your Franchised Business. You may relocate your home office at any time upon 30 days' written notice to us. If you elect to lease or purchase a separate commercial office in connection with your Franchised Business, that office must be centrally located within your Protected Territory. You are responsible for all costs, liability, expense and the responsibility for locating, selecting, procuring, obtaining and developing this space. You may not relocate your commercial office without our express written consent, not to be unreasonably withheld.

5.2.2. If the Franchised Business' Approved Location is damaged or destroyed by fire or any other casualty, you must initiate repairs or reconstruction or relocate within thirty (30) days of such damage or destruction.

5.3. Development and Opening of the Franchised Business.

5.3.1. For the purpose of the Franchise Agreement, "Open Date" will mean the sooner of 30 days from your completion of the Initial Training Program or the date you begin soliciting Estate Sales. However, regardless of the occurrence of these events, you will be deemed open for the purpose of payment of any fees and related obligations that you may have under this Agreement beginning no later than 120 days from the Contract Date. You may not open your Franchised Business before: (i) successful completion of the Initial Training Program by you; (ii) you purchase all required insurance; and (iii) you obtain all required licenses, permits and other governmental approvals.

5.3.2. You will need, on average, to purchase between 10 to 15 folding tables as well as chairs and covers to stage events prior to opening (per territory).

5.3.3. You will keep your Franchised Business open and in normal operation for at least such minimum hours and days as we specify in the Manual, or otherwise in writing.

5.3.4. You agree to use your best efforts to have the Franchised Business' telephone answered by a "live" person during normal daytime working hours and implement a program to manage after business hours phone coverage.

5.4. Minimum Performance Requirements. In order to maintain your territorial rights, we require you meet the following Minimum Performance Requirements:

FROM…	YOU MUST ACHIEVE GROSS SALES OF AT LEAST…
Open Date through the 2rd Month of Operation	No Performance Requirements
3rd Month of Operation through the 12th Month of Operation	$100,000
13th Month of Operation through the 24th Month of Operation	$240,000
25th Month of Operation and each year thereafter through the Remaining Term	$360,000 (per year)

5.4.1. The minimum performance requirements for a transferred franchised business are determined as follows:

ANNUAL SALES AND MINIMUM PERFORMANCE REQUIREMENT	
IF THE TRANSFEROR'S GROSS SALES FOR THE 12 MONTHS PRIOR TO THE SALE WAS:	**THEN DURING YOUR FIRST YEAR OF OPERATION, YOU MUST ACHIEVE GROSS SALES OF AT LEAST …**
$0 - $120,000	$120,000
$120,001 - $240,000	$240,000
$240,001 and above	$360,000
EACH SUBSEQUENT YEAR OF OPERATION WILL FOLLOW THE SCHEDULES ABOVE	

EXAMPLE:	
TRANSFEROR'S PREVIOUS 12 MONTH'S GROSS SALES IS $125,000	**THEN DURING YOUR FIRST YEAR OF OPERATION, YOU MUST ACHIEVE GROSS SALES OF AT LEAST …**
Your Contract Date through the 12th Month of Operation	$120,000
13th Month of Operation through the 24th Month of Operation	$240,000
25th Month of Operation through the Remaining Term	$360,000

5.4.2. For any renewal term, you must attain and maintain the highest gross minimum sales indicated above for the operation of the Franchised Business by the first month of the renewal term.

5.4.3. The minimum performance requirements for a Conversion Franchises are determined at the time of the conversion.

5.4.4. Your failure to meet these Minimum Performance Requirements constitutes a material default under your Franchise Agreement, permitting us to terminate your franchise, refuse to enter into a renewal agreement with you, reduce the size of your Protected Territory, or terminate your territorial rights. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

5.4.5. The designated minimum performance levels do not imply that you will achieve these amounts or any other amounts within any certain time frame.

5.5. You will purchase and install, at your expense, and will maintain in sufficient supply and always use, only such fixtures, furnishings, equipment, signs, and supplies which conform to our standards and specifications as set forth in the Manual, or otherwise by us, in writing; and will refrain from using non-conforming items. If you are granted your Franchised Business via a transfer, you are required to update your fixtures, furnishings, equipment, signs, and supplies, at your own expense, to our then-current brand standards within six (6) months of the Contract Date of this Agreement.

5.6. You acknowledge and agree that we have the absolute right to determine the scope of permissible services to be offered by you in your Franchised Business. You will sell, or offer for sale, those products and services we have expressly approved for sale in the Manual, or otherwise in writing, and will discontinue selling any products or services which we, at our sole discretion, determine may adversely affect the System or are no longer appropriately part of the System; and will refrain from offering any unapproved products or services.

5.7. You acknowledge and agree that we may periodically, at our sole discretion, revise the Manual to incorporate System changes. You will implement any System changes upon receiving notice from us of such changes and will complete their implementation within such time as we may reasonably specify.

5.8. Compliance with Laws and Regulations. You must comply with all federal and state licensing and other regulatory requirements relating to the operation of your Franchised Business. Regulations vary from state to state and locality to locality. In addition, you should independently verify whether local municipalities homeowner's associations within your Protected Territory have implemented regulations related to the provision of estate sales services. You alone are responsible for compliance despite any advice or information that we may give you.

5.8.1. *Wage and Hour Compliance*. You will maintain a competent and conscientious, administrative, and trained staff, and will take such steps as are necessary to ensure your employees preserve good customer relations; render competent, prompt, courteous, and knowledgeable service; and meet such minimum standards as we may periodically establish in the Manual, or otherwise, in writing. We will not have the power to hire or fire your employees. You alone are responsible for all employment decisions and functions of your Franchised Business, including, without limitation, those related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, record keeping, supervision, and discipline of employees, regardless of whether you have received advice from us on these subjects or not. All employees working for you will be your employees alone, and will not, for any purpose, be deemed our employees, or subject to our control, including with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state, or federal governmental agency. We will have no liability for any action or settlement related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, record keeping, supervision, and discipline of employees, and you agree to indemnify us for any such liabilities we may incur. You agree that any direction you receive from us regarding employment policies should be considered as examples, that you alone are responsible for establishing and implementing your own policies, and that you understand that you should do so in consultation with local legal counsel well-versed in employment law.

5.8.1.1. Blue Moon Specific Staffing. We require that you personally supervise the Franchise Business full-time as either a dedicated Field Manager or dedicated marketer. You may not personally fulfill both of these roles. In addition, we have found that the most successful franchise owners also employ, full-time, a person to serve as the dedicated marketer or Field Manager (depending on your role in the Franchised Business) as well as two to three Sales Associates. "Full-time" is defined as the expenditure of at least 35 hours of work per week, including vacation, sick leave, and other excused absences. If you are awarded multiple franchised businesses, in addition to the staffing indicated above, you must also employ at least one "Field Team" for each

Protected Territory you are awarded. A Field team consists of a Field Manager, a Team Leader, and two to three Sales Associates.

5.9. If, at any time, your Franchised Business is not being managed by you (or, if you are a limited liability or corporation, the managing member or shareholder), we may, but are not required to, immediately appoint a manager to maintain the operations of your Franchised Business for and on behalf of you. Our appointment of a manager of your Franchised Business does not relieve you of your obligations or constitute a waiver of our right to terminate this Agreement pursuant to Section 14. We will not be liable for any debts, losses, costs, or expenses incurred in the operations of your Franchised Business, or to any creditor of yours for any products, materials, supplies, or services purchased by your Franchised Business while it is managed by our appointed manager. We reserve the right to charge a reasonable fee for any such management services and to cease to provide management services at any time.

5.10. You will furnish to us, within three (3) days after receipt thereof, a copy of any notice alleging your default or failure to pay, on any loan, note, lease, or other instrument related to the operation of your Franchised Business, or a copy of any notice alleging your failure to comply with any law, ordinance, or regulation. You also will notify us, in writing, within five (5) days of the commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, which may adversely affect the operation or financial condition of your Franchised Business.

5.11. You will collect, store, share with us, and use client data in the form and manner we prescribe. We have the right to specify, in the Manual, or otherwise in writing, the types and amounts of required promotional activities. We retain ownership of all clients and their data related to your Franchised Business.

5.12. You have the right to offer your goods and services at any prices. Any list or schedule of prices we may furnish to you will be deemed a suggestion only, and you will have the right, in your sole discretion, to accept or reject any such suggestion.

5.13. You agree that you will not own, maintain, operate, engage in, or have any financial, or beneficial interest in (including any type of interest in corporations, partnerships, limited liability companies, trusts, unincorporated associations, joint ventures, or other entities), advise, assist, divert, or attempt to divert, any business or customer, or make loans to any Competitive Business. For purposes of this Agreement, the term "Competitive Business" means any other business that: (a) is substantially similar to the business then engaged or being promoted in by Blue Moon businesses; or (b) provides any sort of estate sales services.

5.14. You will not subordinate to any other obligation, your obligation to pay us any other fee or charge, whether under this Agreement, or otherwise.

5.15. Conferences and Meetings.

5.15.1. *Annual Conference*. You are required to attend the Annual Conference. In the event you are unable to attend the Annual Conference, you may send an employee who has been approved for attendance by us. The Annual Conference fee can be up to $500.00 for the first attendee and $250.00 per attendee thereafter, payable upon your registration for the Annual Conference (typically registration is done online sixty (60) days in advance of the Annual Conference). In the event you, or an approved employee, do not attend the Annual Conference, you may be charged a $750.00 absentee fee ("Annual Conference Absentee

Fee") via EFT, ten (10) days after the missed Annual Conference concludes. We may increase the Annual Conference fee with ninety (90) days' written notice prior to the Annual Conference. All Annual Conference attendees are responsible for paying their own travel costs and expenses of lodging, transportation, and meals. We reserve the right to not hold an Annual Conference. We also reserve the right to not allow you to attend any conference or meeting we conduct throughout the year if you are not in compliance, at our sole discretion, with this Franchise Agreement. You will not be charged an absentee fee if you are so disinvited.

5.15.2. *Compliance and Attendance*. We reserve the right to not allow you to attend any conference or meeting we conduct throughout the year if you are not in compliance, at our sole discretion, with this Franchise Agreement. You will not be charged an absentee fee if you are so disinvited.

5.16. You acknowledge and agree that exchanging information with us by e-mail or other e-communication is efficient and desirable for day-to-day communications and that we and you may utilize e-mail or other e-communication for such communications. You authorize the transmission of e-mail or other e-communication by us and our employees, vendors, and affiliates to you and any and all of your owners, officers, directors, and employees. You will contact us by telephone, e-mail, or other e-communication as soon as possible following any request by us for such communication. You will make reasonable efforts to be available by phone, email, other e-communication, or otherwise, as communication with us as requested or required.

5.17. Because complete and detailed uniformity under many varying conditions may not be possible or practical, you acknowledge we specifically reserve the right and privilege, as we consider best, at our sole discretion, to modify the System for any particular Franchised Business based upon circumstances we consider important to promote any Franchised Business' successful operation. We may choose not to authorize similar variations or accommodations to you or other franchisees.

5.18. You must obtain, prior to opening your Franchised Business, professionally taken headshots (in digital format) for placement on our website and your related marketing collateral. You acknowledge and authorize us to use your likeness in photographs and other imagery in any and all of our publications, including printed and digital publications and imagery and on websites and/or social media. You agree and understand that any photographs and other imagery using your likeness will become our property and will not be returned. You agree and irrevocably authorize us to edit, alter, copy, exhibit, publish, or distribute any photographs and other imagery of you for any lawful purpose. You agree and waive any rights to royalties or any other compensation related to our use of any photographs and other imagery of you. You agree to hold harmless, and forever discharge us, from all claims, demands, and causes of action which you may have in connection with this authorization.

5.19. Retaining clients for your Franchised Business will require you to have a high level of customer service and adhere strictly to and maintain the System. We may contact any client, or their authorized representative/s, at any time, for any purpose. Also, if we are contacted by a client, or their authorized representative/s, who wishes to lodge a complaint, we reserve the right to address the complaint in order to preserve goodwill and prevent damage to the brand.

5.20. By signing this Agreement, you appoint us, your true and lawful attorney-in-fact, with full power and authority, for the sole purpose of obtaining any and all returns and reports you file with any state and/or federal taxing authority. This power of attorney survives the expiration or

termination of this Agreement. You also grant us the specific right to perform credit checks on you, as needed.

6. CLIENT AND LOCATION RESTRICTIONS

6.1. For the purposes of this section, "clients" are those for whom you perform the Approved Services. "Customers" refer to those persons who purchase the items at the estate sales.

6.2. This section has been implemented in order to protect the goodwill associated with the Proprietary Marks and the reputation of the System. The policies and procedures for marketing and sales activities outside any Protected Territories are established in the Manual or as communicated to you, in writing, periodically by us. In the event of a discrepancy between any customers and location restrictions in this Agreement, and in the Manuals, the Manuals will take precedence.

6.3. You are prohibited from soliciting, or providing Approved Services, to clients outside your Protected Territory, except as authorized. If a client from outside your Protected Territory contacts you to provide the Approved Services and another franchisee:

6.3.1. Owns that Protected Territory; you must direct that client to the franchisee within whose Protected Territory that client resides unless that franchisee gives you written permission to service that client.

6.3.2. Does not own that Protected Territory; you may provide that client the Approved Services.

6.4. Regardless of the sources, you are required to generate at least 75% of your annualized Gross Sales from estate sales conducted within your Protected Territory.

6.5. At your estate sales, you may sell to any customers who visit the estate sale regardless of where those customers reside.

6.6. You may enter into cooperative marketing agreements, and sales activities with other Franchised Businesses in your, or their, Protected Territorys'.

6.7. You understand that third-party advertising, marketing, and/or recruiting sources (such as, but not limited to, phone book advertising, Penny Savers, direct marketing, facsimile, e-communications, online, internet, social media) do not necessarily recognize territorial designations. However, where possible, you must limit your advertising, marketing, and/or recruiting activities to the ZIP codes in your Protected Territory (e.g., your Google Ad Words or Pay-Per-Click campaign must be delineated by your Protected Territory's ZIP codes). Moreover, you may not list open ZIP codes with third-party advertisers, marketing, and/or recruiting sources.

6.8. If you are found, in our sole opinion, to have violated the client and location restrictions found in this Agreement, or in the Manual, you will pay the affected franchisee 50% of the gross commissions realized in the estate sale. In addition, you will be subject to a penalty of up to Five Thousand ($5,000.00) Dollars for each client specific infraction, payable to us. You are responsible (not us) for any payments, or penalties, owed to another franchisee for such infractions. We have no obligation to investigate or enforce this provision.

6.9. In the event we assist in resolving an issue between two (2) or more franchisees regarding a violation of the customer and location restriction policy, we may charge the involved parties client resolution fees that are the greater of Five Hundred ($500.00) Dollars or Fifty ($50.00) Dollars per

hour. These fees will be invoiced and payable via EFT ten (10) days from date of any corresponding invoices. We have no obligation to assist in the investigation of such matters.

6.10. You agree that, if you violate any provision of this Section, you may be liable to any affected franchisee for such violation. You, therefore, agree to defend, indemnify, and hold us harmless from all liability, cause of action, loss, cost, legal defense, expense, or any other damage arising out of, or as a result of, any violation of this Section, in law or in equity.

7. TAXES

7.1. We will not be liable for, and you will promptly pay to us, an amount equal to, any and all taxes levied, or assessed, including, but not limited to, unemployment taxes, sales taxes, use taxes, withholding taxes, excise taxes, personal property taxes, intangible property taxes, gross receipt taxes, taxes on royalties paid out of state, or any similar taxes or levies, imposed upon, or required to be collected, or paid by us, by reason of:

7.1.1. Us furnishing products, services, and/or intangible property (including trademarks and trade names) to you;

7.1.2. Us purchasing, licensing, or leasing property, or property rights, provided by this Franchise Agreement for you; or

7.1.3. The operation of your Franchised Business including sales taxes on tangible goods as well as use tax on any technology we may require that you use.

7.2. You, and we, will file our own tax, regulatory, and payroll reports, and be responsible for all employee benefits, and workers compensation payments, with respect to our respective employees and operations, and we will save and indemnify one another from any and all liability of any nature whatsoever by virtue thereof. In the event of any bona fide dispute as to your liability for taxes assessed, or other indebtedness, you may contest the validity, or the amount of the tax or indebtedness, under the procedures of the taxing authority or applicable law. However, you will not permit a tax sale or seizure by levy of execution, or similar writ or warrant, or attachment by a creditor, to occur against your Approved Location, or any improvements thereon.

8. PROPRIETARY MARKS

8.1. We represent, with respect to the Proprietary Marks, that:

8.1.1. We own the Proprietary Marks;

8.1.2. We will take action reasonably necessary to preserve and protect the validity of the Proprietary Marks; and

8.1.3. We will permit you to use the Proprietary Marks only in accordance with the System and the standards and specifications attendant thereto which underlie the goodwill associated with and symbolized by the Proprietary Marks.

8.2. With respect to your use of the Proprietary Marks, you agree that:

8.2.1. You will use only the Proprietary Marks we designate, and will use them only in the manner we authorize and permit;

8.2.2. You will use the Proprietary Marks only for the operation of your, and only at your Approved Location, or in advertising for your Franchised Business, we approve;

8.2.3. Unless otherwise authorized, or required by us, you will operate, and advertise your Franchised Business, only under the name "Blue Moon Estate Sales," without prefix or suffix;

8.2.4. You will identify yourself as an independent franchisee owner of your Franchised Business in conjunction with any use of the Proprietary Marks, or the operation of your Franchised Business, and will place a written notice to such effect in a form we approve and in a conspicuous location on your Franchised Business premises and any other location we deem appropriate, be they physical and/or online and/or in any other format;

8.2.5. Your right to use the Proprietary Marks is limited to such uses as authorized under this Franchise Agreement, and any unauthorized use will constitute an infringement;

8.2.6. You will not use the Proprietary Marks to incur any obligation or indebtedness on behalf of us;

8.2.7. You will execute any documents deemed necessary by us, or our affiliates, to obtain protection for the Proprietary Marks, or to maintain their continued validity and enforceability;

8.2.8. You will promptly notify us of any suspected unauthorized use of, or any challenge to the validity or use of, the Proprietary Marks. You acknowledge we (or the owner of the Proprietary Marks) will have the sole right to direct and control any administrative proceeding, or litigation, involving the Proprietary Marks, including any settlement thereof. We will have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks. We (or the owner of the Proprietary Marks) will defend you against any third-party claim, suit, or demand arising out of your use of the Proprietary Marks under this Franchise Agreement. If we, at our sole discretion, determine you have used the Proprietary Marks under this Franchise Agreement, we will pay for such defense, including the cost of any judgment or settlement. If we, at our sole discretion, determine you have not used the Proprietary Marks under this Franchise Agreement, you will pay for such defense, including the cost of any judgment or settlement. If any litigation occurs relating to your use of the Proprietary Marks, you will execute any and all documents and do such acts as may, at our opinion, be necessary to carry out such defense or prosecution including, but not limited to, becoming a nominal party to any legal action. Except if such litigation results from your use of the Proprietary Marks in a manner inconsistent with this Franchise Agreement, we agree to reimburse you for your out-of-pocket litigation costs in cooperating with us with respect to the litigation; and

8.2.9. You will not use the Proprietary Marks (e.g., "Blue Moon") as part of your corporate or other legal name, or as part of any Uniform Resource Locator (URL), social media, internet or website domain.

8.3. You expressly understand and acknowledge that:

8.3.1. The Proprietary Marks are valid and identify the System, and those who operate under the System;

8.3.2. During the term of this Franchise Agreement, and after its expiration, or termination, you will not directly, or indirectly, contest the validity or ownership of the Proprietary Marks, nor take any other action which may jeopardize our interest therein, or our right to use and to license others to use, the Proprietary Marks;

8.3.3. Your use of the Proprietary Marks does not give you any ownership interest, or other interest in, or to the Proprietary Marks, other than the license granted by this Franchise Agreement;

8.3.4. Any and all goodwill arising from your use of the Proprietary Marks will inure solely, and exclusively, to the benefit of us and our affiliates and, upon expiration or termination of this Franchise Agreement, no monetary amount will be assigned as attributable to any goodwill associated with your use of the System or the Proprietary Marks;

8.3.5. We and our affiliates will have and retain the rights, among others: (i) to use the Proprietary Marks for selling products and services; (ii) to grant other licenses for the Proprietary Marks, in addition to those licenses already granted to existing franchisees; and (iii) to develop and establish other systems using the Proprietary Marks, similar proprietary marks, or any other proprietary marks, and to grant licenses or franchises thereto without providing any rights therein to you;

8.3.6. We reserve the right to substitute different proprietary marks for identifying the System and any Franchised Business if the Proprietary Marks no longer can be used or if we, at our sole discretion, determine that substitution of different proprietary marks will be beneficial to the System. In such circumstances, the use of the substituted proprietary marks will be governed by this Franchise Agreement, and we will not compensate you for such substitution, except, that if we must discontinue use of a Proprietary Mark based upon a court ruling, the Proprietary Mark infringes on another trademark, then we will bear only the costs of modifying your signs and advertising materials to conform to our new proprietary marks. You will implement any such substitution promptly; and

8.3.7. We are not obligated to remove any prior franchisee listings from third-party websites or platforms (e.g., Google) but, where possible, and upon written request, will try to do so.

8.4. We may co-brand one or more concepts with our Proprietary Marks ("Dual Branding"). Dual Branding may involve changes to the Proprietary Marks and to the Franchised Business. If Dual Branding occurs, the scope and type of Dual Branding may vary in different markets. If we elect to conduct Dual Branding in the market in which your Franchised Business is located, we will give you notice regarding the contemplated Dual Branding. You will be required to implement Dual Branding at the Franchised Business within the time period specified in the notice, but not earlier than one hundred twenty (120) days from the date of notice, and you must, at your expense, make the modifications necessary to implement the Dual Branding. Notwithstanding anything in this Agreement to the contrary, however, we may elect not to make the Dual Branding opportunity available to you.

9. CONFIDENTIAL MANUALS AND INFORMATION

9.1. In order to protect our reputation and goodwill and to maintain high standards of operation under the Proprietary Marks and the System, you will operate the Franchised Business under the Manual and the System. You will treat the System, any information, written or verbal relating to the System, the Manual, Improvements (defined in Section 9.8), any communications between you, and us, or you, and other franchisees, and client information, including details and lists of client

and their contact details (collectively, "Confidential Information") as confidential, and will use all reasonable efforts to maintain such information as secret and confidential. You will not copy, duplicate, record, or otherwise reproduce the foregoing materials, in whole or in part, nor otherwise make the same available to any unauthorized person. The Manual will, at all times, remain our sole property.

9.2. We may from time to time revise the contents of the Manual, and you expressly agree to make corresponding revisions to your copy of the Manual, and to comply with each new or changed standard within a reasonable amount of time noticed change, unless change is related to health or safety concerns, which must be implemented immediately.

9.3. We may from time-to-time request that you participate in a new service or product concept test, and you agree to do so, in compliance with our standards and requirements.

9.4. You will regularly and continuously review the Manual for updates to the System, standards, policy, and procedure. In the event of any dispute as to the contents of the Manual, the content of Manual, maintained by us, will be controlling.

9.5. You will not, during or after the term hereof, communicate, divulge, or use for the benefit of any other, persons, partnerships, associations, or business entities, any Confidential Information, knowledge, or know how concerning the methods of operation of your Franchised Business or the System which may be communicated to you or of which you may be apprised by your operation of your Franchised Business. You will divulge such Confidential Information only to those employees who must have access to it to perform their employment responsibilities. Any and all information, knowledge, know how, and techniques, which we designate as confidential, will be deemed confidential for purposes hereof unless, and until you demonstrate, that the information has become public knowledge.

9.6. You acknowledge that any failure to comply with the requirements of this Section 9 will cause us irreparable injury for which no adequate remedy at law may be available, and you agree we may seek, and you agree to pay, all court costs and reasonable attorney fees incurred by us in obtaining, without posting a bond, an ex parte order for injunctive, or other legal or equitable relief, with respect to the requirements of this Section.

9.7. You will require anyone who has access to or to whom you have divulged Confidential Information, including your employees, to execute a Confidentiality Agreement and Ancillary Covenant Not to Compete (Please see the Confidentiality Agreement), that they will maintain the confidentiality of information they receive in connection with their association with you.

9.8. If you, during the term of this Agreement, or any Renewal Term, conceive or develop any improvements or additions to the System, a website, or any other documents, or information pertaining to, or relating, to the System, or your Franchised Business, or any new trade names, trade and service marks, logos, or commercial symbols related to your Franchised Business, or any advertising and promotional ideas, or inventions, related to your Franchised Business (collectively, "Improvements"), you will fully disclose the Improvements to us, without disclosure of the Improvements to others, and will obtain our written approval prior to using such Improvements. Any such Improvement may be used by us, and all other franchisees, without any obligation to you for royalties or other fees. You will assign, and do hereby assign to us, all rights, title and interest in, and to the Improvements, including the right to grant sublicenses to any such Improvement, regardless of whether you notify us of such Improvements. We, at our discretion, may apply for and own copyrights, patents, trade names, trademarks and service marks, relating

to any such Improvement, and you will cooperate with us in securing such rights. We may also consider such Improvements as our property and trade secrets. In return, we will authorize you to utilize any Improvement that may be developed by other franchisees, and is authorized, generally, for use by other franchisees. All Improvements created by you, or any other person, or entity, retained, or employed, by you, are our property, and we will be entitled to use and license others to use such Improvements unencumbered by moral rights. If any of the Improvements are copyrightable materials, they will be works made for hire within the meaning of the United States Copyright Act and, to the extent the copyrighted materials are not works made for hire, or rights in the copyrighted materials do not automatically accrue to us, you irrevocably assign, and agree to assign to us, our successors and assigns, the entire right, title, and interest in perpetuity throughout the world, in and to any and all rights, including all copyrights and related rights, in such copyrighted materials, which you and the author of such copyrighted materials warrant and represent as being created by and wholly original with the author. Where applicable, you agree to obtain any other assignments of rights in the Improvements from another person or entity necessary to ensure our right in the Improvements as required in this Section.

10. ADVERTISING

10.1. Recognizing the value of advertising and promotion, and the importance of the standardization of advertising and promotional programs to the furtherance of the goodwill and public image of the System:

10.1.1. We have created a national advertising fund (the "Fund") and require you to pay a monthly National Advertising Fee of the greater of 1% of your Gross Sales or $200 per month with a maximum monthly fee (see Section 3.1.2.4). The Fund will be administered by us, or our affiliates or designees, at our discretion, and we may use a professional advertising agency or media buyer to assist us. The Fund will be in a separate bank account, commercial account, or savings account. We may use the Fund for marketing, advertising, research, sales promotion, collateral material development, public and consumer relations, recruitment efforts, website development and search engine optimization, the development of marketing-technology for the System, content and social media development, and any other purpose to promote the franchised brand. In addition, the Fund may be applied toward: franchisor specific (not franchisee) internet and/or e-commerce programs, corporate SEO efforts, client and referral lead management, and the reasonable salaries, benefits, and expenses of personnel who create, manage and administer recruiting and branding programs, may include but not limited to, marketing department personnel, external agencies and consultants. We will not use the Fund to defray any of our expenses except for our costs and overhead that we incur in activities related to the administration of the Fund, including costs of personnel for creating, implementing, and managing advertising and marketing programs.

10.1.2. We will not use the Fund contributions for advertising that is principally a solicitation for the sale of franchises, but we reserve the right to include a notation in any advertisement indicating "franchises available" or similar phrasing.

10.1.3. The Fund is not a trust fund, and we do not have any fiduciary duty to you with respect to the Fund's administration, activities, or expenditures. We will direct all advertising and promotional programs, with sole discretion over the creative concepts, materials, and media used in such programs, and the placement and allocation thereof. You agree and acknowledge that the Fund's objectives are to maximize general public recognition and acceptance of the Proprietary Marks for the benefit of the System; and that we are not obligated, in administering the Fund, to make expenditures for you that are equivalent or proportionate to

your contribution, or to ensure that any particular franchisee or geographic region benefits directly or pro rata from the advertising or promotion conducted under the Fund.

10.1.4. An unaudited statement of the operations of the Fund, as shown on the books of the Fund, will be prepared annually by us. Upon thirty (30) days of a written request by you, we will provide you an unaudited statement of the expenditures from the Fund.

10.2. Local Marketing Spend. You understand that an essential factor in the growth of your Franchised Business is your local marketing and client acquisition (sales) efforts, which are comprised of several activities including, but not limited to, the purchase of printed marketing materials, the purchase of digital marketing solutions with our approved partner, participating in local networking events, and engaging in traditional marketing tactics every month. Therefore, in addition to required contributions to the National Advertising Fund, we recommend that you spend, on a monthly basis, the greater of 1% percent of your previous month's gross revenues or $1,000 a month. Guidance on specific marketing activities, strategies, and tactics can be found in the most current Local Marketing Playbook. Upon request, you shall furnish to us an accurate accounting of the expenditures on your Local Marketing Spend for the preceding month.

10.2.1. *Grand Opening Spend*. You are required to spend at least $2,000 a month during the first four months of operation ($8,000 in total) on your local marketing spend and client acquisition efforts, which are comprised of several activities including, but not limited to the purchase of printed marketing collateral, the purchase of digital marketing solutions using our approved vendor, participating in local networking events, and engaging in traditional marketing tactics every month in order to promote your "Grand Opening." This spend is in lieu of your ongoing Local Marketing Spend requirements during this same period. Guidance on specific marketing activities, strategies, and tactics can be found in the most current Local Marketing Playbook.

10.2.1.1. Headshot. You are also required to obtain, at your expense, a professionally taken "headshot" (picture). Your headshot must be in a digital format and must be forwarded to us prior to opening your Franchised Business. Prices vary but you can expect it to range from $65 to $200.

10.3. You will, at your expense, and in accordance with any standards established in the Manual, in addition to the requirement this section of the Franchise Agreement, obtain any advertisements and listings, whether online or in print, serving the market in which your Franchised Business is located, that we may periodically require.

11. INSURANCE

11.1. You must obtain the insurance coverage that we require from time to time (whether in the Franchise Agreement or in the Manual). You must purchase these policies through our designated insurance broker:

11.1.1. Comprehensive general liability insurance with a minimum liability coverage of $1,000,000 on an occurrence basis;

11.1.2. Bodily injury to or death of one or more persons with minimum coverage of One Million Dollars ($1,000,000);

11.1.3. Twenty-five Thousand Dollar ($25,000) theft/dishonesty bond;

11.1.4. Non-owned vehicle coverage with minimum coverage of Five Hundred Thousand Dollars ($500,000); and

11.1.5. Business interruption insurance.

11.2. *Auto Coverage.* We recommend purchasing a commercial auto insurance policy for your vehicle. In the event that you elect to continue your personal auto insurance policies, a "Business Use Endorsement" is required to be added to the policy along with a $1,000,000 personal umbrella policy. Proof of both coverages must be provided to us annually.

11.3. You must also purchase any other limits and coverage that we periodically require. The required coverage and policies are subject to change. All insurance policies must be endorsed to: (i) name us (and our members, officers, directors, and employees) as additional insureds; (ii) contain a waiver by the insurance carrier of all subrogation rights against us; and (iii) provide that we receive 10 days' prior written notice of the termination, expiration, cancellation or modification of the policy.

11.4. You agree to indemnify and hold harmless us, our directors, officers and employees, from and against all loss or expense (including costs and attorney's fees) by reason of liability, imposed by law for damages, because of personal injury sustained by any person or persons or damage to property, including loss of use thereof, arising out of the performance of this contract, except, only damages, due to our sole negligence.

11.5. We may reasonably increase the minimum liability protection requirement annually and require, at any time, on reasonable prior notice to you, different or additional kinds of insurance to reflect inflation, changes in standards of liability, or higher damage awards in public, product, or motor vehicle liability litigation, or other relevant changes in circumstances.

11.6. You must submit to us, annually, a copy of the certificate or endorsement of, or other evidence request by us of, the renewal or extension of, each insurance policy. If you, at any time, fail, or refuse, to maintain in effect any insurance coverage required by us, or to furnish satisfactory evidence, we, at our option, and in addition to our other rights and remedies, may obtain insurance coverage on behalf of you, and you must promptly execute any applications or other forms or instruments required to obtain any insurance and pay to us, on demand, any costs and premiums incurred by us.

11.7. All insurance policies must be issued by the insurance carrier or insurance carriers acceptable to us and must: list "Blue Moon Franchise Systems, LLC," its subsidiaries, officers, directors, employees and any other person or entity we may designate in the future as "Additional Insureds," contain a waiver of insurance company's right of subrogation against us, provide that we will receive thirty (30) days prior written notice of expiration, or cancellation of policy, or material change of the policy, and contain a provision that we, although named as an insured, will nevertheless be entitled to recover under said policies on any loss occasioned to us, or our servants, agents, or employees, by reason of the negligence of Franchised Business, or its servants, agents, or employees.

11.8. You are required to submit to us within sixty (60) days of execution of the Franchise Agreement, a copy of the Endorsement of Insurance in compliance with the requirements, and such other documentation as we may reasonably request to confirm, that you have satisfied the insurance regulations hereunder. You are required to submit copies annually thereafter. In addition, in order

to monitor claims activity on a national level, and to most effectively assess program exposures, you are required, as requested, to collect Loss History Statements ("Loss Runs") from the carriers and remit to us.

12. TECHNOLOGY, RECORDS AND REPORTING

12.1. You are required, at your expense, to purchase or lease, and thereafter maintain and use, only such computer(s), hardware (including, without limitation, laptops, tablets, smartphones, etc.), software, firmware, web technologies or applications, required dedicated Internet access and power lines, modem(s), printer(s), and other related accessories or peripheral equipment, and methods of operation, as we specify in the Manual or otherwise in writing (collectively, "Computer System"). The Computer System will have the capacity to electronically exchange information, messages, and other data with other computers, by such means (including, but not limited to, the Internet), and using such protocols as we may reasonably prescribe in the Manual or otherwise in writing. You will keep your Computer System in good maintenance and repair and, at your expense, promptly make any and all additions, changes, modifications, substitutions, and/or replacements to your Computer System as we direct. You will pay any and all annual, monthly or otherwise, software fees, or other fees, as required by us or our approved suppliers in order to maintain your Computer System. You acknowledge and agree that we or our suppliers have the right to increase or decrease the software fees at any time, in their sole discretion, upon written notice to you. You further acknowledge and agree that we reserve the right to change our approved suppliers, including any software suppliers, at any time and at our sole discretion. You may not alter your Computer System, or use alternative software or suppliers of technology, without our prior written approval. If you are in default of any obligations under this Franchise Agreement, we may, in addition to any other remedy we may have under this Franchise Agreement, temporarily inhibit your access to all or part of the Computer System until you have cured such default completely. Computer systems are vulnerable to varying degrees to computer viruses, bugs, power disruptions, communication line disruptions, Internet access failures, Internet content failures, data related problems and attacks by hackers and other unauthorized intruders ("E-Problems"). We have taken reasonable steps so E-Problems will not materially affect our business. We do not guarantee that information or communication systems we or others supply will not be vulnerable to E-Problems. It is your responsibility to protect yourself from E-Problems. You should also take reasonable steps to verify your suppliers, lenders, landlords, customers, and governmental agencies on which you rely, have reasonable protection from E-Problems. This may include trying to secure your Computer Systems (including firewalls, password protection, and anti-virus systems), and to provide backup systems.

12.2. All Franchised Business activities must be immediately entered into the Computer System. Any new activity must be entered as it occurs to maintain the most accurate data.

12.3. We expressly reserve the right to implement further policies or guidelines regarding information security including, but not limited to: risk management protocols, email encryption standards, document retention policies, PCI compliance, and the use of third-party security advisors and their security systems/products. You understand that either us, or our approved third-party information security system providers, may charge you both initial and ongoing fees for the creation, implementation, and maintenance of any information security system we, at our sole discretion, deem necessary.

12.4. Website and Internet. We have the right, but not the obligation, to establish and maintain a website to promote the Proprietary Marks and/or the System ("Website"): (i) We will have sole control over all aspects of the Website, and can discontinue operation of the Website at any time

without notice to you; (ii) unless you obtain our prior written consent, you are prohibited from establishing or maintaining a separate website or otherwise maintaining another presence on the Internet through any social networking site and/ or any other online site in connection with the operation of your Franchised Business or business offering services similar to the Approved Services; (iii) we have the right to modify or supplement our policies regarding social media and Internet use at any time in writing, whether as part of the Manuals or otherwise.

12.5. Smartphones. You are required to obtain and maintain a "Smartphone" (or upgrade your existing Smartphone) for your Franchised Business. A Smartphone is a mobile phone with highly advanced features. A typical smartphone has a high-resolution touch screen display, WiFi connectivity, Web browsing capabilities, and the ability to accept sophisticated applications. The majority of these devices run on Android or iOS operating systems. We expressly reserve the right to implement further policies or guidelines regarding these devices.

12.6. If you are in default of any obligations under this Agreement, we may, in addition to our other remedies, temporarily remove reference to your Franchised Business from the Website, and/or discontinue your access to our System intranet site, until such defaults are cured to our satisfaction. We may, at our option, discontinue, replace, and/or modify the Website and/or the intranet site at any time and at our sole discretion. Nothing in this Section will limit our right to maintain websites other than the Website, or to maintain other portals other than System's intranet.

12.7. Unless otherwise authorized by us, you will only use an e-mail address, related to or associated with the operation of your Franchised Business, which is a part of the "bluemoonestatesales.com" Internet domain name or other domain as authorized by the Manual.

12.8. Records and Reporting

12.8.1. We have the right to retrieve and store any and all data, including the financial information of your Franchised Business, and information from the Computer System and use it for any purpose both during and after the term of this Franchise Agreement. We also have the right, at all reasonable times, to access the Computer System by way of virtual network computing, or any similar method, to obtain data and make any necessary modifications to the Computer System including, without limitation, installing new or updated software. You also will, at your expense and upon written request from us, provide us, in the manner prescribed by us, any other information regarding the operation of your Franchised Business as we may reasonably request, including information concerning local promotional activities required by Section 10.4.

12.8.2. You will provide to us, for review and/or auditing, such other information as we may reasonably request, on the forms and in the manner, we designate, including but not limited to any financial information, customer information, or information required by our accountants for the preparation of our financial statements.

12.8.3. *Profit and Loss Statement and Balance Sheet Statement*. You must furnish to us thirty (30) days from the end of each month, a true and complete copy of the previous month's profit and loss statement as well as a true and complete copy of the previous month's balance sheet statement. In addition, we have the right to request copies and reports of other financial information and supporting records as we deem necessary. All financial statements, reports, and information must be on forms approved by us and signed and verified by you.

12.8.4. You will prepare, during the term of this Franchise Agreement, and will keep and preserve for at least five (5) years following the expiration or termination of this Franchise Agreement, complete and accurate books, records, and accounts related to your Franchised Business that are: (i) in accordance with generally accepted accounting principles; and (ii) in the form and manner prescribed by us in the Manual, or otherwise in writing, which form and manner may be electronic or online. You will also, at your expense and within sixty (60) days after the close of the fiscal calendar year, provide us with a copy of your financial statements showing the results of operations of your Franchised Business for each fiscal year during the term of this Franchise Agreement. Your financial statements will include a statement of income, balance sheet, and a statement of cash flows, accompanied by a review report, prepared by an independent accountant using generally accepted accounting principles. Your financial statements must, if requested by us, be certified by a certified public accountant. You must, at your expense, cause your public accountant and certified public accountant, if any, to consult with us concerning such financial statements. If you fail to maintain accurate and up-to- date books and records, we have the right to require you to, at your expense, hire a certified public accountant to generate the books and records in the manner we, at our sole discretion, prescribe.

12.8.5. You must maintain, make readily available for inspection by us, and must furnish to us, upon our request, exact copies of all state sales tax returns, and portions of your federal and state income tax returns that reflect the operation of your Franchised Business, even if the tax returns include information unrelated to the operations of your Franchised Business (i.e., spouse's tax returns combined).

12.9. Inspection and Audits.

12.9.1. We have the right, at any time during business hours, and without prior notice, to inspect your Franchised Business' office, to examine or audit, or cause to be examined or audited, the business records, customer management operating system and related records accounts, cash control devices, bookkeeping, and accounting records, bank statements, sales and income tax records and returns, and other books and records of your Franchised Business, and the books and records of any corporation or limited liability which holds your Franchised Business. Such examination or audit may be done by an on-site visit, through remote electronic means, or via telephone (or any combination therein). You must cooperate with any designated representatives conducting any examination or audit. We (and our agents) have the right to make extracts from and copies of all documents, and information.

12.9.2. Any evaluation or inspection we conduct is not intended to exercise, and does not constitute, control over your day-to-day operation of the Franchised Business, or to assume any responsibility for your obligations under this Agreement.

12.9.3. If any examination or audit discloses an understatement of Gross Sales, you must pay to us, within fifteen (15) days after receipt of the examination or audit report, any fees or payments due on the amount of the understatement, interest from the date such amount was due until paid at the rate of eighteen percent (18%) per annum (or the highest rate allowed by the law of the state where Franchisee is located, whichever is lower) based on the amount of the understatement. Further, if the examination or audit is made necessary by the failure of you to furnish reports, supporting records, financial statements or other documents, or information, as required, or failure to furnish reports, records, financial

statements, documents or information, on a timely basis, or if an understatement of Gross Sales for any month is determined by any examination or audit to be greater than 3%, you must reimburse us for the cost of the audit or examination, including the charges of any independent accountants and travel costs and expenses of lodging, transportation and meals, as well as compensation of our employees. If the aforementioned fees, charges or any other costs are not paid by you within 15 days of receipt of the examination or audit report, we may withdraw from your bank account any monies owed by EFT. The foregoing remedies are in addition to all other remedies and rights we may have under applicable law.

12.9.4. We may, but are not obligated to, conduct mystery shopper programs. In the event we do conduct such a program, the calls made under the program may be monitored and recorded for record keeping, training, and quality assurance purposes.

13. TRANSFER OF INTEREST

13.1. We have the right to transfer or assign all or any part of our rights or obligations under this Agreement to any person or legal entity. With respect to any assignment which results in the subsequent performance by the assignee of all of our obligations under this Agreement, the assignee will expressly assume and agree to perform such obligations, and will become solely responsible for all of our obligations under this Agreement from the date of assignment. In addition, and without limitation to the foregoing, you expressly affirm and agree that we may sell our assets, the Proprietary Marks, or the System; may sell our securities in a public offering or in a private placement; may permit and participate in any transfer or distribution of our securities in connection with a spin-off; may merge, acquire other corporations, or be acquired by another corporation; and may undertake a financing, recapitalization, leveraged buy-out, or other economic, or financial reorganization, or restructuring.

13.2. You understand and acknowledge your rights and duties are personal, and that we have granted this franchise in reliance on your or your owner(s)' business skills, financial capacity, and personal character. Accordingly, you, any immediate or remote successor to any part of your interest in this Agreement, or any individual or legal entity, which directly or indirectly owns any interest in you, will not, without our prior written consent, sell, assign, transfer, convey, give away, pledge, mortgage, or otherwise encumber: (i) any direct or indirect interest in the rights granted in this Agreement; (ii) any direct or indirect interest, which would effect a change of control now or in the future, or, (iii) all, or substantially all, of the assets of your Franchised Business. Any assignment or transfer, whether purported or actual, by operation of law or otherwise, not having our written consent, as required by this Section, will be null and void and will constitute a material breach of this Agreement, for which we may then terminate without an opportunity to cure pursuant to Section 14.2.

13.3. We will not unreasonably withhold our consent to a transfer when required under Section 13 provided, however, that we will have the right to require any or all of the following as conditions of our consent:

13.3.1. All of your accrued monetary obligations, and all other outstanding obligations to us and our affiliates, and to all of your suppliers and vendors, must be satisfied;

13.3.2. You and we execute a release, in a form prescribed by us, of any and all claims which you may have against us, and our affiliates, and any respective shareholders, directors, employees, and agents in their corporate and individual capacities, in law and/or in equity;

13.3.3. The transferee must attend an in-person evaluation at a location we designate;

13.3.4. The transferee will execute our then-current standard form franchise agreement and related documents, including, but not limited to, our then-current form of any owner's agreement or other guaranty, then being offered to new franchisees, which agreement will supersede this Agreement in all respects and the terms of which agreement may differ materially from this Agreement and may be less favorable to the transferee;

13.3.4.1. If you purchase your Franchised Business(es) under the Reduced Initial Fee Program, upon transfer, the transferee may not switch their Royalty Fee to the then lower Standard Offering rate. The transferee's franchise agreement, if so offered, will contain the fees associated with the then Reduced Initial Fee Offering Program.

13.3.5. The transferee (and, if the transferee is other than an individual, such owners of a beneficial interest in the transferee as we may request) will demonstrate to our satisfaction that the transferee meets our educational, managerial, and business standards; possesses (or, if applicable, its principals' possess) a good moral character, business reputation, and credit rating; has the aptitude and ability to operate the Franchised Business, as may be evidenced by prior related business experience or otherwise; and has adequate financial resources and capital to operate the Franchised Business;

13.3.6. You, or the transferee, at your, or its expense, will, within the time we specify, upgrade, modify, renovate, and/or remodel the Franchised Business premises to conform to the then-current standards and specifications of the System;

13.3.7. The transferee must attend, and successfully complete, our Initial Training Program;

13.3.8. You will pay a $15,000 fee ("Transfer Fee") if the transfer involves 50% or more change in ownership. If the transfer involves less than a 50% change of ownership, the transfer fee will be calculated based upon the percentage of ownership changed. This Transfer Fee is to reimburse us for our reasonable legal, accounting, management, training, and incidental expenses incurred in reviewing and approving the transfer, facilitating the transfer process, and providing such training to the transferee as we deem necessary. We reserve the right to reduce this fee to $7,500 for existing franchisees whose original franchise agreement was executed prior to December 31, 2017;

13.3.9. You will pay any third-party sales broker fees, if applicable, incurred due to the sale or transfer of your Franchised Business;

13.3.10. You will not be in default of any provision of this Agreement, or any other agreement between you and us or our affiliates;

13.3.11. You will, at our request, prepare and furnish to the transferee and/or us such financial reports and other data relating to your Franchised Business, and its operations, as we deem reasonably necessary or appropriate, for the transferee and/or us, to evaluate your Franchised Business and the proposed transfer. You authorize us to confer with a proposed transferee and furnish the proposed transferee with information concerning your Franchised Business and the terms and conditions of the proposed transfer, and we may do so without any liability; and

13.3.12. You will not grant a security interest in the assets of your Franchised Business, unless the secured party agrees that if any default occurs by you under any documents related to the security interest, we will have the right and option to be substituted as obligor to the secured party and to cure any default of you, except, any acceleration of indebtedness due to your default, will be void.

13.4. Transfers made, absent the fulfillment of the above-stated conditions, will be null and void, and will constitute a material breach of this Franchise Agreement, for which we may then terminate this Agreement without affording you an opportunity to cure under Section 14.2.

13.5. Upon the death or mental incapacity of one of your owners with a controlling interest in your Franchised Business and this Agreement, the executor or administrator of the estate of such person, or the personal representative of such person, will transfer, within six (6) months after such death or mental incapacity, such interest to a third-party approved by us. Such transfers, including, without limitation, transfers by devise or inheritance, will be subject to the same conditions for transfer as provided in Section 13.3, as the case may be, including the payment of the Transfer Fee. However, with a transfer by devise or inheritance governed by Section 13.5, if the heirs or beneficiaries cannot meet the conditions in Section 13.3, the executor or administrator of the deceased will have a reasonable time to dispose of the deceased's interest in your Franchised Business, which disposition will be subject to all the terms and conditions for transfers contained in this Agreement. If the interest is not disposed of within a reasonable time, we may terminate this Agreement under Section 14.2.7.

13.6. Our consent to a transfer, which is the subject of this Section 13, will not constitute a waiver of any claims we may have against you, nor will it be deemed a waiver of our right to demand exact compliance with any of the terms hereof by the transferee.

13.7. If, for any reason, this Agreement is not terminated under Section 14, and this Agreement is assumed, or assignment of the same to any person or entity who has made a bona fide offer to accept an assignment of this Agreement is contemplated, under the United States Bankruptcy Code, then notice of such proposed assignment or assumption, setting forth: (i) the name and address of the proposed assignee; and (ii) all of the terms and conditions of the proposed assignment and assumption, will be given to us within twenty (20) days after receipt of such proposed assignee's offer to accept assignment of this Agreement, and, in any event, within ten (10) days prior to the date the application is made to a court of competent jurisdiction for authority and approval to enter into such assignment and assumption. We will have the prior right and option, to be exercised by notice given at any time prior to the effective date of such proposed assignment and assumption, to accept an assignment of this Agreement to us, upon the same terms and conditions and for the same consideration, if any, as in the bona fide offer made by the proposed assignee, less any brokerage commissions, which may be payable by you out of the consideration to be paid by such assignee for the assignment of this Agreement.

14. DEFAULT AND TERMINATION

14.1. You will be deemed in default of this Agreement, and all rights granted herein will automatically terminate without notice to you, if you become insolvent or make a general assignment for the benefit of creditors; or, if a petition in bankruptcy is filed by you, or such a petition is filed against and not opposed by you; or, if you are adjudicated as bankrupt or insolvent; or, if a bill in equity, or other proceeding to appoint a receiver of you, or other custodian for your business or assets, is filed and consented to by you; or, if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction;

or, if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; or, if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless a supersedeas bond is filed); or, if you are dissolved; or, if execution is levied against your business or property; or, if the real or personal property of your Franchised Business will be sold after levy thereupon by any sheriff, marshal, or constable.

14.2. Upon the occurrence of any of the following events, you will be deemed in default of this Agreement and we may, at our option, terminate this Agreement and all rights granted hereunder, without affording you any opportunity to cure the default, effective immediately upon the provision of notice to you (in the manner set forth under Section 20):

14.2.1. If your state or county of operation, at any time, revokes or suspends your any business license, if applicable;

14.2.2. If you, at any time, cease to operate, or abandon, your Franchised Business without receiving our prior express written consent, or otherwise forfeit the right to do, or transact business, in the jurisdiction where your Franchised Business is located; provided, however, that if through no fault of your own, the premises is damaged or destroyed, then you will have thirty (30) days to request our approval to relocate or reconstruct the premises, which approval will not be unreasonably withheld;

14.2.3. If you, or any officer, director, or partner of you, is convicted of a felony, a crime or offense involving moral turpitude, or engage in conduct that, at our reasonable judgment, is morally offensive to community standards, and is reasonably likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated therewith, or our interest therein;

14.2.4. If you, or any partner or shareholder in you, purports to transfer any rights or obligations under this Agreement, or any interest in you, or the assets of your Franchised Business, to any third-party without our prior written consent or notice, contrary to the terms of this Section;

14.2.5. If you fail to comply with the covenants in Section 16, or fail to deliver to us executed covenants required under Section 16.10;

14.2.6. If, contrary to the terms of Section 9, you or any principal of you, discloses or divulges any contents of the Manual or any Confidential Information;

14.2.7. If an approved transfer is not affected following death or mental incapacity as described in Section 13.5;

14.2.8. If you knowingly maintain false books or records, or knowingly submit any false reports to us;

14.2.9. If you, within two (2) years after curing a default under Section 14, commit a similar or different default, whether cured after notice;

14.2.10. If you fail to achieve and maintain the minimum performance requirements as stated under Section 5;

14.2.11. If you fail to complete the Initial Training within four months of the Contract Date of this Agreement;

14.2.12. If you do not pay any monies owing to us, our affiliates, or your suppliers, when payment is required;

14.2.13. If you, or any principal of you, has made any material misrepresentation in connection with your application to us for the franchise granted under this Agreement;

14.2.14. If you understate any payment to us by two (2%) percent or more, or understate any payment to us in any amount twice in any two (2) year period;

14.2.15. If you fail to obtain or maintain required insurance coverage;

14.2.16. If you fail to obtain or maintain the required staffing;

14.2.17. If you, without receiving our prior express written consent, fail to attend and successfully complete any required training as specified in Sections 4 and 5, or fail to attend our Annual Meetings for franchisees as specified in Section 5.13.;

14.2.18. If you, or any affiliate, commit any act of default under any agreement with us for which such agreement is terminated, except this provision will not apply to a default by you, or any affiliate, under any development agreement;

14.2.19. If your assets, property, or interests are "blocked" under any Anti-Terrorism Law or Anti-Bribery Law, or if you are otherwise in violation of any such law;

14.2.20. If you establish, or use, a website domain, as defined in Section 12.4., without our prior written approval.

14.3. Except as provided in Section 14.1 and Section 14.2, you will have thirty (30) days after we provide written notice of default (in the manner specified in Section 20) to remedy the default and to provide us with evidence of such remedy. If any such default is not cured within such time, or such longer period as applicable law may require, we may terminate this Agreement effective immediately upon our notice to you. You will be in default of this Agreement for any failure substantially to comply with any of the requirements imposed by this Agreement, including requirements set forth in the Manual, as they may from time to time be supplemented in writing, or to carry out the terms of this Agreement in good faith. If you are in default of any provisions of this Agreement, in addition to the rights listed in this Section, we may, at our option, suspend all of our obligations under this Agreement until such defaults have been cured or until the Agreement has been terminated.

14.4. No endorsement or statement on any form of payment of any sum less than the full sum due to us will be construed as an acknowledgment of payment in full or an accord and satisfaction, and we may accept and cash such check or payment without prejudice to our right to recover the balance due or pursue any other remedy in this Agreement or by law. We may apply any payments made by you against any past due indebtedness of you as we may see fit. We may set off any amounts owed by you to us against any payment due to you under this Agreement and may, at our option, pay your trade creditors out of any sum otherwise due to you.

14.5. In the event of any default of this Agreement by you, all of our costs and expenses arising from such default, including reasonable legal fees and reasonable hourly charges of our administrative employees, will be paid to us by you within five (5) days after cure or upon demand by us, if such default is not cured.

14.6. If any other franchise agreement or any other agreement between you and us is terminated, termination will be effective on the date that the other agreement is terminated unless we notice you otherwise.

15. OBLIGATIONS UPON TERMINATION OR EXPIRATION

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

15.2. Upon termination or expiration of this Agreement, all rights granted to you under this Agreement will immediately terminate and:

15.2.1. You will immediately cease to operate your Franchised Business, and will not thereafter, directly or indirectly, represent to the public, or hold yourself out as a present or former Blue Moon franchisee;

15.2.2. You will immediately take any action required to cancel, terminate, or turn in, all licenses or vendor contracts you may have with any federal, state, or local agency;

15.2.3. You will immediately and permanently cease to use, in any manner whatsoever, any confidential methods, procedures, and techniques associated with the System, the Proprietary Marks, and all other proprietary marks and distinctive forms, slogans, signs, symbols, and devices associated with the System. You also will, at your expense, immediately remove all signs, slogans, symbols, distinctive forms, devices, and trade dress associated with the System, which are located at your Franchised Business. If you fail to remove all signs, slogans, symbols, distinctive forms, devices, and trade dress associated with the System within a reasonable amount of time following termination, and we are forced to remove these items, you will reimburse us for the cost of removal. You agree not to sell, assign, transfer, convey, or give away any signs, slogans, symbols, distinctive forms, devices, trade dress, or other fixtures associated with the System, without our prior written consent;

15.2.4. You will take such action as may be necessary to cancel any assumed name or equivalent registration which contains the Proprietary Marks and you will furnish us with evidence satisfactory to us of compliance with this obligation within thirty (30) days after termination or expiration of this Agreement;

15.2.5. You acknowledge that all telephone numbers, facsimile numbers, social media websites, Internet addresses, e-mail addresses and other e-communications (collectively "Identifiers") used in the operation of your Franchised Business constitute our assets, and upon termination or expiration of this Agreement, you will take such action within five (5) days to cancel or assign to us or our designee, as determined by us, all of your right, title, and interest in, and to such Identifiers, and will notify the telephone company and all listing agencies, of the termination or expiration of your right to use any Identifiers, and any regular, classified, or other telephone directory listing associated with the Identifiers and to

authorize a transfer of the same to, or at our direction. You agree to take all action required to cancel all assumed names or equivalent registrations related to your use of the Proprietary Marks. You acknowledge that we have the sole rights to, and interest in, all Identifiers used by you to promote your Franchised Business and/or associated with the Proprietary Marks. You hereby irrevocably appoint us with full power of substitution, as your true and lawful attorney-in-fact, which appointment is coupled with an interest to execute such directions and authorizations as may be necessary or prudent to accomplish the foregoing. You further appoint us to direct the telephone company, postal service, registrar, internet service provider, listing agency, website operator, or any other third-party to transfer such Identifiers to us or our designee. The telephone company, postal service, registrar, internet service provider, listing agency, website operator, or any other third-party may accept such direction by us pursuant to this Agreement as conclusive evidence of our rights to the Identifiers and our authority to direct their transfer;

15.2.6. You will promptly pay all sums owed to us and our affiliates. In the event of termination for any default by you, such sums will include all damages, costs, and expenses, including reasonable attorney fees, incurred by us as a result of your default, which obligation will give rise to and remain, until paid in full, a lien in favor of us against all of your personal property, furnishings, equipment, signs, and fixtures at your Approved Location at the time of default;

15.2.7. You will pay us any and all costs, and expenses, including reasonable attorney fees and related costs, incurred by us subsequent to the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this Section.; and

15.2.8. You will immediately return to us or, if in electronic format, permanently delete and/or destroy, all Confidential Information and proprietary information you have in your possession, including the Manual and any copies that may have been made by you, within five (5) business days of the termination or expiration of this Agreement. You will provide us proof of such deletion upon written request.

15.3. All your covenants, obligations, and agreements, which by their terms, or by reasonable implication, are to be performed, in whole or in part, after the termination or expiration of this Franchise Agreement, will survive such termination or expiration.

15.4. You will comply with the covenants contained in Section 16.

16. COVENANTS

16.1. You covenant that during the term of this Franchise Agreement, except as otherwise approved in writing by us, a principal of you will devote full time and best efforts to the management and operation of your Franchised Business.

16.2. You acknowledge you will receive valuable specialized training and confidential information, including, without limitation, information regarding the operational, sales, promotional, marketing methods, and techniques from us. You covenant that during the term of this Franchise Agreement neither you nor any Owner, officer, director, or executive employee, will either directly or indirectly, except as otherwise approved in writing by us, for yourself, or through, on behalf of, or in conjunction with, any person, persons, or legal entity:

16.2.1. Directly or indirectly (including through an act of omission), divert, or attempt to divert, any business, or customer of your Franchised Business, to any competitor by inducement or otherwise, or do or perform any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the System; and

16.2.2. Own, maintain, advise, operate, engage in, be employed by, make loans to, have any interest in or relationship or association with a Competitive Business which offers the same or similar products or services as those offered by your Franchised Business or the System.

16.3. You covenant that you will not, without our prior written consent, for a continuous, uninterrupted two (2) year period commencing upon the date of: (i) a transfer permitted under Section 14 of this Franchise Agreement; (ii) expiration of this Franchise Agreement; (iii) termination of this Franchise Agreement (regardless of the cause for termination); or (iv) a final decision of an arbitrator or a court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing events or with respect to enforcement of Section 16.3; either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person, persons, or legal entity (including legal entities which own, are owned by, or are under common ownership with you), own, maintain, advise, operate, engage in, lease to, be employed by, make loans to, or have any interest in or relationship or association with a Competitive Business which offers the same or similar products or services as those offered by your Franchised Business or the System, and which is located: (i) within the Protected Territory; (ii) within a seventy-five (75) mile radius of the Protected Territory; or (iii) within a seventy-five (75) mile radius of any other Franchised Business.

16.4. Section 16.2 and Section 16.3 will not apply to any ownership of less than five (5%) percent beneficial interest in the outstanding equity securities of any publicly-held corporation. As used in this Franchise Agreement, the term "publicly-held corporation" will be deemed to refer to a corporation which has securities that have been registered under the Securities Exchange Act of 1934.

16.5. The parties agree that each of the foregoing covenants will be construed as independent of any other covenant or provision of this Franchise Agreement. If all, or any portion of a covenant, in this Section 16 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an un-appealed final decision to which we are a party, you expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section.

16.6. You agree and acknowledge that we have the right, at our sole discretion, to reduce the scope of any covenant or any portion thereof set forth in Section 16.2, Section 16.3, and Section 16.5 without your consent, effective immediately upon receipt by you of written notice of such reduction; and, you agree that you will comply immediately with any covenant as so modified, which will be fully enforceable notwithstanding the provisions of Section 23.

16.7. You expressly agree that the existence of any claims you may have against us, whether or not arising under this Franchise Agreement, will not constitute a defense to the enforcement by us of the covenants in this Section.

16.8. You acknowledge that your violation of the terms of this Section would result in irreparable injury to us, for which no adequate remedy at law may be available, and agree to pay all court

costs and reasonable attorney fees incurred by us in obtaining any injunctive or other equitable or legal relief with respect to such conduct or action.

16.9. You will obtain execution of covenants similar to those set forth in this Section (including covenants applicable upon the termination of a person's relationship with you and covenants incorporating the terms of Section 15 of this Franchise Agreement, as modified to apply to an individual), from the following persons:

16.9.1. If you are one or more natural persons: (i) each and every key employee of yours ("key employee") means an employee that has operational responsibilities and/or markets on behalf of your Franchised Business and has access to client and referral information; (ii) each and every one of your spouses and each and every one of your children over the age of 18 who is involved in the operation of your Franchised Business;

16.9.2. If you are a partnership: (i) each and every partner (including each and every shareholder, member, officer, and/or director of each and every business entity that owns an interest of five percent (5%) or more in one or more of your partners); (ii) each and every key employee of yours; (iii) each any every partner's spouse and each and every partner's child over the age of 18 who has involvement in the operation of your Franchised Business;

16.9.3. If you are a limited liability company: (i) each and every member (including the shareholders, members, officers, and/or directors of each and every business entity that holds an interest of five percent (5%) or more in you or a member); (i) each and every one of your key employees; (iii) each and every member's spouse and each and every member's child over the age of 18 who has involvement in the operation of your Franchised Business; and

16.9.4. If you are a corporation: (i) each and every shareholder (including the shareholders, members, officers, and/or directors of each and every business entity that holds an interest of five percent (5%) or more in you or a member); (ii) each and every one of your key employees; (iii) each and every shareholder's spouse and each and every shareholder's child over the age of 18 who has involvement in the operation of your Franchised Business.

16.10. Every covenant required by this Section and its subsections will be in a form approved by us, including, without limitation, specific identification of us as a third-party beneficiary of such covenants with the independent right to enforce them (Please see Confidentiality Agreement).

17. YOU AS A CORPORATION OR LIMITED LIABILITY COMPANY

17.1. Except as otherwise approved in writing by us, if you are a corporation, you will: (i) confine your activities, and your governing documents will at all times provide your activities are confined, exclusively to operating your Franchised Business; (ii) maintain stop transfer instructions on your records against the transfer of any equity securities and will only issue securities upon the face of which a legend, in a form satisfactory to us, appears which references the transfer restrictions imposed by this Franchise Agreement; and (iii) maintain a current list of all owners of record, all beneficial owners of any class of voting stock of you, and all officers and directors, and furnish a list, and current contact information of each individual on said list, to us upon request. (See Addendum C – Corporation or LLC Information).

17.2. If you are a limited liability company or corporation, you will: (i) confine your activities exclusively to operating your Franchised Business; (ii) furnish us with your articles of organization/articles of incorporation and operating agreement/bylaws/members agreement, and such other documents as we may reasonably request and any amendments thereto; (iii) prepare and furnish to us, upon request, a current list of all members and managers of your Franchised Business, along with each member's and manager's personal contact information or list of shareholders, officers, and board of directors; (iv) maintain stop transfer instructions on your records against the transfer of any equity securities and will only issue securities which bear a legend, in a form satisfactory to us, referencing the transfer restrictions imposed by this Franchise Agreement; and (v) maintain in your articles of organization, articles of incorporation, operating agreement, or bylaws, whichever creates legal enforceability, instructions preventing the addition of any new member, without our express written consent.

17.3. Guaranty and Assumption of Obligations.

17.3.1. Each present and future shareholder or member with a direct or indirect interest, and their respective spouses, will jointly and severally guarantee your performance of each and every provision of this Franchise Agreement, by executing the Guaranty and Assumption of Obligations in the form attached hereto.

17.3.2. The Guaranty and Assumption of Obligations completely and accurately describes all of your owners and their interests in your Franchised Business as of the Contract Date. You and your owners agree to sign and deliver to us, periodically or upon our request, revised versions of this document to reflect any permitted changes to the information previously in this document.

18. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

18.1. It is understood and agreed by the parties that this Franchise Agreement does not create a fiduciary relationship between them, that you will be an independent contractor, and, that nothing in this Franchise Agreement is intended to constitute either party, an agent, legal representative, subsidiary, joint venture, partner, employee, employer, joint employer, enterprise, or servant, of the other, for any purpose whatsoever.

18.2. You agree to inform each of your employees and contractors that you alone are their employer, and that we are not. You agree to explain to your employees and contractors the respective roles of a franchisor and franchisee and our relationship with you and your employees. You will use your legal name on all documents for use with employees and contractors, including but not limited to, employment applications, time cards, paychecks, and employment and independent contractor agreements, and will not use the Proprietary Marks on these documents.

18.3. During the term of this Franchise Agreement, you will hold yourself out to the public as an independent contractor operating the business pursuant to a franchise from us. You agree to take such action as may be necessary to do so, including, as set forth in Section 8.2., exhibiting a notice of that fact in a conspicuous place at your Approved Location. You further agree to state in all your advertisements and promotional materials (including business cards, order forms, and letterhead) that your Franchised Business is independently owned and operated, using language that we may specify from time to time. You will not hold yourself out as our agent, employee, or co-venturer.

18.4. You acknowledge and agree that you are not authorized to make any contract, agreement, warranty, or representation on our behalf, or to incur any debt or other obligation in our name, and that we will in no event assume liability for, or be deemed liable hereunder as a result of, any such action, nor will we be liable by reason of any act or omission of you in your conduct of your Franchise Business or for any claim or judgment arising therefrom against you or us.

18.5. You and each of your owners listed on the Guaranty and Assumption of Obligation that you will, at all times during the term and any renewal terms, and after the termination, or expiration of this Franchise Agreement, indemnify, defend, and hold harmless, to the fullest extent permitted by law, franchisor, its affiliates, and their respective shareholders, directors, officers, employees, agents, representatives, independent contractors, servants, successors, and assignees (the "Indemnified Parties") against, and to reimburse any one or more Indemnified Parties for, all claims, obligations, and damages directly or indirectly arising out of your Franchised Business operation, the business you conduct under this Agreement, or your breach of this Franchise Agreement, including, without limitation: (i) those alleged to be found or to have been caused by the Indemnified Party's negligence, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by our gross negligence or willful misconduct in a final, un-appealable ruling issued by a court or arbitrator with competent jurisdiction; (ii) the infringement, alleged infringement or any other violation by you, your owners or principals of any patent, mark, copyright, or other proprietary right owned or controlled by third parties due to your unauthorized use of all or any portion of the Proprietary Marks and/or System; (iii) your, or your owners', violation, breach, or asserted violation of any federal, state, or local law, regulation, ruling or industry standard; (iv) your, or your owners', libel, slander, or any other form of defamation; and (v) your employment or other contractual relationship with your employees, workers, managers, or independent contractors, including, but not limited to, any allegation, claim, finding, or ruling that we are an employer or joint employer of your employees.

18.6. For purposes of this indemnification, "claims" include all obligations, damages (actual, consequential, or otherwise), and costs that any Indemnified Party reasonably incurs in defending any claim against it, including, without limitation, reasonable accountants', arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration, or alternative dispute resolution, regardless of whether litigation, arbitration, or alternative dispute resolution is commenced. Each Indemnified Party may defend any claim against it and agree to settlements or take any other remedial, corrective, or other actions, and such actions will affect your obligation to indemnify pursuant to this Section.

18.7. This indemnity will continue in full force and effect subsequent to and notwithstanding this Franchise Agreement's expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third-party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully, a claim for indemnity under this Section. You agree that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover under this Section.

18.8. You will also pay all costs and expenses (including reasonable fees of attorneys and other engaged professionals) incurred by us in successfully enforcing, issuing notices of default, or obtaining any remedy arising from the breach of this Franchise Agreement. The existence of any claims, demands, or actions which you may have against us, whether arising from this Franchise Agreement or otherwise, will not constitute a defense to our enforcement of your, or any your owners, representations, warranties, covenants, agreements, or obligations herein.

19. APPROVALS AND WAIVERS

19.1. We make no warranties or guarantees upon which you may rely, and assume no liability or obligation to you, by providing any waiver, approval, consent, or suggestion to you in connection with this Franchise Agreement, or by reason of any neglect, delay, or denial of any request related to this Franchise Agreement. No delay, waiver, omission, or forbearance on the part of us, to exercise any right, option, duty, or power arising out of this Franchise Agreement against you, or any other franchisee, or any breach or default by you, or by any other franchisee, of any of the terms, provisions, or covenants of this Franchise Agreement, and no custom or practice by the parties at variance with the terms hereof, will constitute a waiver by us to enforce any such right, option, or power as, against you, or as to a subsequent breach or default by you. Subsequent acceptance by us of any payments due to us under this Franchise Agreement will not be deemed to be a waiver by us of any preceding or succeeding breach by, or obligations of, you of any terms, covenants, or conditions of this Franchise Agreement.

19.2. You hereby waive, to the fullest extent permitted by law, any right to, or claim for, any punitive, exemplary, incidental, indirect, special, consequential, or other damages (including, without limitation, loss of profits) against us, our affiliates, and the officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them, in their corporate and individual capacities, arising out of any cause whatsoever (whether that cause is based on contract, negligence, strict liability, other tort or otherwise), and agrees that in the event of a dispute, you are limited to the recovery of any actual damages sustained by it. If any other term of this Franchise Agreement is found or determined to be unconscionable, or unenforceable for any reason, the foregoing provisions of waiver by agreement of punitive, exemplary, incidental, indirect, special, consequential, or other damages (including, without limitation, loss of profits) continues in full force and effect.

20. NOTICES AND PAYMENTS

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

20.1.1. At the time delivered by hand;

20.1.2. At the time delivered via computer transmission provided that the recipient acknowledges receipt of such computer transmission, and, in the case of your royalty payments and contributions of the Fund, at the time we actually receive payment;

20.1.3. One (1) business day after transmission by facsimile or other electronic system if the sender has confirmation of successful transmission;

20.1.4. One (1) business day after being placed in the hands of a nationally recognized commercial courier service for next business day delivery; or

20.1.5. Three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid.

20.2. Notwithstanding the forgoing, any notice to you or us must be sent to the address specified on the signature page of this Franchise Agreement, although notice to you may also be sent to your

Approved Location. We may change our address for notice by giving you notice of our new address.

20.3. Any required payment or report which we do not actually receive during regular business hours on the date due (or postmarked by postal authorities at least two (2) days before the date due) will be deemed delinquent.

21. ENTIRE AGREEMENT

21.1. This Franchise Agreement, together with the Manual, any written related agreements, any state addenda attached to the Franchise Disclosure Document, and any attachments hereto, constitute the entire and complete agreement between you and us concerning the subject matter hereof, and supersede any and all prior agreements. However, nothing in this Franchise Agreement or any related agreement is intended to disclaim our representations made in the Franchise Disclosure Document. Except for those permitted by this Franchise Agreement to be made unilaterally by us, including our right to modify the Manual and System, no amendment, change, or variance from this Franchise Agreement will be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

21.2. Service Line Enhancements. In the event we develop a new service line, product line, or revenue line (together referred to as "Service Line(s)), we may, in our sole discretion, and prior to you being authorized by us to provide said Service Line(s), require that you enter into a new amendment or agreement which may contain new terms and conditions.

22. SEVERABILITY AND CONSTRUCTION

22.1. Except as expressly provided to the contrary herein, each portion, section, part, term, and/or provision of this Franchise Agreement will be considered severable, and if, for any reason, any portion, section, part, term, and/or provision herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such will not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms, and/or provisions hereof as may remain otherwise intelligible, and the latter will continue to be given full force and effect and bind the parties hereto, and the invalid portions, sections, parts, terms, and/or provisions will be deemed not to be a part hereof.

22.2. You expressly agree to be bound by any promise or covenant imposing the maximum duty permitted by law, which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part hereof, that may result from striking from any of the provisions hereof, any portion or portions which a court may hold to be unreasonable and unenforceable in a final decision to which we are a party, or from reducing the scope of any promise or covenant to the extent required to comply with such court order.

22.3. Any provision or covenant of this Franchise Agreement which expressly or by its nature imposes obligations beyond the expiration or termination of this Franchise Agreement will survive such expiration or termination.

22.4. You acknowledge and agree that we have the right to enter into agreements with other franchisees that may contain provisions, conditions, and obligations that differ from those contained in this Franchise Agreement. The existence of different forms of agreements and the fact that existing or future franchisees may have different rights and obligations will not in any manner eliminate,

modify, or affect the duties of the parties to this Franchise Agreement to comply with the terms of this Franchise Agreement.

23. DISPUTE RESOLUTION

23.1. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina, without reference to this state's conflict of laws principles.

23.2. Internal Dispute Resolution. You must first bring any claim or dispute between you and us to our management, after providing notice as set forth in Section 20 of this Agreement, and make every effort to resolve the dispute internally. You must exhaust this internal dispute resolution procedure before you may bring your dispute before a third party. This agreement to first attempt resolution of disputes internally shall survive termination or expiration of this Agreement.

23.3. Mediation. At our option, all claims or disputes between Franchisee and Franchisor (or its affiliates) arising out of, or in any way relating to, this Agreement or any other agreement by and between Franchisee and Franchisor (or its affiliates), or any of the parties' respective rights and obligations arising from such agreement, which are not first resolved through the internal dispute resolution procedure sent forth in Section 23.2 above, will be submitted first to mediation to take place in Raleigh, North Carolina at a location of Franchisor's choice, under the auspices of the American Arbitration Association ("AAA"), in accordance with AAA's Commercial Mediation Rules then in effect. Before commencing any legal action against Franchisor or its affiliates with respect to any such claim or dispute, Franchisee must submit a notice to Franchisor, which specifies, in detail, the precise nature and grounds of such claim or dispute. Franchisor will have a period of thirty (30) days following receipt of such notice within which to notify Franchisee as to whether Franchisor or its affiliates elects to exercise its option to submit such claim or dispute to mediation. Franchisee may not commence any action against Franchisor or its affiliates with respect to any such claim or dispute in any court unless Franchisor fails to exercise its option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by Franchisor. Franchisor's rights to mediation, as set forth herein, may be specifically enforced by Franchisor. Each party will bear its own cost of mediation and Franchisor and Franchisee will share mediator fees equally. This agreement to mediate will survive any termination or expiration of this Agreement. The parties will not be required to first attempt to mediate a controversy, dispute, or claim through mediation as set forth in this Section 23.3 if such controversy, dispute, or claim concerns an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating): (i) any federally protected intellectual property rights in the Proprietary Marks, the System, or in any Confidential Information or other confidential information; (ii) any of the restrictive covenants contained in this Agreement; and (iii) any of Franchisee's payment obligations under this Agreement.

23.4. Injunctive Relief. Franchisee acknowledges and agrees that irreparable harm could be caused to Franchisor by Franchisee's violation of certain provisions of this Agreement and, as such, in addition to any other relief available at law or equity, Franchisor shall be entitled to obtain in any court of competent jurisdiction, without bond, restraining orders or temporary or permanent injunctions in order to enforce, among other items, the provisions of this Agreement relating to: (i) Franchisee's use of the Proprietary Marks and Confidential Information (including any proprietary software used in connection with the Franchised Business); (ii) the in-term covenant not to compete, as well as any other violations of the restrictive covenants set forth in this Agreement; (iii) Franchisee's obligations on termination or expiration of this Agreement; (iv)

disputes and controversies based on or arising under the Lanham Act, or otherwise involving the Proprietary Marks, as now or hereafter amended; (v) disputes and controversies involving enforcement of the Franchisor's rights with respect to confidentiality under this Agreement; and (vi) to prohibit any act or omission by Franchisee or its employees that constitutes a violation of applicable law, threatens Franchisor's franchise system or threatens other franchisees of Franchisor. Franchisee's only remedy if such an injunction is entered will be the dissolution of the injunction, if appropriate, and Franchisee waives all damage claims if the injunction is wrongfully issued.

23.5. Venue. Subject to Section 23.3 of this Agreement, the parties agree that any actions arising out of or related to this Agreement must be initiated and litigated to conclusion exclusively in the state court of general jurisdiction closest to Raleigh, North Carolina, or, if appropriate, the United States District Court for the Eastern District of North Carolina (unless settled by the parties after such action is initiated). Franchisee acknowledges that this Agreement has been entered into in the State of North Carolina, and that Franchisee is to receive valuable and continuing services emanating from Franchisor's offices in Raleigh, North Carolina, including but not limited to training, assistance, support and the development of the System. In recognition of such services and their origin, Franchisee hereby irrevocably consents to the personal jurisdiction of the state and federal courts of North Carolina as set forth in this Section.

23.6. Third Party Beneficiaries. Franchisor's officers, directors, shareholders, agents and/or employees are express third-party beneficiaries of the provisions of this Agreement, including the dispute resolution provisions set forth in this Section, each having authority to specifically enforce the right to mediate/arbitrate claims asserted against such person(s) by Franchisee.

23.7. Notice Requirement. As a condition precedent to commencing an action for damages or for violation or breach of this Agreement, Franchisee must notify Franchisor within ninety (90) days after the occurrence of the violation or breach, and failure to timely give such notice shall preclude any claim for damages.

23.8. No Withholding of Payments. Franchisee shall not withhold all or any part of any payment to Franchisor or any of its affiliates on the grounds of Franchisor's alleged nonperformance or as an offset against any amount Franchisor or any of Franchisor's affiliates allegedly may owe Franchisee under this Agreement or any related agreements.

23.9. Limitation of Actions. Franchisee further agrees that no cause of action arising out of or under this Agreement may be maintained by Franchisee against Franchisor unless brought before the expiration of one (1) year after the act, transaction or occurrence upon which such action is based or the expiration of one year after the Franchisee becomes aware of facts or circumstances reasonably indicating that Franchisee may have a claim against Franchisor hereunder, whichever occurs sooner, and that any action not brought within this period shall be barred as a claim, counterclaim, defense, or set-off. Franchisee hereby waives the right to obtain any remedy based on alleged fraud, misrepresentation, or deceit by Franchisor, including, without limitation, rescission of this Agreement, in any mediation, judicial, or other adjudicatory proceeding arising hereunder, except upon a ground expressly provided in this Agreement, or pursuant to any right expressly granted by any applicable statute expressly regulating the sale of franchises, or any regulation or rules promulgated thereunder.

23.10. Waiver of Punitive Damages. Franchisee hereby waives to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) against Franchisor arising out of any cause

whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agrees that in the event of a dispute, that Franchisee's recovery is limited to actual damages. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages. Nothing in this Section or any other provision of this Agreement shall be construed to prevent Franchisor from claiming and obtaining expectation or consequential damages, including lost future royalties for the balance of the term of this Agreement if it is terminated due to Franchisee's default, which the parties agree and acknowledge Franchisor may claim under this Agreement.

23.11. WAIVER OF JURY TRIAL. THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR FRANCHISEE'S PURCHASE FROM FRANCHISOR OF THE FRANCHISE AND/OR ANY GOODS OR SERVICES.

23.12. WAIVER OF CLASS ACTIONS. THE PARTIES AGREE THAT ALL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS AGREEMENT, OR THE SALE OF THE FRANCHISED BUSINESS, WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN FRANCHISEE, FRANCHISEE'S GUARANTORS AND FRANCHISOR OR ITS AFFILIATES/OFFICERS/EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD PARTY.

23.13. Exclusive. No right or remedy conferred upon or reserved to us or you hereby are intended to be, nor will be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each will be cumulative of every other right or remedy.

23.14. Other Agreements. If any other franchise agreement, or any other agreement between us, or any of our affiliates and you, or any of your affiliates, is terminated, termination will be effective on the date that the other agreement is terminated, unless we provide notice to you otherwise.

23.15. We and you agree that the provisions of this Section will apply during the term of this Franchise Agreement and following the termination, expiration, or non-renewal of this Franchise Agreement.

24. ACKNOWLEDGMENTS

24.1. You acknowledge you have conducted an independent investigation of the rights granted by this Franchise Agreement, you recognize that the business venture contemplated herein involves business risks, and your success will be largely dependent upon your ability as an independent businessperson. We expressly disclaim the making of, and you acknowledge you have not received, any representation, express or implied, from any of our agents or employees, as to the prior, current, or potential sales, income, profits, or success of the business venture contemplated by this Franchise Agreement or of any other Blue Moon franchisee and/or Franchised Business.

24.2. You acknowledge you received our uniform Franchise Disclosure Document at least fourteen (14) calendar days prior to the Contract Date. You acknowledge you have read and understand

this Franchise Agreement, the attachments hereto, if any, and that we have accorded you ample time and opportunity to consult with advisors and/or counselors/attorneys of your own choosing about the potential benefits and risks of entering into this Franchise Agreement.

FRANCHISOR:	FRANCHISEE:
Blue Moon Franchise Systems, LLC	_____
A North Carolina Limited Liability Company	_____
By: Stephen D. Greenwald	By: _____
Title: In-house Counsel	Title: _____
_____	_____

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given this _____ day of _____, 20_____, by _____ (“Guarantor").

1. In consideration of, and as an inducement to, the Execution of that certain Franchise Agreement dated _____ (the "Agreement") by Blue Moon Franchise Systems, LLC (the "Franchisor"), and with _____ a _____ corporation, each of the undersigned hereby personally and unconditionally (a) guarantees to Franchisor, and its successors and assigns, for the term of the Agreement and as provided in the Agreement, that ("Franchisee") will punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions, or to engage or refrain from engaging in specific activities. Each of the undersigned waives: (i) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (ii) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed; (iii) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed; and (iv) any right he/she may have to require that an action be brought against Franchisee or any other person as a condition of liability.

2. Each of the undersigned consents and agrees that: (i) his/her direct and immediate liability under this guaranty will be joint and several; (ii) he/she will render any payment or performance required under the Agreement, upon demand, if Franchisee fails or refuses punctually to do so; (iii) liability will not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and (iv) liability will not be diminished, relieved, or otherwise affected by, any extension of time, credit, or other indulgence, which Franchisor may grant to Franchisee, or to any other person, including the acceptance of any partial payment or performance, or the compromise, or release of, any claims, none of which will in any way modify or amend this guaranty, which will be continuing and irrevocable during the Term of the Agreement.

3. Guarantor hereby consents and agrees that:

    3.1. Guarantor's liability under this undertaking will be direct, immediate, and independent of the liability of, and will be joint and several with, Franchisee and the other owners of the Franchise;

    3.2. Guarantor will render any payment or performance required under the Franchise Agreement, upon demand, if Franchisee fails or refuses punctually to do so;

    3.3. This undertaking will continue unchanged by the occurrence of any bankruptcy with respect to Franchisee, or any assignee or successor of Franchisee, or by any abandonment of the Franchise Agreement by a trustee of Franchisee. Neither the Guarantor’s obligations to make payment or render performance in accordance with the terms of this undertaking, nor any remedy for enforcement, will be impaired, modified, changed, released, or limited in any manner whatsoever by any impairment, modification, change, release, or limitation of the liability of Franchisee, or its estate in bankruptcy, or of any remedy for enforcement, resulting from the operation of any present or future provision of the U.S. Bankruptcy Act or other statute, or from the decision of any court or agency;

    3.4. Franchisor may proceed against Guarantor and Franchisee jointly and severally, or Franchisor may, at its option, proceed against Guarantor, without having commenced any action, or having obtained any judgment against Franchisee. Guarantor hereby waives the defense of the statute of

limitations in any action hereunder, or for the collection of, any indebtedness, or the performance of any obligation hereby guaranteed; and

3.5. Guarantor agrees to pay all reasonable attorneys' fees and all costs and other expenses incurred in any collection or attempted collection of amounts due pursuant to this undertaking or any negotiations relative to the obligations hereby guaranteed or in enforcing this undertaking against Guarantor.

IN WITNESS WHEREOF, each of the undersigned has affixed his/her signature on the same day and year as the Agreement was executed.

GUARANTOR	OWNERSHIP PERCENTAGE IN FRANCHISE
_____	_____
_____	_____
FRANCHISOR: Blue Moon Franchise Systems, LLC A North Carolina Limited Liability Company	FRANCHISEE: _____ _____
By: Stephen D. Greenwald Title: In-house Counsel	By: _____ Title: _____
_____	_____

CONFIDENTIALITY AGREEMENT AND
ANCILLARY COVENANTS NOT TO COMPETE ("AGREEMENT")
(For shareholders, officers, directors, general partners, members and managers as well as key employee of Franchisee.)

In consideration of my being a [insert position/role] of [insert legal name of franchisee] ("Franchisee"), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree that:

1. Pursuant to a Franchise Agreement dated _____, 20___ (the "Franchise Agreement"), Franchisee has acquired the right and franchise from Blue Moon Franchise Systems, LLC (the "Franchisor") to establish and operate a Blue Moon Estate Sales Franchised Business (the "Franchised Business"). (All capitalized terms not defined herein will have the respective meanings set forth in the Franchise Agreement).

2. Franchisor, as the result of the expenditure of time, skill, effort and resources has developed and owns a distinctive format and system (the "System") relating to the establishment and operation of Franchised Businesses. Franchised Business possesses certain proprietary and confidential information relating to the operation of the System, which includes certain proprietary trade secrets, methods, techniques, formats specifications, systems, procedures, methods of business practices and management, sales and promotional techniques and knowledge of, and experience in, the operation of the Franchised Business (the "Confidential Information").

3. Any and all information, knowledge, know-how, and techniques which Franchisor specifically designates as confidential shall be deemed to be Confidential Information for purposes of this Agreement.

4. As [insert position/role] of the Franchisee, Franchisor and Franchisee will disclose the Confidential Information to me in furnishing to me training programs, Franchisor's Manuals, and other general assistance during the term of the Franchise Agreement.

5. I will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Franchised Business during the term of the Franchise Agreement, and the use or duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition.

6. The Confidential Information is proprietary, involves trade secrets of Franchisor, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information and all other information designated by Franchisor as confidential. Unless Franchisor otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my position with the Franchisee, and will continue not to disclose any such information even after I cease to be in that position and will not use any such information even after I cease to be in that position unless I can demonstrate that such information has become generally known or easily accessible other than by the breach of an obligation of Franchisee under the Franchise Agreement.

7. Except as otherwise approved in writing by Franchisor, I shall not, while in my position with the Franchisee, either directly or indirectly for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation, own, maintain, operate, engage in, act as a consultant for, perform services for, or have any interest in any other business that: (A) is substantially similar to the business then engaged or being promoted in by Blue Moon businesses; or (B) provides any sort of services as defined as Approved Services in the Franchise Agreement (collectively, a "Competing

Business"); or (C) offers or grants licenses or franchises, or establishes joint ventures, for the ownership or operation of a Competing Business.

8. For a continuous uninterrupted period commencing upon the cessation or termination of my position with Franchisee, regardless of the cause for termination, or upon the expiration, termination, transfer, or assignment of the Franchise Agreement, whichever occurs first, and continuing for two (2) years thereafter, either directly or indirectly, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation:

   8.1. Own, maintain, operate, engage in, act as a consultant for, be employed by, perform services for, or have any interest in any Competitive Business within the Protected Territory (as that term is defined in the Franchise Agreement); or within a seventy-five (75) mile radius of any other Blue Moon Business that is open or otherwise under development as of the date this Agreement expires or is terminated;

   8.2. Directly or indirectly, solicit or attempt to solicit any business from any of Franchisor's or Franchisee's customers, customer prospects, referral sources, National Accounts or Approved Suppliers/Vendors with whom I had contact for two (2) years after the termination of my relationship with Franchisor or Franchisee.

   8.3. Directly or indirectly, solicit or attempt to solicit any of Franchisor's or Franchisee's other employees, or the employees of other System franchisee to discontinue employment.

   The prohibitions in this Section 8 do not apply to my interests in or activities performed in connection with a Franchised Business. This restriction does not apply to my ownership of less than five percent (5%) beneficial interest in the outstanding securities of any publicly held corporation.

9. I agree that I will not make any public statement that is materially disparaging of the business of the Franchisor, or to the business reputation of any of the employees, officers, representatives or agents of the Franchisor or any of the franchisees who are known to you to be franchisees of the Franchisor at the time of any such public statement. Your obligations under this section shall not apply to disclosures required by applicable law, regulation, or order of a court or governmental agency.

10. I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, I expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

11. I understand and acknowledge that the failure to insist upon strict compliance with any of the terms, covenants or conditions of this Agreement will not be deemed a waiver of such term, covenant or condition, nor will any waiver or relinquishment of any right or remedy hereunder at any one or more times be deemed a waiver or relinquishment of such right or remedy at any other time or times.

12. I understand and acknowledge that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof; and I agree to comply forthwith with any covenant as so modified.

13. Franchisor is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Franchisee. I am aware that my violation of this Agreement will cause Franchisor and the Franchisee irreparable harm; therefore, I acknowledge and agree that the Franchisee and/or Franchisor may apply for the issuance of an injunction preventing me from violating this Agreement, and I agree to pay the Franchisee and Franchisor all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to the Franchisee and Franchisor, any claim I have against the Franchisee or Franchisor is a separate matter and does not entitle me to violate, or justify any violation of this Agreement.

14. I understand and acknowledge that the rights and remedies of Franchisor under this Agreement are fully assignable and transferable and will inure to the benefit of its respective affiliates, successor and assigns. However, the respective obligations of me or the Franchisee may not be assigned by me or Franchisee without the proper written consent of Franchisor.

15. This Agreement shall be construed under the laws of the State of North Carolina. The only way this Agreement can be changed is in writing signed by both the Franchisee and me.

FRANCHISOR:	FRANCHISEE:
Blue Moon Franchise Systems, LLC	_____
A North Carolina Limited Liability Company	_____
By: Stephen D. Greenwald	By: _____
Title: In-house Counsel	Title: _____
_____	_____

INDIVIDUAL:

_____

ADDENDUM A
TO THE FRANCHISE AGREEMENT

FRANCHISE OFFERING PROGRAM ELECTION AND ATTESTATION

TO THAT CERTAIN
BLUE MOON FRANCHISE AGREEMENT
BY AND BETWEEN BLUE MOON FRANCHISE SYSTEMS, LLC
AND _____
DATED _____, 20_____
(the "Franchise Agreement")

I have elected to purchase my Franchised Business(es) under the Reduced Initial Fee Program

I understand that if I have elected to purchase my Franchised Business(es) under the Reduced Initial Fee Program that:

- The Reduced Initial Fee Program was an entirely new offering for the 2021 Franchise Disclosure Document and that Blue Moon Franchise Systems, LLC makes no assurances that it will achieve similar results as the Standard Offering Program described herein.

- My monthly Royalty Fee will be the greater of **7.5% of my Gross Sales** or the minimum fees described in Section 3.1.2.3. of the Franchise Agreement;

- Upon renewal, I **may not** elect or switch to the then lower Standard Offering Royalty Fee rates. I also understand that the renewal agreement, if so offered, will contain the fees associated with the then Reduced Initial Fee Offering Program; and

- Upon transfer, the transferee **may not** elect or switch to the then lower Standard Offering Royalty Fee rates. I also understand that the transferee's franchise agreement, if so offered, will contain the fees associated with the then Reduced Initial Fee Offering Program.

FRANCHISOR:	FRANCHISEE:
Blue Moon Franchise Systems, LLC	_____
A North Carolina Limited Liability Company	_____
By: Stephen D. Greenwald	By: _____
Title: In-house Counsel	Title: _____
_____	_____

ADDENDUM B
TO THE FRANCHISE AGREEMENT

PROTECTED TERRITORY

TO THAT CERTAIN
BLUE MOON FRANCHISE AGREEMENT
BY AND BETWEEN BLUE MOON FRANCHISE SYSTEMS, LLC
AND _____
DATED _____, 20_____
(the "Franchise Agreement")

1. Protected Territory. You agree that the Franchised Business and its Approved Location must be centrally located in the following United States Postal Service ("USPS") Zip Codes:

   _____

2. Demographic Changes within the Protected Territory. You understand that over the term of the Franchise Agreement, the number of USPS Zip Codes and population within your Protected Territory may change which may result in your Protected Territory either gaining or losing some or all of these underlying demographics. However, we will attempt to work with you to minimize the impact of such a change.

3. Franchised Business Opening. You agree to complete the development of the Franchised Business and open the Franchised Business to the public per the terms and conditions of Section 5 of the Franchise Agreement.

4. Defined Terms. All capitalized or initial capitalized terms contained in this Addendum B and not defined in this Addendum have the same meaning as ascribed to them in the Franchise Agreement.

5. In accordance with Blue Moon Franchise Systems, LLC standardization requirement, you will establish the "Doing Business As" (DBA) name of Blue Moon Estate Sales - _____.

   We reserve the right to change your "Doing Business As" (DBA) designation in order to align it to any new processes or operating standards.

FRANCHISOR:	FRANCHISEE:
Blue Moon Franchise Systems, LLC	_____
A North Carolina Limited Liability Company	_____
By: Stephen D. Greenwald	By: _____
Title: In-house Counsel	Title: _____

ADDENDUM C
TO THE FRANCHISE AGREEMENT

CORPORATION OR L.L.C. INFORMATION

If the Franchisee is a corporation or limited liability company ("L.L.C.") the following information is required:

NAME OF CORPORATION OR L.L.C.: _____

ADDRESS OR LOCATION OF PRINCIPAL OFFICE OR PLACE OF BUSINESS: _____ Telephone (____) _____

STATE OF INCORPORATION OR ORGANIZATION:_____

If incorporated or organized under the laws of a state other than where it will carry on the franchised business, the corporation or L.L.C. will provide to Franchisor a certification of qualification or authority to do business in the state of operation, dated no more than 30 days prior to the execution of the Franchise Agreement.

The receipt of the above and the following information is a condition precedent to any obligation of the Franchisor in regard to the Franchise Agreement.

ATTACHMENTS:

a) Certified copy of your Articles of Incorporation or Articles of Organization and a copy of the entity's by-laws or operating agreement, as the case may be, certified by an officer or member and all amendments thereto and restatements thereof, duly certified by the Secretary of State (of the state in which it is incorporated or organized) dated no more than 30 days prior to the execution of the Franchise Agreement.
b) Certificate of good standing or due organization of the corporation or L.L.C. from the Secretary of State under the same conditions as a) above.
c) A listing of names and addresses of all stockholders or members, officers and directors of the corporation or L.L.C. with the amount of stock or membership interest owned by each stockholder.
d) A certified resolution by the board of directors or members authorizing the corporation or L.L.C. to enter into the Franchise Agreement with Blue Moon Franchise Systems, LLC and designating the name of the officer authorized to execute the Franchise Agreement on behalf of the corporation or L.L.C.
e) A written personal guaranty in the form attached hereto from one or more of the members, officers, directors or managers of the corporation, as determined by Franchisor, providing for the personal guaranty of all of the obligations of the Franchisee under the Franchise Agreement.
f) A written document stating the name of the member, officer, director, or other principal responsible for the day-to-day operation of the Franchised Business.

Submitted this_____day of _____, 20_____.

ADDENDUM D
TO THE FRANCHISE AGREEMENT

ELECTRONIC FUNDS TRANSFER

Authorization Agreement for Electronic Funds Transfer Via The Automated Clearing House (ACH)

Company Name _____

I (we) hereby authorize Blue Moon Franchise Systems, LLC, hereinafter called COMPANY, to initiate debit entries to my (our):

☐ Checking Account ☐ Savings Account

This is indicated below and the depository named below, hereinafter called DEPOSITORY, to debit same to such account.

Depository Name: _____

Branch: _____

City: _____ State: _____ Zip Code: _____

Transit/ABA Number: _____

Account Number: _____

This authority is to remain in full force and effect until COMPANY and DEPOSITORY has received written notification from me (or either of us) of its termination in such time and in such manner as to afford COMPANY and DEPOSITORY a reasonable opportunity to act on it.

Name: _____ Date: _____

Signature: _____

Name: _____ Date: _____

Signature: _____

ADDENDUM E
TO THE FRANCHISE AGREEMENT

SAMPLE CONVERSION ADDENDUM

This Conversion Addendum to the Franchise Agreement ("Conversion Addendum"), dated as of the Contract Date of the Franchise Agreement is attached to and made part of the Franchise Agreement, by and between **Blue Moon Franchise Systems, LLC**, (the "Franchisor") and _____ formed and operating under the laws of the State of _____, and _____, an individual (the "Franchisee") for the purpose of modifying and amending the terms of the Franchise Agreement.

RECITALS

A. Prior to the Contract Date, Franchisee operated a standalone business (the "Standalone Business") that provides services dedicated to selling the personal property including, but not limited to, furniture, tools, jewelry, décor as well as the provision of consignment sales for those who are downsizing, relocating or are deceased. ("Approved Services").

B. Franchisor has developed a program wherein certain Standalone Businesses may convert their Standalone Business to a Franchised Business in order to operate under Franchisor's Proprietary Marks and reap the benefits of participating in the System (the "Conversion Program.")

The Parties agree:

Any term defined in the Franchise Agreement which is not defined in this Conversion Addendum will be ascribed the meaning given to it in the Franchise Agreement

1. of a conflict between the terms of the Franchise Agreement and the terms of this Conversion Addendum, the terms of this Conversion Addendum will control.

2. Except as specifically modified by this Conversion Addendum, all terms of the Franchise Agreement are in full force and effect.

3. Franchisee represents and warrants to Franchisor that all balance sheets, income statements and other financial information that Franchisee furnished to Franchisor to determine the total gross revenue of Franchisee's Standalone Business are accurate and correct in all material respects. Franchisee acknowledges that Franchisor has relied upon such information as provided by Franchisee in determining Franchisee's qualification for the Conversion Program evidenced by this Conversion Addendum.

4. Royalty Calculation. During the term of the Franchise Agreement, you will pay us the following non-refundable, monthly Royalty Fee via EFT.

ROYALTY FEE CALCULATION	
TIME PERIOD	**MONTHLY ROYALTY FEE**

*Minimum performance will be determined by Franchisor prior to execution of the Franchise Agreement and based on Franchisee's then-current annualized gross sales.

5. During the term of our Franchise Agreement, the National Advertising Fee for a Conversion Franchise will the same as those of a new franchisee.

6. This Conversion Addendum, together with the Franchise Agreement to which it is attached, constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be further modified or amended except in a written agreement signed by both parties.

IN WITNESS WHEREOF, the parties hereto have duly executed this Conversion Addendum to be effective as of the Contract Date.

FRANCHISOR:
Blue Moon Franchise Systems, LLC
A North Carolina Limited Liability Company

By: Stephen D. Greenwald
Title: In-house Counsel

FRANCHISEE:
_____
_____

By: _____
Title: _____

_____ _____

ADDENDUM F
TO THE FRANCHISE AGREEMENT

SAMPLE MULTIPLE TERRITORY AGREEMENT- STANDARD OFFERING

This Multiple Territory Agreement ("Agreement") is effective this __ day of _____, 20__ ("Contract Date") by and between Blue Moon Franchise Systems, LLC ("we," "us," "our," or "Franchisor") and _____ ("you," your," or "Franchisee") (together the "Parties").

RECITALS

A. The Parties have entered contemporaneously with this Agreement into three, separate franchise agreements (the "Franchise Agreements") for three, distinct territories identified within those Franchise Agreements as: _____("Territory 1"), _____, ("Territory 2"), and _____("Territory 3"). (Hereinafter, as a singular, "Territory," and together, "Territories")

B. The Parties desire to align certain terms and conditions of the Franchise Agreements.

C. The Parties agree that any term defined in the Franchise Agreements which are not defined in this Agreement will be ascribed the meaning given to it in the Franchise Agreements.

The Parties agree:

1. Open Date. For the purpose of this Agreement:
    a. Territory 1's open date ("Territory 1 Open Date") will be the sooner of 30 days from your completion of Phase Two of the Training Program or the date you begin soliciting Estate Sales for Territory 1. However, regardless of the occurrence of these events, you will be deemed open for the purpose of payment of any fees and related obligations that you may have under Territory 1's Franchise Agreement beginning no later than 120 days from the Contract Date.
    b. Territory 2's open date ("Territory 2 Open Date") will be 9 months from Territory 1's Open Date; and
    c. Territory 3's open date ("Territory 3 Open Date") will be 12 months from Territory 1's Open Date.

2. Cross Territory Marketing. You are to dedicate your marketing efforts in Territory #1 before Territory #2 or Territory #3; however, you may conduct Estate Sales in any of your Territories upon the execution of this Agreement.

3. Staffing Requirements. You agree that in order to properly develop and grow your Franchised Businesses, prior to each Territory's Open Date, you will hire at least one dedicated Field Team for each Territory. Field Team is defined in the Franchise Agreement and may be updated via the Manuals.

4. Royalty Fees.

    a. Only the Table in *Section 3.1.2.3. Fees; Ongoing Fees; Royalty Fee* of the Franchise Agreement for Territory 1 is deleted in its entirety and replaced as follows:

3.1.2.3. Royalty Fee. During the term of the Franchise Agreement, Franchisee must pay a monthly non-refundable "Royalty Fee" on the 25th day of each month as follows:

ROYALTY FEE CALCULATION – TERRITORY 1	
TIME PERIOD	**MONTHLY ROYALTY FEE**
Territory 1 Open Date through the 2nd Month of Operations	5% of Gross Sales
3rd Month of Operations through the 12th Month of Operations	Greater of $500 or 5% of Gross Sales
13th Month of Operation through the 24th Month of Operation	Greater of $1,000 or 5% of Gross Sales
25th Month of Operation through the Remaining Term	Greater of $1,500 or 5% of Gross Sales

b. Only the Table in *Section 3.1.2.3. Fees; Ongoing Fees; Royalty Fee* of the Franchise Agreement for Territory 2 is deleted in its entirety and replaced as follows:

3.1.2.3. Royalty Fee. During the term of the Franchise Agreement, Franchisee must pay a monthly non-refundable "Royalty Fee" on the 25th day of each month as follows:

ROYALTY FEE CALCULATION – TERRITORY 2	
TIME PERIOD	**MONTHLY ROYALTY FEE**
Territory 2 Open Date through the 2nd Month of Operations	5% of Gross Sales
3rd Month of Operations through the 12th Month of Operations	Greater of $500 or 5% of Gross Sales
13th Month of Operation through the 24th Month of Operation	Greater of $1,000 or 5% of Gross Sales
25th Month of Operation through the Remaining Term	Greater of $1,500 or 5% of Gross Sales

To avoid any confusion, you will pay 5% of your Gross Sales toward your Royalty Fees beginning on Territory 1's Open Date for any revenue generated in Territory 2.

c. Only the Table in *Section 3.1.2.3. Fees; Ongoing Fees; Royalty Fee* of the Franchise Agreement for Territory 3 is deleted in its entirety and replaced as follows:

3.1.2.3. Royalty Fee. During the term of the Franchise Agreement, Franchisee must pay a monthly non-refundable "Royalty Fee" on the 25th day of each month as follows:

ROYALTY FEE CALCULATION – TERRITORY 3	
TIME PERIOD	**MONTHLY ROYALTY FEE**
Territory 3 Open Date through the 2nd Month of Operations	5% of Gross Sales
3rd Month of Operations through the 12th Month of Operations	Greater of $500 or 5% of Gross Sales

ROYALTY FEE CALCULATION – TERRITORY 3	
13th Month of Operation through the 24th Month of Operation	Greater of $1,000 or 5% of Gross Sales
25th Month of Operation through the Remaining Term	Greater of $1,500 or 5% of Gross Sales

To avoid any confusion, you will pay 5% of your Gross Sales toward your Royalty Fees beginning on Territory 1's Open Date for any revenue generated in Territory 3.

5. Minimum Performance Requirements.

   a. Only the Table in *Section 5.4. Your Obligations; Minimum Performance Requirements* of the Franchise Agreement for Territory 1 is deleted in its entirety and replaced as follows.

5.4. Minimum Performance Requirements. In order to maintain your territorial rights, we require you meet the following Minimum Performance Requirements:

MINIMUM PEFORMANCE REQUIREMENTS – TERRITORY 1	
FROM…	**YOU MUST ACHIEVE GROSS SALES OF AT LEAST…**
Territory 1 Open Date through the 2rd Month of Operation	No Performance Requirements
3rd Month of Operation through the 12th Month of Operation	$100,000
13th Month of Operation through the 24th Month of Operation	$240,000
25th Month of Operation and each year thereafter through the Remaining Term	$360,000 (per year)

   b. Only the Table in *Section 5.4. Your Obligations; Minimum Performance Requirements* of the Franchise Agreement for Territory 2 is deleted and replaced as follows:

5.4. Minimum Performance Requirements. In order to maintain your territorial rights, we require you meet the following Minimum Performance Requirements:

MINIMUM PEFORMANCE REQUIREMENTS – TERRITORY 2	
FROM…	**YOU MUST ACHIEVE GROSS SALES OF AT LEAST…**
Territory 2 Open Date through the 2rd Month of Operation	No Performance Requirements
3rd Month of Operation through the 12th Month of Operation	$100,000
13th Month of Operation through the 24th Month of Operation	$240,000
25th Month of Operation and each year thereafter through the Remaining Term	$360,000 (per year)

c. Only the Table in *Section 5.4. Your Obligations; Minimum Performance Requirements* of the Franchise Agreement for Territory 3 is deleted and replaced as follows:

5.4. Minimum Performance Requirements. In order to maintain your territorial rights, we require you meet the following Minimum Performance Requirements:

MINIMUM PEFORMANCE REQUIREMENTS – TERRITORY 3	
FROM…	**YOU MUST ACHIEVE GROSS SALES OF AT LEAST…**
Territory 3 Open Date through the 2rd Month of Operation	No Performance Requirements
3rd Month of Operation through the 12th Month of Operation	$100,000
13th Month of Operation through the 24th Month of Operation	$240,000
25th Month of Operation and each year thereafter through the Remaining Term	$360,000 (per year)

6. Protected Territory Rights; Reduction of Protected Territory Rights. In order to maintain for Franchisee to maintain its Protected Territory rights, Franchisee must attain and maintain the Minimum Performance Requirements as stated in the Franchise Agreement and maintain the required minimum staffing.

7. Technology Requirements.

a. *Google Workspace ® Fee.* You are required to have at least one dedicated Google Workspace license for each Territory.

b. *Electronic Point of Sale Software and Devices*. On or before your Open Date, you are required to:

i. Obtain a license for our then current Electronic Point of Sale Software for each Territory (3 licenses in total); and
ii. Lease or purchase at least one Electronic Point of Sale Device for Each Territory (3 devices in total).

8. Annual Meetings. You are required to have at least one individual representing each Territory attend the Annual Meetings.

9. Reporting. You will submit separate reports for each Territory including, but not limited to, Gross Sales Reports.

10. Sale of Territories. In the event you sell or transfer any or some combination of the Territories to an unrelated, third-party, that new owner will be required to enter into the then current standard franchise agreement and will have no rights to any of the adjustments made under this Agreement.

11. Franchise Agreement Terms and Conditions. This Agreement in no way modifies or amends any other terms or obligations you may have in the Franchise Agreements. In the event of a conflict between the Agreement and the Franchise Agreements, the Franchise Agreements will prevail.

12. Geographic Scope of Post-Term Non-Compete. The geographic scope of the non-compete set forth in the Franchise Agreements signed contemporaneous with this Agreement will also include a fifteen (15) mile radius around the combined Protected Territorys of all three Franchise Agreements.

13. Counterparts. This Agreement may be executed in counterparts or by copies transmitted by telecopier or email, all of which shall be given the same force and effect as the original. This Agreement shall be effective when the signatures of all Parties have been affixed to counterparts or copies.

FRANCHISOR: Blue Moon Franchise Systems, LLC A North Carolina Limited Liability Company	FRANCHISEE: _____ _____
By: Stephen D. Greenwald Title: In-house Counsel	By: _____ Title: _____
_____	_____

SAMPLE MULTIPLE TERRITORY AGREEMENT – REDUCED INITIAL FEE OFFERING

This Multiple Territory Agreement ("Agreement") is effective this __day of _____, 20__("Contract Date") by and between Blue Moon Franchise Systems, LLC ("we," "us," "our," or "Franchisor") and _____ ("you," your," or "Franchisee") (together the "Parties").

RECITALS

A. The Parties have entered contemporaneously with this Agreement into three, separate franchise agreements (the "Franchise Agreements") for three, distinct territories identified within those Franchise Agreements as: _____("Territory 1"), _____, ("Territory 2"), and _____("Territory 3") with each additional territory thereafter being designated by sequential numberings. (Hereinafter, as a singular, "Territory," and together, "Territories")

B. The Parties desire to align certain terms and conditions of the Franchise Agreements.

C. The Parties agree that any term defined in the Franchise Agreements which are not defined in this Agreement will be ascribed the meaning given to it in the Franchise Agreements.

The Parties agree:

1. Open Date. For the purpose of this Agreement:

    a. Territory 1's open date ("Territory 1 Open Date") will be the sooner of 30 days from your completion of Phase Two of the Training Program or the date you begin soliciting Estate Sales for Territory 1. However, regardless of the occurrence of these events, you will be deemed open for the purpose of payment of any fees and related obligations that you may have under Territory 1's Franchise Agreement beginning no later than 120 days from the Contract Date.
    b. Territory 2's open date ("Territory 2 Open Date") will be 9 months from Territory 1's Open Date; and
    c. Territory 3's as well as any additional Territories open date ("Territory 3+ Open Date") will be 12 months from Territory 1's Open Date.

2. Cross Territory Marketing. You are to dedicate your marketing efforts in Territory #1 before Territory #2 or Territory #3; however, you may conduct Estate Sales in any of your Territories upon the execution of this Agreement.

3. Staffing Requirements. You agree that in order to properly develop and grow your Franchised Businesses, prior to each Territory's Open Date, you will hire at least one dedicated Field Team for each Territory. Field Team is defined in the Franchise Agreement and may be updated via the Manuals.

4. Royalty Fees.

    a. Only the Table in *Section 3.1.2.3. Fees; Ongoing Fees; Royalty Fee* of the Franchise Agreement for Territory 1 is deleted in its entirety and replaced as follows:

3.1.2.3. Royalty Fee. During the term of the Franchise Agreement, Franchisee must pay a monthly non-refundable "Royalty Fee" on the 25th day of each month as follows:

ROYALTY FEE CALCULATION – TERRITORY 1	
TIME PERIOD	**MONTHLY ROYALTY FEE**
Territory 1 Open Date through the 2nd Month of Operations	7.5% of Gross Sales
3rd Month of Operations through the 12th Month of Operations	Greater of $750 or 7.5% of Gross Sales
13th Month of Operation through the 24th Month of Operation	Greater of $1,500 or 7.5% of Gross Sales
25th Month of Operation through the Remaining Term	Greater of $2,250 or 7.5% of Gross Sales

b. Only the Table in *Section 3.1.2.3. Fees; Ongoing Fees; Royalty Fee* of the Franchise Agreement for Territory 2 is deleted in its entirety and replaced as follows:

3.1.2.3. Royalty Fee. During the term of the Franchise Agreement, Franchisee must pay a monthly non-refundable "Royalty Fee" on the 25th day of each month as follows:

ROYALTY FEE CALCULATION – TERRITORY 2	
TIME PERIOD	**MONTHLY ROYALTY FEE**
Territory 2 Open Date through the 2nd Month of Operations	7.5% of Gross Sales
3rd Month of Operations through the 12th Month of Operations	Greater of $750 or 7.5% of Gross Sales
13th Month of Operation through the 24th Month of Operation	Greater of $1,500 or 7.5% of Gross Sales
25th Month of Operation through the Remaining Term	Greater of $2,250 or 7.5% of Gross Sales

To avoid any confusion, you will pay 7.5% of your Gross Sales toward your Royalty Fees beginning on Territory 1's Open Date for any revenue generated in Territory 2.

c. Only the Table in *Section 3.1.2.3. Fees; Ongoing Fees; Royalty Fee* of the Franchise Agreement for Territory 3 is deleted in its entirety and replaced as follows:

3.1.2.3. Royalty Fee. During the term of the Franchise Agreement, Franchisee must pay a monthly non-refundable "Royalty Fee" on the 25th day of each month as follows:

ROYALTY FEE CALCULATION – TERRITORY 3 (AS WELL AS ANY ADDITIONAL TERRITORIES)	
TIME PERIOD	**MONTHLY ROYALTY FEE**
Territory 3 Open Date through the 2nd Month of Operations	7.5% of Gross Sales
3rd Month of Operations through the 12th Month of Operations	Greater of $750 or 7.5% of Gross Sales

ROYALTY FEE CALCULATION – TERRITORY 3 (AS WELL AS ANY ADDITIONAL TERRITORIES)	
13th Month of Operation through the 24th Month of Operation	Greater of $1,500 or 7.5% of Gross Sales
25th Month of Operation through the Remaining Term	Greater of $2,250 or 7.5% of Gross Sales

To avoid any confusion, you will pay 7.5% of your Gross Sales toward your Royalty Fees beginning on Territory 1's Open Date for any revenue generated in Territory 3.

5. Minimum Performance Requirements.

   a. Only the Table in *Section 5.4. Your Obligations; Minimum Performance Requirements* of the Franchise Agreement for Territory 1 is deleted in its entirety and replaced as follows.

5.4. Minimum Performance Requirements. In order to maintain your territorial rights, we require you meet the following Minimum Performance Requirements:

MINIMUM PEFORMANCE REQUIREMENTS – TERRITORY 1	
FROM…	**YOU MUST ACHIEVE GROSS SALES OF AT LEAST…**
Territory 1 Open Date through the 2rd Month of Operation	No Performance Requirements
3rd Month of Operation through the 12th Month of Operation	$100,000
13th Month of Operation through the 24th Month of Operation	$240,000
25th Month of Operation and each year thereafter through the Remaining Term	$360,000 (per year)

   b. Only the Table in *Section 5.4. Your Obligations; Minimum Performance Requirements* of the Franchise Agreement for Territory 2 is deleted and replaced as follows:

5.4. Minimum Performance Requirements. In order to maintain your territorial rights, we require you meet the following Minimum Performance Requirements:

MINIMUM PEFORMANCE REQUIREMENTS – TERRITORY 2	
FROM…	**YOU MUST ACHIEVE GROSS SALES OF AT LEAST…**
Territory 2 Open Date through the 2rd Month of Operation	No Performance Requirements
3rd Month of Operation through the 12th Month of Operation	$100,000
13th Month of Operation through the 24th Month of Operation	$240,000
25th Month of Operation and each year thereafter through the Remaining Term	$360,000 (per year)

c. Only the Table in *Section 5.4. Your Obligations; Minimum Performance Requirements* of the Franchise Agreement for Territory 3 is deleted and replaced as follows:

5.4. Minimum Performance Requirements. In order to maintain your territorial rights, we require you meet the following Minimum Performance Requirements:

MINIMUM PEFORMANCE REQUIREMENTS – TERRITORY 3 (AS WELL AS ANY ADDITIONAL TERRITORIES)	
FROM…	**YOU MUST ACHIEVE GROSS SALES OF AT LEAST…**
Territory 3 Open Date through the 2rd Month of Operation	No Performance Requirements
3rd Month of Operation through the 12th Month of Operation	$100,000
13th Month of Operation through the 24th Month of Operation	$240,000
25th Month of Operation and each year thereafter through the Remaining Term	$360,000 (per year)

6. Protected Territory Rights; Reduction of Protected Territory Rights. In order to maintain for Franchisee to maintain its Protected Territory rights, Franchisee must attain and maintain the Minimum Performance Requirements as stated in the Franchise Agreement and maintain the required minimum staffing.

7. Technology Requirements.

a. *Google Workspace ® Fee.* You are required to have at least one dedicated Google Workspace license for each Territory.

b. *Electronic Point of Sale Software and Devices*. On or before your Open Date, you are required to:

i. Obtain a license for our then current Electronic Point of Sale Software for each Territory; and
ii. Lease or purchase at least one Electronic Point of Sale Device for Each Territory.

8. Annual Meetings. You are required to have at least one individual representing each Territory attend the Annual Meetings.

9. Reporting. You will submit separate reports for each Territory including, but not limited to, Gross Sales Reports.

10. Sale of Territories. In the event you sell or transfer any or some combination of the Territories to an unrelated, third-party, that new owner will be required to enter into the then current standard franchise agreement and will have no rights to any of the adjustments made under this Agreement.

11. Franchise Agreement Terms and Conditions. This Agreement in no way modifies or amends any other terms or obligations you may have in the Franchise Agreements. In the event of a conflict between the Agreement and the Franchise Agreements, the Franchise Agreements will prevail.

12. Geographic Scope of Post-Term Non-Compete. The geographic scope of the non-compete set forth in the Franchise Agreements signed contemporaneous with this Agreement will also include a fifteen (15) mile radius around the combined Protected Territories of all three Franchise Agreements.

13. Counterparts. This Agreement may be executed in counterparts or by copies transmitted by telecopier or email, all of which shall be given the same force and effect as the original. This Agreement shall be effective when the signatures of all Parties have been affixed to counterparts or copies.

FRANCHISOR:	FRANCHISEE:
Blue Moon Franchise Systems, LLC	_____
A North Carolina Limited Liability Company	_____
By: Stephen D. Greenwald	By: _____
Title: In-house Counsel	Title: _____
_____	_____

ADDENDUM G
TO THE FRANCHISE AGREEMENT

SAMPLE PROMISSORY NOTE

$[AMOUNT] Date: [INSERT]

FOR VALUE RECEIVED, the undersigned, [INSERT OBLIGOR LEGAL ENTITY NAME] and [INSERT OBLIGOR INDIVIDUAL NAME/S] (together the "Obligor") unconditionally promises to pay to the order of Blue Moon Franchise Systems, LLC (the "Holder"), a North Carolina limited liability company, in lawful money of the United States of America and in immediately available funds, the principal sum of [AMOUNT] Dollars ($[AMOUNT]), together with all accrued interest thereon and other amounts due hereunder, as provided in this Promissory Note, ("Note").

1. **Interest**. Interest shall accrue on the unpaid principal balance of this Note at the rate of 10% from the Open Date of the Franchise Agreement (whether by acceleration or otherwise). Interest shall be computed for the actual number of days elapsed on the basis of a year consisting of 365 days.

2. **Payments of Principal and Interest.** Obligor will pay principal and interest due under this Note in full in 60 consecutive monthly installments of [INSTALLMENT AMOUNT] ($[#]). The first monthly installment shall be due on the first day of the month immediately following the Open Date. Each subsequent installment shall be due on the first day of each succeeding month; provided, however, the entire principal balance of this Note, together with all unpaid interest, costs, and expenses owning by the Obligor to the Holder, shall be paid in full not later than [FINAL DUE DATE]. Payment of principal, interest, fees, and expenses shall be made in lawful money of the United States of America, in immediately available funds via ACH made payable to Holder and delivered to the address as set forth above.

3. **Prepayment:** Obligor may at any time prepay this Note in whole or in part without premium, penalty or consent of the Holder. Each payment or prepayment will be applied first to fees, expenses, or charges outstanding under this Note or the other Loan Documents (as defined below), second to accrued but unpaid interest on the principal amount of this Note to the date of such prepayment, and third to the outstanding principal payments due under this Note in inverse order of maturity.

4. **Security Agreement**. Obligor hereby agrees to enter into a Security Agreement (as amended, restated, supplemented, or modified from time to time, the "Security Agreement") granting Holder a security interest in certain Collateral (as defined in the Security Agreement) owned by Obligor as security for, among other things, Obligor's obligations under this Note.

5. **Events of Default:** Upon the occurrence of any of the following events of default (each, a "Default"), the Holder may declare, by written notice to the Obligor, the entire unpaid balance of the principal amount hereof and any accrued interest thereon and fees and expenses in connection with the Loan Documents to be immediately due and payable, together with reasonable attorneys' fees and disbursements incurred in connection with collection; provided, however, if a Default described in clause (e) of this Section occurs, the outstanding principal amount, accrued and unpaid interest, and all other amounts payable under the Loan Documents shall become immediately due and payable without notice, declaration, or other act on the part of the Holder. The Defaults are:

a. Obligor's failure to pay any installment of principal due hereunder after the same is due; or

b. Obligor's failure to pay any interest or other amounts owing to Holder after the same is due and such failure continues for seven (7) calendar days after such failure; or

c. Any representation or warranty made by Obligor to Holder in any Loan Document contains an untrue or misleading statement of fact as of the date made; or

d. Obligor fails or neglects to perform, keep, or observe any term, provision, condition, or covenant contained in any Loan Document; or

e. If any of the following events or circumstances occur:

i. the Obligor institutes a voluntary case seeking relief under any law relating to bankruptcy, insolvency, reorganization, or other relief for debtors; or

ii. an involuntary case is commenced seeking the liquidation or reorganization of the Obligor under any law relating to bankruptcy or insolvency, and such case is not dismissed or vacated within sixty days of its filing; or

iii. the Obligor is unable, or admits in writing its inability, to pay its debts as they become due; or

iv. a general assignment for the benefit of creditors by the Obligor; or

v. the appointment of a receiver for the Obligor; or

vi. a case is commenced against the Obligor or its assets seeking attachment, execution, or similar process against all or a substantial part of its assets, and such case is not dismissed or vacated within sixty (60) days of its filing; or

A default or event of default occurs under the Franchise Agreement entered into between Obligor and Holder dated [FA DATE] (the "Franchise Agreement")

In the event of default and/or acceleration, the Holder shall have all other rights and remedies provided by any law or by agreement. No failure on the part of the Holder in exercising any of its rights, powers or privileges hereunder shall operate as a waiver thereof or of any other exercise of such rights, powers or privileges or preclude any other or further exercise of any other right, power or privilege.

1. Notice of Default.

a. Holder shall provide Obligor with written notice of Default and shall indicate therein whether Holder is declaring all outstanding amounts due and owing from Obligor to Holder immediately due in full. Written notice of Default is sufficient if it is served on the Obligor at the address provided for in the Franchise Agreement by electronic mail by personal service or delivery via overnight courier (i.e. FedEx or UPS).

b. As soon as possible after it becomes aware that a Default has occurred, and in any event within one business day, the Obligor shall notify the Holder in writing of the nature and extent of such Default and the action, if any, it has taken or proposes to take with respect to such Default. Nothing contained in any correspondence from Obligor shall impact Holder's rights hereunder, including but not limited to the right of Holder to accelerate all amounts due and owing.

2. **Attorneys' Fees.** If this Note is not paid at maturity, regardless of how such maturity may be brought about, or is collected or attempted to be collected through the initiation or prosecution of any arbitration or suit or through any probate, bankruptcy or any other judicial proceedings, or is placed in the hands of an attorney for collection, Obligor shall pay, in addition to all other amounts owing hereunder, all actual expenses of collection, all court costs and reasonable attorney's fees incurred by the Holder.

2. **Governing Law and Venue.** This Note and the rights and obligations of the parties hereunder shall be governed by the laws of the United States of America and by the laws of the State of North Carolina without regard to conflict of law provisions and is performable in Wake County, North Carolina. Obligor consents to the exclusive jurisdiction of a North Carolina state court located in Wake County, North Carolina or the United States District Court for the Eastern District of North Carolina for actions arising out of or related to this Note.

3. **WAIVER OF JURY TRIAL**. THE OBLIGOR HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY RELATING TO THIS NOTE OR THE TRANSACTIONS CONTEMPLATED HEREBY, WHETHER BASED ON CONTRACT, TORT, OR ANY OTHER THEORY.

4. **Business Day.** If any action is required or permitted to be taken hereunder on a Sunday, legal holiday or other day on which banking institutions in the State of North Carolina are authorized or required to close, such action shall be taken on the next succeeding day which is a business day, and, to the extent applicable, interest on the unpaid principal balance shall continue to accrue at the applicable rate.

5. **Successors and Assigns**. This Note shall be binding on Obligor and its successors and assigns, and shall inure to the benefit of the Holder, its successors and assigns. Any reference to the Holder shall include any holder of this Note. The Obligor may not assign any of its rights, duties, or obligations under this Note to any person without the Holder's prior written consent. The Holder may assign any of its rights under this Note without notice to or consent of the Obligor.

6. **Amendments and Waivers**. No term of this Note may be waived, modified, or amended, except by an instrument in writing signed by the Obligor and the Holder. Any waiver of the terms hereof shall be effective only in the specific instance and for the specific purpose given.

7. **No Waiver; Remedies Cumulative**. No failure by the Holder to exercise and no delay in exercising any right, remedy, or power hereunder or under any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, or power hereunder or under any other Loan Document preclude any other or further exercise thereof or the exercise of any other right, remedy, or power. The rights, remedies, and powers herein provided are cumulative and not exclusive of any other rights, remedies, or powers provided by law.

8. **Counterparts**. This Note and any amendments, waivers, consents, or supplements hereto may be executed in counterparts, each of which shall constitute an original, but all of which taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page to this Note by facsimile or in electronic ("pdf" or "tiff") format shall be as effective as delivery of a manually executed counterpart of this Note.

HOLDER:
Blue Moon Franchise Systems, LLC
A North Carolina Limited Liability Company

By: Stephen D. Greenwald
Title: In-house Counsel

OLBIGOR:

_____
_____

By: _____
Title: _____

_____

As Individuals;

_____

_____

_____

ADDENDUM H
TO THE FRANCHISE AGREEMENT

SAMPLE SECURITY AGREEMENT

THIS SECURITY AGREEMENT ("Agreement"), dated as of [DATE] ("Effective Date"), is between Blue Moon Franchise Systems, LLC a North Carolina limited liability company (the "Secured Party") and [INSERT LEGAL NAME OF FRANCHISEE] (the "Debtor").

RECITALS

A. This Agreement is in security of the obligations of the Debtor under a Promissory Note in the amount of [AMOUNT] executed by Debtor in favor of the Secured Party on [DATE] (as amended, restated, supplemented, or modified from time to time, the "Note," capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings ascribed thereto in the Note).

B. In order to secure all obligations of Debtor to Secured Party under the Note and the other Loan Documents, the Debtor agrees to grant Secured Party a first priority security interest in the Collateral (as defined herein).

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Grant of Security Interest. To secure the prompt and complete payment of all obligations of Debtor to Secured Party under the Note and the other Loan Documents, plus all interest, costs, expenses, and reasonable attorneys' fees, which may be made or incurred by Secured Party in the protection, maintenance, and liquidation of the Collateral (collectively, the "Obligations"), the Debtor grants to Secured Party a continuing first priority security interest in and to the following described assets, whether now owned or existing or hereafter arising or acquired or received by the Debtor, and wherever located (all of which is herein collectively called the "Collateral"):

1.1. all Accounts; all Inventory; all Equipment and Fixtures; all General Intangibles, Payment Intangibles, and Intellectual Property; all titled property; all Investment Property; all capital stock and related property; all subsidiary interests; all Deposit Accounts and any and all monies credited by or due from any financial institution or any other depository; all Goods and other personal property, including all merchandise returned or rejected by Account Debtors, relating to or securing any of the Accounts; all rights as a consignor, a consignee, an unpaid vendor, mechanic, artisan, or other lienor, including stoppage in transit, setoff, detinue, replevin, reclamation and repurchase; all additional amounts due to the Debtor from any Account Debtors relating to the Accounts; all other property, including warranty claims, relating to any Goods; all contract rights, rights of payment earned under a contract right, Instruments (including promissory notes), Chattel Paper (including electronic chattel paper), Documents, warehouse receipts, letters of credit, and money; all Commercial Tort Claims (whether now existing or hereafter arising); all Letter-of-Credit Rights (whether or not such Letter of Credit is evidenced by a writing); all Supporting Obligations; all real and personal property of third parties in which the Debtor has been granted a lien or security interest as security for the payment or enforcement of Accounts; and any and all other goods or personal property, if any, in which the Debtor may hereafter in writing grant a security interest to Secured Party hereunder, or in any amendment or supplement hereto or thereto, or under any other agreement between Secured Party and the Debtor; and

1.2. the Debtor's ledger sheets, ledger cards, files, correspondence, records, books of account, business papers, computers, computer software (whether owned by the Debtor or in which the Debtor has an interest), computer programs, electronic media, tapes, disks and documents relating to clause 1.1 of this definition of Collateral;

1.3. any real property now or hereafter owned by the Debtor; and

1.4. all proceeds and products of clauses 1.1 - 1.4 of this definition of Collateral in whatever form, including: cash, deposit accounts (whether or not comprised solely of proceeds), certificates of deposit, insurance proceeds (including hazard, flood and credit insurance), negotiable instruments and other instruments for the payment of money, chattel paper, security agreements, documents, eminent domain proceeds, condemnation proceeds and tort claim proceeds.

2. Continuing Agreement; Prohibitions. This Agreement shall continue in effect as long as the Obligations are outstanding or unpaid, and except as specifically permitted in this Agreement, Debtor shall not sell, assign, transfer, pledge or otherwise dispose of or encumber any Collateral to any third party while this Agreement is in effect without the prior written consent of Secured Party. Except as otherwise defined in this Agreement or the Note, all terms in this Agreement shall have the meanings provided by the North Carolina Uniform Commercial Code ("UCC") or any successor laws hereafter enacted.

3. Perfection of Security Interest. By execution of this Agreement, Debtor irrevocably authorizes Secured Party to file financing statements (and amendments thereto) with respect to the Collateral in all jurisdictions that Secured Party deems appropriate or necessary. In addition, Debtor shall execute and deliver to Secured Party, concurrently with Debtors' execution of this Agreement and at any time or times thereafter at the request of Secured Party (and pay the cost of filing or recording same in all public offices deemed necessary by Secured Party), all financing statements, assignments, affidavits, reports, notices, letters of authority and all other documents that Secured Party may reasonably request, in form satisfactory to Secured Party, to grant, perfect and maintain perfected Secured Party's security interest in the Collateral. Upon satisfaction in full in cash of the Obligations, at Debtor's request, Secured Party will promptly file a termination statement terminating each financing statement filed with respect to the Collateral that lists Secured Party as the secured party.

4. Warranties. Debtor warrants and agrees that while any of the Obligations remain outstanding: (a) Debtor is the sole owner of the Collateral free and clear of any lien, security interest, encumbrance, claim, option or right of others except for (i) the security interest in favor of Secured Party created pursuant to this Agreement and (ii) such other liens and encumbrances that the Secured Party approves in writing, and no financing statement other than that of Secured Party is on file covering the Collateral or any of it; (b) Debtor's name, jurisdiction of incorporation or organization, or address shall not be changed without 30 days' prior written notice to Secured Party; (c) Debtor's exact legal name and jurisdiction of incorporation or organization are as set forth on Schedule 1; (d) Debtor further warrants that the Collateral or the execution and delivery of this Agreement, the Note, and all other related documents delivered in connection thereto, shall not violate nor constitute a breach of any agreement or restriction of any type whatsoever to which Debtor is a party or is subject; and (e) Debtor warrants that the Collateral will be maintained and preserved and that any loss or damage to the Collateral will be immediately reported to Secured Party in writing.

5. Insurance; Taxes.

5.1. The Debtor shall maintain usual and customary casualty and liability insurance on the Collateral and the policy or policies that evidence such insurance shall contain a lender loss payable clause in favor of the Secured Party and shall name the Secured Party as an additional

insured, as its interest may appear. If any Event of Default (as defined below) has occurred and is continuing, all proceeds paid under any insurance policy of the Debtor shall be paid to the Secured Party for application to the Obligations.

5.2. The Debtor will pay promptly, and within the time that they can be paid without interest or penalty, any taxes, assessments and similar imposts and charges that are now or hereafter may become a lien upon any of the Collateral. If the Debtor fails to pay any such taxes, assessments or other imposts or charges in accordance with this Section, the Secured Party shall have the option to do so and the Debtor agrees to repay forthwith all amounts so expended by the Secured Party together with interest at the highest rate set forth in the Note.

6. Deposit Accounts. Schedule 2 lists all deposit accounts of the Debtor in which proceeds of any government Accounts are deposited ("Government Accounts") and Schedule 3 lists all other deposit accounts of the Debtor ("Non-Government Accounts"). The Debtor will (a) cause each bank or other financial institution in which it maintains (i) a Non-Government Account to enter into a control agreement with the Secured Party, in form and substance satisfactory to the Secured Party, in order to give the Secured Party control of the deposit account and (ii) a Government Account to enter into a deposit account instruction services agreement, in form and substance satisfactory to the Secured Party, under which such bank or other financial institution agrees to sweep all funds in the Government Account on a daily basis to an account at which the Secured Party has control and (b) upon the Secured Party's request after the occurrence and during the continuance of an Event of Default, deliver to each such bank or other financial institution a letter, in form and substance reasonably acceptable to the Secured Party, transferring full rights of dominion and control in any Non-Government Account to the Secured Party until such time as no Event of Default exists. Debtor hereby represents and warrants that it will direct any and all customer receivables and proceeds of government Accounts to be paid into and/or deposited into the accounts listed on Schedules 2 and 3 attached to this Agreement. Any request that accounts into which customer receivables or proceeds of any customer payments are deposited be changed from those listed on Schedules 2 and 3 attached to this Agreement must be consented to by Secured Party in writing. The Debtor represents, warrants, and agrees that the Government Accounts will be used solely and exclusively for the collection of proceeds of government Accounts of the Debtor.

7. Special Rights Regarding Accounts. The Secured Party or any of its agents may, at any time and from time to time during the existence and continuance of any Event of Default, verify, directly with each person which owes any Accounts to the Debtor (collectively, the "Obligors"), the Accounts in any reasonable manner. The Secured Party or any of its agents may, at any time from time to time after and during the continuance of an Event of Default, notify the Obligors of the security interest of the Secured Party in the Collateral and/or direct such Obligors that all payments in connection with such obligations and the Collateral be made directly to the Secured Party in the Secured Party's name. If the Secured Party or any of its agents shall collect such obligations directly from the Obligors, the Secured Party or any of its agents shall have the right to resolve any disputes relating to goods or services directly with the Obligors in such manner and on such terms as the Secured Party or any of its agents shall deem appropriate. The Debtor directs and authorizes any and all of its present and future Obligors to comply with requests for information from the Secured Party, the Secured Party's designees and agents and/or auditors, relating to any and all business transactions between the Debtor and the Obligors. The Debtor further directs and authorizes all of its Obligors upon receiving a notice or request sent by the Secured Party or the Secured Party's agents or designees to pay directly to the Secured Party any and all sums of money or proceeds now or hereafter owing by the Obligors to the Debtor, and any such payment shall act as a discharge of any debt of such Obligor to the Debtor in the same manner as if such payment had been made directly to the Debtor. The Debtor agrees to take any and all action as the Secured Party may reasonably request to assist the Secured Party in exercising the rights described in this Section.

8. Sale, Collections, Remedies, Etc.

8.1. Unless a Default occurs or Debtor defaults on any of the Obligations (an "Event of Default"), Secured Party authorizes and permits Debtor to exercise all of its lawful rights relating to the Collateral. If an Event of Default exists and is continuing hereunder, all of Debtor's lawful rights relating to the Collateral shall immediately revert to Secured Party during the existence of any Event of Default.

8.2. Until the occurrence of an Event of Default and until such time as Secured Party shall notify Debtor, of the revocation of such power and authority, Debtor may, at its own expense, endeavor to collect, as and when due all amounts due with respect to any of the Collateral.

8.3. Upon the occurrence of an Event of Default, Secured Party may exercise any and all of its rights as set forth in this Agreement, the other Loan Documents, and under applicable laws.

8.4. Upon the occurrence and during the continuance of any Event of Default, the Secured Party shall have and may exercise any one or more of the rights and remedies provided to it under this Agreement or any of the other Loan Documents or provided by law, including but not limited to all of the rights and remedies of a secured party under the UCC or other applicable law, and the Debtor hereby agrees to assemble the Collateral and make it available to the Secured Party at a place to be designated by the Secured Party which is reasonably convenient to both parties, authorize the Secured Party to take possession of the Collateral with or without demand and in accordance with applicable law and to sell and dispose of the same at a public or private sale and to apply the proceeds of such sale to the costs and expenses thereof (including reasonable and documented attorneys' fees and disbursements, incurred by the Secured Party) and then to the payment and satisfaction of the Obligations. Any requirement of reasonable notice shall be met if the Secured Party sends such notice to the Debtor, by registered or certified mail, at least 10 days prior to the date of sale, disposition or other event giving rise to a required notice. The Secured Party may be the purchaser at any such sale. The Debtor expressly authorizes such sale or sales of the Collateral in advance of and to the exclusion of any sale or sales of or other realization upon any other collateral securing the Obligations. The Secured Party shall have no obligation to preserve rights against prior parties, and the Secured Party shall have no obligation to clean-up or otherwise prepare the Collateral for sale. The Debtor hereby waives as to the Secured Party any right of subrogation or marshaling of such Collateral and any other collateral for the Obligations. To this end, the Debtor hereby expressly agrees that any such collateral or other security of the Debtor or any other party which the Secured Party may hold, or which may come to its possession, may be dealt with in all respects and particulars as though this Agreement were not in existence. The parties hereto further agree that public sale of the Collateral by auction conducted in any county in which any Collateral is located or in which the Secured Party or the Debtor does business after advertisement of the time and place thereof shall, among other manners of public and private sale, be deemed to be a commercially reasonable disposition of the Collateral. The Debtor shall be liable for any deficiency remaining after disposition of the Collateral. The Secured Party may comply with any applicable law requirements in connection with a disposition of the Collateral and compliance will not be considered to adversely affect the commercial reasonableness of any sale of the Collateral. The Secured Party may specifically disclaim any warranties of title or the like. If the Secured Party sells any of the Collateral upon credit, the Debtor will be credited only with payments actually made by the purchaser, received by the Secured Party and applied to the indebtedness of such purchaser. In the event any such purchaser fails to pay for the Collateral, the Secured Party may resell the collateral and the Debtor shall be credited with the proceeds of sale. The Debtor shall reimburse the Secured Party, on demand, for any costs, expenses, and reasonable

attorneys' fees that are incurred by the Secured Party in the protection, maintenance, and liquidation of the Collateral or the enforcement of the Secured Party's rights and remedies under this Agreement or the other Loan Documents.

9. Information. Debtor agrees to supply to Secured Party such information concerning the status of any Collateral as Secured Party, from time to time, may reasonably request. The Debtor shall also take such further action, and deliver such additional information, as the Secured Party may reasonably request from time to time in order to give the Secured Party the full benefit of this Agreement and to give full force and effect to the security interest granted hereunder (including, without limitation, reasonably detailed descriptions of any assets owned by the Debtor).

10. Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be given according the Franchise Agreement.

11. Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

12. Severability. If any term or provision of this Agreement or any other Loan Document is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or such other Loan Document or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify the Agreement or the other Loan Document so as to affect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

13. Entire Agreement. This Agreement and the documents to be delivered hereunder constitute the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein, and supersede all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. The Note, the Franchise Agreement, and any schedules or exhibits to this Agreement are integral parts of this Agreement and are incorporated by reference herein.

14. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. The Debtor may not assign any of its rights, duties, or obligations under this Agreement to any person without the Secured Party's prior written consent. The Secured Party may assign any of its rights or duties under this Agreement without notice to or consent of the Debtor. No assignment shall relieve the assigning party of any of its obligations hereunder.

15. No Third-Party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

16. Amendment and Modification. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each party hereto.

17. Waiver. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No

failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

18. Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of North Carolina without giving effect to any choice or conflict of law provision or rule. Debtor hereby consents to the exclusive jurisdiction of a North Carolina state court located in Wake County, North Carolina or the United States District Court for the Raleigh Division of the District of North Carolina for actions arising out of or related to this Agreement.

19. Waiver of Jury Trial. Each party acknowledges and agrees that any controversy which may arise under this Agreement is likely to involve complicated and difficult issues and, therefore, each such party irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any legal action arising out of or relating to this Agreement or the transactions contemplated hereby.

20. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by e-mail shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Security Agreement dated as of the first date above written.

DEBTOR:	**SECURED PARTY:**
_____	Blue Moon Franchise Systems, LLC
_____	A North Carolina Limited Liability Company
By: _____	Stephen D. Greenwald
Title: _____	Title: In-house Counsel

SCHEDULE 1

DEBTOR INFORMATION

Debtor's Name: _____

Debtor's Jurisdiction of Organization or Incorporation: _____

SCHEDULE 2

GOVERNMENT ACCOUNTS

BANK NAME	BANK ADDRESS	ACCOUNT #	ROUTING #	ACCOUNT TYPE

SCHEDULE 3

NON-GOVERNMENT ACCOUNTS

BANK NAME	BANK ADDRESS	ACCOUNT #	ROUTING #	ACCOUNT TYPE

EXHIBIT C

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

STATE	STATE ADMINISTRATOR/AGENT	ADDRESS
California	Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation	320 West 4th Street Suite 750 Los Angeles, CA 90013 866-275-2677
Hawaii (State Administrator)	Commissioner of Securities Dept. of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch	335 Merchant Street Room 203 Honolulu, HI 96813
Illinois	Illinois Attorney General	500 S. Second Street Springfield, IL 62706
Indiana (State Administrator)	Indiana Securities Commissioner Securities Division	302 W. Washington St. Room E111 Indianapolis, IN 46204
Indiana (Agent)	Indiana Secretary of State	302 W. Washington St. Room E018 Indianapolis, IN 46204
Maryland (State Administrator)	Office of the Attorney General Division of Securities	200 St. Paul Place Baltimore, MD 21202
Maryland (Agent)	Maryland Securities Commissioner	200 St. Paul Place Baltimore, MD 21202
Michigan	Michigan Department of Attorney General Consumer Protection Division	G. Mennen Williams Building 1st Floor 525 W. Ottawa St. Lansing, MI 48933
New York (State Administrator)	State of New York Office of the Attorney General Division of Economic Justice Investor Protection Bureau	28 Liberty St. New York, NY 10005
New York (Agent)	Secretary of State for New York	99 Washington Ave. Albany, NY 12231
North Dakota	Securities Commissioner North Dakota Securities Department	600 E. Boulevard Ave. State Capitol 5th Floor, Dept. 414 Bismarck, ND 58505
Rhode Island	Director, Department of Business Regulation, Securities Division	1511 Pontiac Ave. John O. Pastore Complex Building 69-1 Cranston, RI 02920

STATE	STATE ADMINISTRATOR/AGENT	ADDRESS
South Dakota	Department of Labor and Regulation Division of Securities	124 S. Euclid Suite 104 Pierre, SD 57501
Virginia (State Administrator)	State Corporation Commission Division of Securities and Retail Franchising	1300 E. Main St. 9th Floor Richmond, VA 23219 804-371-9051
Virginia (Agent)	Clerk of the State Corporation Commission	1300 E. Main St. 1st Floor Richmond, VA 23219
Washington (Agent)	Department of Financial Institutions Securities Division	150 Israel Rd. SW Tumwater, WA 98501 360-902-8760
Washington (State Administrator)	Department of Financial Institutions Securities Division	P.O. Box 9033 Olympia, WA 98507 360-902-8760
Wisconsin	Commissioner of Securities	Department of Financial Institutions Division of Securities 201 W. Washington Ave. Suite 300 Madison, WI 53703

EXHIBIT D

POWER OF ATTORNEY – TELEPHONE AND INTERNET

STATE OF _____

COUNTY OF _____

KNOW ALL MEN BY THESE PRESENTS

That _____ ("Franchisee") irrevocably constitutes and appoints Blue Moon Franchise Systems, LLC a North Carolina limited liability company ("Franchisor"), true and lawful attorney-in-fact and agent for Franchisee and in Franchisee's name, place and stead, to do or cause to be done all things and to sign, execute, acknowledge, certify, deliver, accept, record and file all agreements, certificates, instruments and documents as, in the sole discretion of Franchisor, is necessary or advisable for the sole purpose of assigning to Franchisor all of Franchisee's right, title and interest in and to any and all telephone numbers of Franchisee's franchise and all related Yellow Pages, White Pages, internet listings, networking media sites and other business listings including, but not limited to, the execution and delivery of any Transfer of Service Agreement and any other transfer documentation required by the applicable telephone or internet service company providing services to Franchisee, and grants to Franchisor full power and authority to do and perform all acts and things which, in the sole discretion of Franchisor, are necessary or advisable to be done as fully to all intents and purposes as Franchisee might or could itself do, ratifying and confirming all that Franchisor may lawfully do or cause to be done by virtue of this Power of Attorney and powers granted.

During the term of this Power of Attorney and regardless of whether Franchisee has designated any other person to act as its attorney-in-fact and agent, no person, firm or corporation dealing with Franchisor is required to ascertain the authority of Franchisor, nor to see to the performance of the agency, nor be responsible in any way for the proper application of funds or property paid or delivered to Franchisor. Any person, firm or corporation dealing with Franchisor is fully protected in acting and relying on a certificate of Franchisor that this Power of Attorney on the date of the certificate has not been revoked and is in full force and effect, and Franchisee must not take any action against any person, firm or corporation acting in reliance on a certificate or a copy of this Power of Attorney. Any document executed on behalf of Franchisee by Franchisor is deemed to include a certificate on the part of Franchisor, whether or not expressed. This paragraph shall survive any termination of this Power of Attorney.

This Power of Attorney terminates two (2) years following the expiration or termination of the Franchise Agreement dated _____by and between Franchisor and Franchisee. The termination, however, does not affect the validity of any act or deed that Franchisor may have affected before that date pursuant to the power granted.

This instrument is to be construed and interpreted as an irrevocable power of attorney coupled with an interest. It is executed and delivered in the State of North Carolina and the laws of the State of North Carolina govern all questions as to the validity of this Power of Attorney and construction of its provisions.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney as of _____, 20_____.

FRANCHISOR:	FRANCHISEE:
Blue Moon Franchise Systems, LLC	_____
A North Carolina Limited Liability Company	_____
By: Stephen D. Greenwald	By: _____
Title: In-house Counsel	Title: _____
_____	_____

EXHIBIT E

SAMPLE DEPOSIT AGREEMENT

This Deposit Agreement ("Agreement") is effective as of _____ (the "Effective Date"), by and between _____, a _____ and _____ _____, as Individuals, with an address at _____ (together the "Franchisee") and Blue Moon Franchise Systems, LLC, a limited liability company with an address at 900 Wilshire Drive, Suite 102, Troy, MI 48084 ("Franchisor").

BACKGROUND

A. Franchisor grants franchises for the operation of Blue Moon Estate Sales (each, a "Franchised Business") to persons who meet Franchisor's qualifications and are willing to undertake the investment and effort to own and operate a Franchised Business as described in Franchisor's current form of Franchise Disclosure Document (the "FDD").

B. Franchisee and Franchisor are entering into a Franchise Agreement with an effective date of _____ (the "Franchise Agreement") under which Franchisee will be granted the right to open and operate a Franchised Business in [Insert Territory Description], and pursuant to which Franchisee must pay Franchisor the Initial Franchise Fee equal to $__ (the "Initial Franchise Fee").

C. Franchisee has requested, and Franchisor has agreed, that Franchisee may execute the Franchise Agreement and pay a non-refundable deposit of $___ (the "Deposit") toward the Initial Franchise Fee, with the opportunity to pay Franchisor the remaining balance of the Initial Franchise Fee of $__(the "Remaining Balance") the earlier of Franchisee's receipt of its [Method of Loan] loan or [Insert Length of Time] days from the Effective Date (the "Payment Period"), subject to the terms and conditions set forth in this Agreement.

TERMS

NOW, THEREFORE, in consideration of the mutual promises and undertaking set forth herein, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereby mutually agree as follows:

1. **Payment of Deposit.** Upon executing the Franchise Agreement, Franchisee must pay Franchisor the Deposit of $__ and Franchisee agrees and consents that if Franchisee does not pay Franchisor the Remaining Balance of $__ within the Payment Period, Franchisor will terminate the Franchise Agreement and retain the Deposit in addition to its rights identified in Section 2 below.

2. **Payment of Remaining Balance; Guaranty and Assumption of Obligations.** The acceptance by Franchisor of payment terms and this Deposit in no way alters Franchisee's obligation to pay the Remaining Balance to Franchisor. In addition, Franchisee agrees and acknowledges that this obligation is subject to and made part of the terms and conditions of the underlying Franchise Agreement and its Guaranty and Assumption of Obligations.

3. **Governing Law and Jurisdiction**. North Carolina law governs this Agreement. Jurisdiction and venue for any claims involving this Agreement is exclusively in the courts of North Carolina. The parties irrevocably submit to the venue and jurisdiction of such courts.

4. **Assignment**. This Agreement, and all rights and obligations of the parties, may not be assigned, subcontracted, or transferred by any party without the prior written consent of the other party.

5. **Background Information**. Both parties agree that the background information at the beginning of this Agreement is accurate.

6. **Entire Agreement.** The Franchise Agreement, this Deposit Agreement, and all other written agreements entered into in writing between the parties represent the entire understanding and agreement between the parties on the subject matter of this Deposit Agreement and supersede all other negotiations, understandings and representations, if any, made between the parties. No representations, inducements, promises or agreements, oral or otherwise, if any, not embodied in this Deposit Agreement are of any effect.

IN WITNESS WHEREOF, the Franchisee and Franchisor have executed this Deposit Agreement effective as of the date set forth in the preamble of this Agreement.

FRANCHISOR:	FRANCHISEE:
Blue Moon Franchise Systems, LLC	_____
A North Carolina Limited Liability Company	_____
By: Stephen D. Greenwald	By: _____
Title: In-house Counsel	Title: _____
_____	_____

As Individuals:

By: _____

_____

EXHIBIT F

SAMPLE GENERAL RELEASE AGREEMENT, WAIVER AND RELEASE OF CLAIMS

This Waiver and Release of Claims ("Release") is made as of_____, 20_____ by_____, a(n) _____ ("Franchisee"), and each individual holding an ownership interest in Franchisee (collectively with Franchisee, "Releasor") in favor of Blue Moon Franchise Systems, LLC, a North Carolina limited liability company ("Franchisor," and together with Releasor, the "Parties").

WHEREAS, Franchisor and Franchisee have entered into a Franchise Agreement ("Agreement") pursuant to which Franchisee was granted the right to own and operate a Blue Moon Franchised Business;

WHEREAS, Franchisee has notified Franchisor of its desire to transfer the Agreement and all rights related thereto, or an ownership interest in Franchisee, to a transferee (enter into a successor franchise agreement), and Franchisor has consented to such transfer (agreed to enter into a successor franchise agreement); and

WHEREAS, as a condition to Franchisor's consent to the transfer (**Franchisee's ability to enter into a successor franchise agreement**), Releasor has agreed to execute this Release upon the terms and conditions stated below.

NOW, THEREFORE, in consideration of Franchisor's consent to the transfer (**Franchisor entering into a successor franchise agreement**), and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, Releasor hereby agrees as follows:

9. **Representations and Warranties**. Releasor represents and warrants that it is duly authorized to enter into this Release and to perform the terms and obligations herein contained, and has not assigned, transferred, or conveyed, either voluntarily or by operation of law, any of its rights or claims against Franchisor or any of the rights, claims, or obligations being terminated and released hereunder. The undersigned represents and warrants that he/she is duly authorized to enter into and execute this Release on behalf of Franchisee. Releasor further represents and warrants that all individuals that currently hold a direct or indirect ownership interest in Franchisee are signatories to this Release.

10. **Release**. Releasor and its subsidiaries, affiliates, parents, divisions, successors and assigns, and all persons or firms claiming by, through, under, or on behalf of any or all of them, hereby release, acquit, and forever discharge Franchisor, any and all of its affiliates, parents, subsidiaries, or related companies, divisions, and partnerships, and its and their past and present officers, directors, agents, partners, shareholders, employees, representatives, successors and assigns, and attorneys, and the spouses of such individuals (collectively "Released Parties"), from any and all claims, liabilities, damages, expenses, actions, or causes of action which Releasor may now have or has ever had, whether known or unknown, past or present, absolute or contingent, suspected or unsuspected, of any nature whatsoever, including without limiting the generality of the foregoing, all claims, liabilities, damages, expenses, actions, or causes of action directly or indirectly arising out of or relating to the execution and performance of the Agreement and the offer and sale of the franchise related thereto, except to the extent such liabilities are payable by the applicable indemnified party in connection with a third-party claim.

11. **Non-disparagement**. Releasor expressly covenants and agrees not to make any false representation of facts, or to defame, disparage, discredit, or deprecate any of the Released Parties or otherwise communicate with any person or entity in a manner intending to damage any of the Released Parties, their business, or their reputation.

12. **Confidentiality**. Releasor agrees to hold in strictest confidence and not disclose, publish, or use the existence of, or any details relating to, this Agreement to any third-party without Franchisor's express written consent, except as required by law.

13. **Miscellaneous**.

    a. Releasor agrees that it has read and fully understands this Release and that the opportunity has been afforded to Releasor to discuss the terms and contents of said Release with legal counsel and/or that such a discussion with legal counsel has occurred.

    b. This Release will be construed and governed by the laws of the State of North Carolina.

    c. Each individual and entity that comprises Releasor will be jointly and severally liable for the obligations of Releasor.

    d. In the event that it will be necessary for any Party to institute legal action to enforce or for the breach of any of the terms and conditions or provisions of this Release, the prevailing Party in such action will be entitled to recover all of its reasonable costs and attorneys' fees.

    e. All of the provisions of this Release will be binding upon and inure to the benefit of the Parties and their current and future respective directors, officers, partners, attorneys, agents, employees, shareholders, and the spouses of such individuals, successors, affiliates, and assigns. No other party will be a third-party beneficiary to this Release.

    f. This Release constitutes the entire agreement and, as such, supersedes all prior oral and written agreements or understandings between and among the Parties regarding the subject matter hereof. This Release may not be modified except in a writing signed by all of the Parties. This Release may be executed in multiple counterparts, each of which will be deemed an original and all of which together will constitute but one and the same document.

    g. If one or more of the provisions of this Release will for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability will not affect or impair any other provision of this Release, but this Release will be construed as if such invalid, illegal, or unenforceable provision had not been contained herein.

    h. Releasor agrees to do such further acts and things and to execute and deliver such additional agreements and instruments as any Released Party may reasonably require to consummate, evidence, or confirm the Release contained herein in the matter contemplated hereby.

IN WITNESS WHEREOF, Releasor has executed this Release as of the date first written above.

FRANCHISOR: Blue Moon Franchise Systems, LLC A North Carolina Limited Liability Company	FRANCHISEE: _____ _____
By: Stephen D. Greenwald Title: In-house Counsel	By: _____ Title: _____
_____	_____

EXHIBIT G

BLUE MOON FRANCHISE LOCATIONS
As of December 31, 2022

OPEN

NAME	ADDRESS	PHONE	EMAIL	TERRITORY
ARIZONA				
Elizabeth Delaney	17830 31st St., Phoenix, AZ 85032	602-482-5891	edelaney@bluemoonestatesales.com	Sun City/ Scottsdale
ARKANSAS				
Rod and Marissa Hicks	145 Vanadium Point, National Park, AR 71901	501-545-0248	rhicks@bluemoonestatesales.com	Central Arkansas
CALIFORNIA				
Zachary Jakubowski and Brian McKenna	110 Southridge Court, Hayford, CA 96041	707-721-4846	zjakubowski@bluemoonestatesales.com	Napa Valley
Nyasha Namburi	439 W. Audubon Dr., Fresno, CA 93711	559-701-4249	nnamburi@bluemoonestatesales.com	Fresno - North
Sherryn Ortiga	14620 Terryknoll Dr., Whittier, CA 90604	562-686-5109	sortiga@bluemoonestatesales.com	Whittier
Jason Zara	9739 Palmetto Ave., Fontana, CA 92335	909-808-3893	jzara@bluemoonestatesales.com	Rancho Cucamonga
COLORADO				
Troy and Socorro Gill	7235 S. Lewis St., Littleton, CO 80127	720-736-6864	tgill@bluemoonestatesales.com sgill@bluemoonestatesales.com	SW Denver
Dulguun Lkhagvadorj (2 territories)	390 E. Mississippi Ave., Denver, CO 80210	720-432-2726	dlkhagvadorj@bluemoonestatesales.com	North Jeffco
Laura Melish (2 territories)	36478 Forest Trail, Elizabeth, CO 80107	303-646-6000	lmelish@bluemoonestatesales.com	SE Denver
Kelly Mundorff	10193 N. County Road 3, Wellington, CO 80549	970-889-0663	kmundorff@bluemoonestatesales.com	NoCO – SE Wyoming

NAME	ADDRESS	PHONE	EMAIL	TERRITORY
CONNECTICUT				
Von Lee	15 Asmara Way, Easton, CT 06107	203-505-7517	vlee@buemoonestatesales.com	Gold Coast CT
Olivia and Peter Ohanesian	167 Kenwood Dr., New Britain, CT 06052	860-614-2798	oohanesian@bluemoonestatesales.com pohanesian@bluemoonestatesales.com	Farmington Valley
FLORIDA				
Jennifer Higgins	240 Crandon Blvd., Suite 263, Key Biscayne, FL 33149	833-472-5335	jhiggins@bluemoonestatesales.com	Miami Beach
Heather Kilpatrick	2003 N. Village Ave., Tampa, FL 33612	813-648-0054	hkilpatrick@bluemoonestatesales.com	Tampa – North
Yury Kornitsky	16850 Collins Ave., Suite 112-721, Sunny Isles Beach, FL 33160	786-763-1376	ykornitsky@bluemoonestatesales.com	Boca Raton
Luis Luy and Carlos Onetti	4719 Barnstead Dr., Riverview, FL 33578	813-893-0661	lluy@bluemoonestatesales.com conetti@bluemoonestatesales.com	Metro Tampa - East
Bobby Parks	914 Creekwood Dr., Ormond Beach, FL 32174	386-225-1270	bparks@bluemoonestatesales.com	Florida's First Coast South
Curtis and Ann Schindeler	1217 S. East Ave., #307, Sarasota, FL 34239	941-248-5293	cschindeler@bluemoonestatesale.com aschindeler@bluemoonestatesales.com	Sarasota
Valerie Sprague (2 territories)	3688 Wexford Hollow Rd., Jacksonville, FL 32224	904-477-4871	vsprague@bluemoonestatesales.com	Jacksonville - East
Jovan Woodley (2 territories)	1826 Johnson St., Apt. 205, Hollywood, FL 33020	954-707-9772	jwoodley@bluemoonestatesales.com	Pompano Beach/ Hollywood
GEORGIA				
Cecil Burford	2548 Parkside Dr. NE, Buckhead, GA 30305	770-710-7513	cburford@bluemoonestatesales.com	Marietta-Smyrna
Vivian Metzer (2 territories)	3482 Keith Bridge Rd., #233, Cumming, GA 30041	770-539-2868	vmetzer@bluemoonestatesales.com	Lake Lanier
		770-841-7475		Savannah
Kelly and Marty Welch (2 territories)	264 Rope Mill Rd., Woodstock, GA 30188	770-599-5907	kwelch@bluemoonestatesales.com mwelch@bluemoonestatesales.com	Cobb/Cherokee Counties

NAME	ADDRESS	PHONE	EMAIL	TERRITORY
ILLINOIS				
Trinetter Sims-Rainey	708 Hooever Dr., Oswego, IL 60543	630-636-6808	tsims-rainey@bluemoonestatesales.com	Naperville
INDIANA				
Sherry Callas and Daniel Argyris	13822 Stone Haven Dr., Carmel, IN 46033	317-854-4464	scallas@bluemoonestatesales.com dargyris@bluemoonestatesales.com	Indianapolis North and West
Scott Verbarg	7303 Bunker Hill Crest, Indianapolis, IN 46259	317-376-3060	sverbarg@bluemoonestatesales.com	Indianapolis South and East
KANSAS				
Kerry and Dustin Chester	16906 Emiline St., Omaha, NE 68136	913-775-2834	kchester@bluemoonestatesales.com dchester@bluemoonestatesales.com	SW Kansas City
KENTUCKY				
Anne and Kelli Helmers	110 E. 3rd St., Lexington, KY 40508	859-523-3483	anne@bluemoonestatesales.com kelli@bluemoonestatesales.com	Lexington
MASSACHUSETTS				
Robert and Christine Chapman	768 NW Main St., Douglas, MA 01516	603-213-1763	rchapman@bluemoonestatesales.com cchapman@bluemoonestaesales.com	Worcester
Tara Haas and Jonathan Mandell	54 Sterling Ln., North Andover, MA 01845	978-852-5492	thaas@bluemoonestatesales.com jmandell@bluemoonestatesales.com	Merrimack Valley
MICHIGAN				
Marina Belfiore and Patrica Woster (2 territories)	1250 Weatherstone Ln., Howell, MI 48843	517-245-9103	mbelfiore@bluemooestatesales.com pwoster@bluemoonestatesales.com	Livingston/ Washtenaw Counties
Kellie Johnson	5000 Marsh Rd., Okemos, MI 48864	616-690-4015	kjohnson@bluemoonestatesales.com	Grand Rapids - Lakeshore
MINNESOTA				
Tracy Duce (3 territories)	3090 Arden Place, Woodbury, MN 55129	651-323-7713	tduce@bluemoonestatesales.com	Minneapolis-St.Paul
NEBRASKA				
Dustin and Kerry Chester	16906 Emiline St., Omaha, NE 68136	402-594-6335	kchester@bluemoonestatesales.com dchester@bluemoonestatesales.com	Omaha

NAME	ADDRESS	PHONE	EMAIL	TERRITORY
NEVADA				
William and Marie Lanier	5684 Leon Dr., Sun Valley, NV 89433	775-688-9522	wlanier@bluemoonestatesales.com	Reno-Sparks
NEW HAMPSHIRE				
Jonathan, Laura and David Pearson	5 Meisner Circle, #29, Salem, NH 03079	781-632-3960	jpearson@bluemoonestatesales.com lpearson@bluemoonestatesales.com dpearson@bluemoonestatesales.com	Greater Manchester
NEW JERSEY				
Ethan Draddy	451 Exeter Ct., Smithsville, NJ 08205	609-338-2532	edraddy@bluemoonestatesales.com	Jersey Shore
Shanequa Wilson	1105 Wheatsheaf Rd., Linden, NJ 07036	905-494-0961	swilson@bluemoonestatesales.com	Union County
NEW YORK				
Christopher Merkl	96 Trotter Dr., Henrietta, NY 14467	585-867-0630	cmerkl@bluemoonestatesales.com	Rochester
Eric Tung	5635 Netherland Ave., #4G, Bronx, NY 10471	914-269-8088	etung@bluemoonestatesales.com	Westchester County - South
NORTH CAROLINA				
Ken Blue	612 Bethany Church Rd., Moravian Falls, NC 28654	919-619-8007	ken@bluemoonestatesales.com	Raleigh
Karen Braun	230 E. Andrews, Henderson, NC 27536	919-906-5657	karen@bluemoonestatesales.com	Chapel Hill/ Durham
Chris and Terri Dickson (2 territories)	5912 Boxelder Circle, Greensboro, NC 27405	336-414-6461	chris@bluemoonestatesales.com terri@bluemoonestatesales.com	Winston-Salem/ Greensboro
Henry Lee	1150 Center Ridgeway Rd., King, NC 27021	704-614-8084	hlee@bluemoonestatesales.com	Central NC
Keith and Lee Rhea Mabry	42 May Hill Rd., Leicester, NC 28748	828-808-5423	keith@bluemoonestatesales.com leerhea@bluemoonestatesales.com	Asheville

NAME	ADDRESS	PHONE	EMAIL	TERRITORY
Heather and Scott Vogelbacker (2 territories)	2353 Talon Point Circle, Fort Mill, SC 29715	704-998-8326	hvogelbacker@bluemoonestatesales.com svogelbacker@bluemoonestatesales.com	Charlotte/Lake Norman
OHIO				
Darryl and Sheilah Bashford	18 Malibu Dr., Highland Heights, KY 41076	513-379-9702	dbashford@bluemoonestatesales.com	East Metro Cincinnati
Brad and Heather Kalista	1386 Sugarberry Ct., Westerville, OH 43081	614-704-6952	bkalista@bluemoonestatesales.com	Columbus North
Bill Rickman	13296 Eckel Junction, Perrysburg, OH 43551	419-872-7451	brickman@bluemoonestatesales.com	Toledo-Perrysburg
OKLAHOMA				
Jerry Goodson	1201 Outabounds Dr., Edmond, OK 73034	405-339-3622	jgoodson@bluemoonestatesales.com	Oklahoma City - North
SOUTH CAROLINA				
Johnna Glover	163 Hightide Dr., Rock Hill, SC 29732	803-487-7500	johnna@bluemoonestatesales.com	York/Charlotte
Rachel Rivers	280 Twin Pine Dr., Little Mountain, SC 29075	803-606-5509	rrivers@bluemoonestatesales.com	Spartanburg/ Greenwood
Nancy Schwartz	96 Rutledge Ave., Apt. G, Charleston, SC 29401	843-801-6777	nancy@bluemoonestatesales.com	Charleston
Jonathan and Jeannette Tinkey	10 Wild Meadow Dr., Simpsonville, SC 29681	864-775-1049	jonathan@bluemoonestatesales.com jeannette@bluemoonestatesales.com	Greenville
Kristine Whalon (2 territories)	574 Crawfish Ln., Irmo, SC 29063	803-888-5464	kwhalon@bluemoonestatesales.com	Columbia SC North
SOUTH DAKOTA				
James and Vicki Breeman	292 SE Lake Drive, Estelline, SD 57234	605-310-0656	jbreeman@bluemoonestatesales.com vbreeman@bluemoonestatesales.com	Sioux Falls

NAME	ADDRESS	PHONE	EMAIL	TERRITORY
TENNESSEE				
Rick and Lori Blanton	11865 Ingrams Mill Rd., Byhalia, MS 38611	901-331-1887	rick@bluemoonestatesales.com lori@bluemoonestatesales.com	Memphis - East
Sheila Bonilla	364 Bowditch St., Burnsville, NC 28714	423-431-9048	sbonilla@bluemoonestatesales.com	NE Tennessee
Melanie Ramos	6013 Autumn Oaks Ln., Knoxville, TN 37921	865-801-7688	mramos@bluemoonestatesales.com	Knoxville
TEXAS				
Colin Acheson	P.O. Box 517, Barker, TX 77413	832-614-8490	cacheson@bluemoonestatesales.com	Katy
Mark Brinkerhoff	6833 Prosper St., Dallas, TX 75209	469-759-9673	mbrinkerhoff@bluemoonestatesales.com	Park Cities/East Dallas
Sarah and Jake Carriker	14812 Endicott Dr., Austin, TX 78728	512-676-5834	scarriker@bluemoonestatesales.com	Austin
Elda and Joseph Cuellar	2155 Cougar Pass Dr., San Antonio, TX 78230	210-672-8232	ecuellar@bluemoonestatesales.com	NW San Antonio
James Feltner	11129 Birdwood Ln., Corpus Christi, TX 78410	361-500-1434	jfeltner@bluemoonestatesales.com	Coastal Bend
Toni Haste (2 territories)	4001 Shady Creek Dr., Euless, TX 76040	817-319-0247	thaste@bluemoonestatesales.com	Tarrant County - North
Dan McGuire	2731 Neblina Ct., Grand Prairie, TX 75054	817-229-2848	dmcguire@bluemoonestatesales.com	Fort Worth South
Naushad and Cameron Ramoly	1227 Ancrum Hill Ln., Sugar Land, TX 77479	346-758-4796	nramoly@bluemoonestatesales.com cramoly@bluemoonestatesales.com	Central Houston
Danielle Roberts (2 territories)	119 Monarch Park Dr., Montgomery, TX 77316	936-230-1181	droberts@bluemoonestatesales.com	NW Houston
Alexandra Silva (2 territories)	400 Creek Rd. #418, Dripping Springs, TX 78620	512-504-7374	asilva@bluemoonestatesales.com	Hill Country/ Greater Austin

NAME	ADDRESS	PHONE	EMAIL	TERRITORY
UTAH				
Dallas and Charles Reeves	3440 South 500 East, #32, South Salt Lake City, UT 84106	801-803-2836	dreeves@bluemoonestatesales.com creeves@bluemoonestatesales.com	Salt Lake City - South

SIGNED AGREEMENTS BUT NOT YET OPEN
As of December 31, 2022

NAME	ADDRESS	PHONE	EMAIL	TERRITORY
CALIFORNIA				
Manal Abdelhamid	5528 Porter Creek Rd., San Diego, CA 92130	805-418-0339	mabdelhamid@bluemoonestatesales.com	Del Mar
Zachary Jakubowski and Brian McKenna (3 territories)	110 Southridge Court, Hayford, CA 96041	707-721-4846	zjakubowski@bluemoonestatesales.com	Walnut Creek, Santa Rosa, N. San Francisco
FLORIDA				
Jennifer Higgins	240 Crandon Blvd., Suite 263, Key Biscayne, FL 33149	833-472-5335	jhiggins@bluemoonestatesales.com	West Palm Beach
Yury Kornitsky (2 territories)	16850 Collins Ave., Suite 112-721, Sunny Isles Beach, FL 33160	786-763-1376	ykornitsky@bluemoonestatesales.com	Pembroke Pines and Sunrise
Jovan Woodley (2 territories)	1826 Johnson St., Apt. 205, Hollywood, FL 33020	954-707-9772	jwoodley@bluemoonestatesales.com	Miami Shores/Homestead
KENTUCKY				
Anne and Kelli Helmers	110 E. 3rd St., Lexington, KY 40508	859-523-3483	anne@bluemoonestatesales.com kelli@bluemoonestatesales.com	Louisville - North
MASSACHUSETTS				
Tara Haas and Jonathan Mandell	54 Sterling Ln., North Andover, MA 01845	978-852-5492	thaas@bluemoonestatesales.com jmandell@bluemoonestatesales.com	Lexington
NORTH CAROLINA				
Karen Holliday	117 Dolphin Check, Swansboro, NC 28584	504-909-1444	kholliday@bluemoonestatesales.com	Wilmington

OHIO				
Tiffany Henn (3 territories)	8207 Valley View Rd., Macedonia, OH 44056	216-990-0520	thenn@bluemoonestatesales.com	Broadview Heights/Parma /Cleveland Heights
Brad and Heather Kalista	1386 Sugarberry Ct., Westerville, OH 43081	614-704-6952	bkalista@bluemoonestatesales.com	Dublin

EXHIBIT H

CONTACT INFORMATION FOR FORMER FRANCHISEES

Contact information for franchisees who:

- have had an outlet terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year; or
- have not communicated with the franchisor within 10 weeks of the disclosure document issuance date.

CLOSED
As of December 31, 2022

NAME	ADDRESS	PHONE	EMAIL
GEORGIA			
Latanya Turman (2 territories)	315 Yellow Iris Rd., Grayson, GA 30017	770-377-8817	tonyaturman@yahoo.com
ILLINOIS			
Amy and Randall Fortell	14117 Evans Lane, Surtevant, WI 53177	262-880-3390	amy.fortel@gmail.com
Katrice Ross	7 E. Carriageway Dr., Unit 409, Hazel Crest, IL 60429	312-489-6627	klross217@gmail.com
TENNESSEE			
Daniel Mellon	216 Grampian Ct., Roseville, CA 95661	858-337-0707	dsm8686@aol.com

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

TRANSFERS
As of December 31, 2022

None

EXHIBIT I

ILLINOIS ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

Illinois law governs the Franchise Agreement.

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.

Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

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: (o) waiving any claim under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

"National Accounts" exist in this franchise system. The Franchisor reserves to right to establish, identify, negotiate the terms for, and service National Accounts within your Territory. The Franchisor or a third party designated by the Franchisor may provide products and services to a National Account within your territory with no compensation paid to you.

A Surety Bond has been obtained by Franchisor to assure its financial capability; the Bond is on file with the Office of the Illinois Attorney General. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

ILLINOIS ADDENDUM TO FRANCHISE AGREEMENT

To the extent the Illinois Franchise Disclosure Act, Ill. Comp. Stat. §§705/1 – 705/44 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

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

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in the Franchise Agreement which designates jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action which otherwise is enforceable in Illinois, provided that the Franchise Agreement may provide for arbitration in a forum outside of Illinois.

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

Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

Financial Assurances. The Illinois Attorney General's Office has required, and we have obtained a surety bond due to our financial condition as reported in our Financial Statements.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

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 behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

A Surety Bond has been obtained by Franchisor to assure its financial capability; the Bond is on file with the Office of the Illinois Attorney General. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:	FRANCHISEE:
Blue Moon Franchise Systems, LLC	_____
A North Carolina Limited Liability Company	_____
By: Stephen D. Greenwald	By: _____
Title: In-house Counsel	Title: _____
_____	_____

MARYLAND ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Maryland Franchise Registration and Disclosure Law, Md. Code Bus. Reg. §§14-201 – 14-233 applies, the terms of this Addendum apply.

Item 17, Additional Disclosures:

Our termination of the Franchise Agreement because of your bankruptcy may not be enforceable under applicable federal law (11 U.S.C.A. 101 et seq.).

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

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

The general release required as a condition of renewal, sale and/or assignment/transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Acknowledgment Addendum:

The representations under this Acknowledgment Addendum are not intended, nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

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 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.

MARYLAND ADDENDUM TO FRANCHISE AGREEMENT

To the extent the Maryland Franchise Registration and Disclosure Law, Md. Code Bus. Reg. §§14-201 – 14-233 applies, the terms of this Addendum apply.

3. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

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.

Nothing in the Franchise Agreement prevents the franchisee from bringing a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Nothing in the Franchise Agreement operates to reduce the 3-year statute of limitations afforded to a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law. Further, any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

The Federal Bankruptcy laws may not allow the enforcement of the provisions for termination upon bankruptcy of the franchisee.

4. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

5. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

6. 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 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.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:	FRANCHISEE:
Blue Moon Franchise Systems, LLC	_____
A North Carolina Limited Liability Company	_____
By: Stephen D. Greenwald	By: _____
Title: In-house Counsel	Title: _____
_____	_____

MINNESOTA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Minnesota Franchise Act, Minn. Stat. §§80C.01 – 80C.22 applies, the terms of this Addendum apply.

State Cover Page and Item 17, Additional Disclosures:

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside of 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 Disclosure Document shall abrogate or reduce any of your rights as provided for in Minn. Stat. Sec. 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

Franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. A court will determine if a bond is required.

Item 13, Additional Disclosures:

The Minnesota Department of Commerce requires that a franchisor indemnify Minnesota Franchisees against liability to third parties resulting from claims by third parties that the franchisee's use of the franchisor's trademark infringes upon the trademark rights of the third party. The franchisor does not indemnify against the consequences of a franchisee's use of a franchisor's trademark except in accordance with the requirements of the franchise agreement, and as the condition to an indemnification, the franchisee must provide notice to the franchisor of any such claim immediately and tender the defense of the claim to the franchisor. If the franchisor accepts tender of defense, the franchisor has the right to manage the defense of the claim, including the right to compromise, settle or otherwise resolve the claim, or to determine whether to appeal a final determination of the claim.

Item 17, Additional Disclosures:

Any condition, stipulation or provision, including any choice of law provision, purporting to bind any person who, at the time of acquiring a franchise is a resident of the State of Minnesota or in the case of a partnership or corporation, organized or incorporated under the laws of the State of Minnesota, or purporting to bind a person acquiring any franchise to be operated in the State of Minnesota to waive compliance or which has the effect of waiving compliance with any provision of the Minnesota Franchise Law is void.

We will comply with Minn. Stat. Sec. 80C.14, subds. 3, 4 and 5, which requires, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure), 180 days notice for nonrenewal of the Franchise Agreement, and that consent to the transfer of the franchise will not be unreasonably withheld.

Minnesota Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§80C.01 – 80C.22.

The limitations of claims section must comply with Minn. Stat. Sec. 80C.17, subd. 5.

MINNESOTA ADDENDUM TO FRANCHISE AGREEMENT

To the extent the Minnesota Franchise Act, Minn. Stat. §§80C.01 – 80C.22 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

With respect to franchises governed by Minnesota Franchise Law, franchisor shall comply with Minn. Stat. Sec. 80C.14, subd. 4 which requires that except for certain specified cases, that franchisee be given 180 days' notice for non-renewal of this Franchise Agreement.

The Minnesota Department of Commerce requires that franchisor indemnify franchisees whose franchise is located in Minnesota against liability to third parties resulting from claims by third parties that the franchisee's use of franchisor's trademarks ("Marks") infringe upon the trademark rights of the third party. Franchisor does not indemnify against the consequences of a franchisee's use of franchisor's trademark but franchisor shall indemnify franchisee for claims against franchisee solely as it relates to franchisee's use of the Marks in accordance with the requirements of the Franchise Agreement and franchisor's standards. As a further condition to indemnification, the franchisee must provide notice to franchisor of any such claim immediately and tender the defense of the claim to franchisor. If franchisor accepts tender of defense, franchisor has the right to manage the defense of the claim, including the right to compromise, settle or otherwise resolve the claim, or to determine whether to appeal a final determination of the claim.

Franchisee will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 – 80C.22.

With respect to franchises governed by Minnesota Franchise Law, franchisor shall comply with Minn. Stat. Sec. 80C.14, subd. 3 which requires that except for certain specified cases, a franchisee be given 90 days' notice of termination (with 60 days to cure). Termination of the franchise by the franchisor shall be effective immediately upon receipt by franchisee of the notice of termination where its grounds for termination or cancellation are: (1) voluntary abandonment of the franchise relationship by the franchisee; (2) the conviction of the franchisee of an offense directly related to the business conducted according to the Franchise Agreement; or (3) failure of the franchisee to cure a default under the Franchise Agreement which materially impairs the goodwill associated with the franchisor's trade name, trademark, service mark, logo type or other commercial symbol after the franchisee has received written notice to cure of at least twenty-four (24) hours in advance thereof.

According to Minn. Stat. Sec. 80C.21 in Minnesota Rules or 2860.4400J, the terms of the Franchise Agreement shall not in any way abrogate or reduce your rights as provided for in Minn. Stat. 1984, Chapter 80C, including the right to submit certain matters to the jurisdiction of the courts of Minnesota. In addition, nothing in this Franchise Agreement shall abrogate or reduce any of franchisee's rights as provided for in Minn. Stat. Sec. 80C, or your rights to any procedure, forum or remedy provided for by the laws of the State of Minnesota.

Any claims franchisee may have against the franchisor that have arisen under the Minnesota Franchise Laws shall be governed by the Minnesota Franchise Law.

The Franchise Agreement contains a waiver of jury trial provision. This provision may not be enforceable under Minnesota law.

Franchisee consents to the franchisor seeking injunctive relief without the necessity of showing actual or threatened harm. A court shall determine if a bond or other security is required.

The Franchise Agreement contains a liquidated damages provision. This provision may not be enforceable under Minnesota law.

Any action pursuant to Minnesota Statutes, Section 80C.17, Subd. 5 must be commenced no more than 3 years after the cause of action accrues.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:	FRANCHISEE:
Blue Moon Franchise Systems, LLC	_____
A North Carolina Limited Liability Company	_____
By: Stephen D. Greenwald	By: _____
Title: In-house Counsel	Title: _____
_____	_____

NEW YORK ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

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 THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NYS DEPARTMENT OF LAW, INVESTOR PROTECTION BUREAU, 28 LIBERTY STREET, 21st FLOOR, NEW YORK, NEW YORK 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

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

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and 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:

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:

The initial franchise fee constitutes part of our general operating funds and will be used as such at 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 nonwaiver 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), 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.

NEW YORK ADDENDUM TO FRANCHISE AGREEMENT

To the extent the New York General Business Law, Article 33, §§680 - 695 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

> Any provision in the Franchise Agreement that is inconsistent with the New York General Business Law, Article 33, Section 680 - 695 may not be enforceable.
>
> Any provision in the Franchise Agreement requiring franchisee to sign a general release of claims against franchisor does not release any claim franchisee may have under New York General Business Law, Article 33, Sections 680-695.
>
> The New York Franchise Law shall govern any claim arising under that law.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:	FRANCHISEE:
Blue Moon Franchise Systems, LLC	_____
A North Carolina Limited Liability Company	_____
By: Stephen D. Greenwald	By: _____
Title: In-house Counsel	Title: _____
_____	_____

VIRGINIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Virginia Retail Franchising Act, Va. Code §§13.1-557 – 13.1-574 applies, the terms of this Addendum apply.

Item 17, Additional Disclosures:

Any provision in any of the contracts that you sign with us which provides for termination of the franchise upon the bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. 101 et. seq.).

"According to Section 13.1 – 564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable."

VIRGINIA ADDENDUM TO FRANCHISE AGREEMENT

To the extent the Virginia Retail Franchising Act, Va. Code §§13.1-557 – 13.1-574 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

> "According 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. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:	FRANCHISEE:
Blue Moon Franchise Systems, LLC	_____
A North Carolina Limited Liability Company	_____
By: Stephen D. Greenwald	By: _____
Title: In-house Counsel	Title: _____
_____	_____

WASHINGTON ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

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

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

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 or franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

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

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

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

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring an 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.

WASHINGTON ADDENDUM TO FRANCHISE AGREEMENT

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

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

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 or franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

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

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

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

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring an 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.

The undersigned does hereby acknowledge receipt of this addendum.

FRANCHISOR:	FRANCHISEE:
Blue Moon Franchise Systems, LLC	_____
A North Carolina Limited Liability Company	_____
By: Stephen D. Greenwald	By: _____
Title: In-house Counsel	Title: _____
_____	_____

WISCONSIN ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Wisconsin Franchise Investment Law, Wis. Stat. §§553.01 – 553.78 or Wisconsin Fair Dealership Law, Wis. Stat. §§135.01 – 135.07 applies, the terms of this Addendum apply.

Item 17, Additional Disclosures:

For all franchisees residing in the State of Wisconsin, we will provide you at least 90 days' prior written notice of termination, cancellation or substantial change in competitive circumstances. The notice will state all the reasons for termination, cancellation or substantial change in competitive circumstances and will provide that you have 60 days in which to cure any claimed deficiency. If this deficiency is cured within 60 days, the notice will be void. If the reason for termination, cancellation or substantial change in competitive circumstances is nonpayment of sums due under the franchise, you will have 10 days to cure the deficiency.

For Wisconsin franchisees, Ch. 135, Stats., the Wisconsin Fair Dealership Law, supersedes any provisions of the Franchise Agreement or a related contract which is inconsistent with the Law.

WISCONSIN ADDENDUM TO FRANCHISE AGREEMENT

To the extent the Wisconsin Franchise Investment Law, Wis. Stat. §§553.01 – 553.78 or Wisconsin Fair Dealership Law, Wis. Stat. §§135.01 – 135.07 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

> To the extent any of the provisions regarding notice of termination or change in dealership are in conflict with Section 135.04 of the Wisconsin Fair Dealership Law, the Wisconsin law shall apply.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:	FRANCHISEE:
Blue Moon Franchise Systems, LLC	_____
A North Carolina Limited Liability Company	_____
By: Stephen D. Greenwald	By: _____
Title: In-house Counsel	Title: _____

_____

EXHIBIT J

State Effective Dates

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

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

STATE	EFFECTIVE DATE
California	Different Form of FDD
Florida	Effective
Hawaii	August 23, 2023
Illinois	August 8, 2023
Indiana	Effective
Kentucky	Effective (one-time filing)
Maryland	Pending Registration
Michigan	Effective
Minnesota	May 25, 2023
Nebraska	Effective (one-time filing)
New York	May 1, 2023
North Dakota	Not Registered
Rhode Island	Effective
South Dakota	Effective
Texas	Effective (one-time filing)
Utah	Effective
Virginia	August 11, 2023
Washington	Pending Registration
Wisconsin	April 18, 2023

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

EXHIBIT K
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.

The Federal Trade Commission requires Blue Moon Franchise Systems, LLC to provide this disclosure document to you fourteen (14) calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

In New York, New York law requires a franchisor to provide the franchise 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 Blue Moon Franchise Systems, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency listed in Exhibit C.

Franchise Seller: Blue Moon Franchise Systems, LLC
900 Wilshire Drive, Suite 102, Troy, MI 48084
919-632-4902
Sellers: Janet Diaz: 900 Wilshire Drive, Suite 102, Troy, MI 48084; 913-632-4902
Lea Harper; 900 Wilshire Drive, Suite 102, Troy, MI 48084; 913-632-4902
David Tarr: 900 Wilshire Drive, Suite 102, Troy, MI 48084; 913-632-4902

Date of Issuance: April 1, 2023; Amended October 1, 2023

This disclosure document included the following Exhibits:

Exhibit A	Financial Statements
Exhibit B	Franchise Agreement
Exhibit C	State Administrators and Agents for Service of Process
Exhibit D	Power of Attorney – Telephone and Internet
Exhibit E	Sample Deposit Agreement
Exhibit F	Sample Release Agreement
Exhibit G	List of Franchise Locations
Exhibit H	Contact Information for Former Franchisees
Exhibit I	State Addenda
Exhibit J	State Effective Dates
Exhibit K	Receipts

PROSPECTIVE FRANCHISEE:

If a business entity:
Name of Business Entity:

_____

By: _____
Signature

Print Name: _____

Its: _____
Title

Date: _____

If an individual:

_____
Signature

Print Name: _____

Date: _____

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.

The Federal Trade Commission requires Blue Moon Franchise Systems, LLC to provide this disclosure document to you fourteen (14) calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

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Franchise Seller: Blue Moon Franchise Systems, LLC
900 Wilshire Drive, Suite 102, Troy, MI 48084
919-632-4902
Sellers: Janet Diaz: 900 Wilshire Drive, Suite 102, Troy, MI 48084; 913-632-4902
Lea Harper; 900 Wilshire Drive, Suite 102, Troy, MI 48084; 913-632-4902
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Exhibit J	State Effective Dates
Exhibit K	Receipts

PROSPECTIVE FRANCHISEE:

If a business entity:
Name of Business Entity:

_____

By: _____
Signature

Print Name: _____

Its: _____
Title

Date: _____

If an individual:

_____
Signature

Print Name: _____

Date: _____