



SAGE Scholars, Inc.
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FACILITATION AGREEMENT

between

SAGE SCHOLARS, INC.

and

(Agent affiliated with Premier Companies)

WHEREAS: SAGE Scholars, Inc. (hereafter "SAGE") has created the Tuition Discount Plan, referred to as Tuition Rewards® or by other titles, designed to:

- a) Encourage families to save money or identify assets that may be used to help finance a private college education;
- b) Provide tuition discounts to students ("Beneficiaries") identified by eligible account holders ("Sponsors") who are clients / customers of SAGE financial partners;
- c) Provide participating colleges with certain information, enabling student recruiting, in return for those colleges providing the Tuition Discount and participating in the SAGE program.

WHEREAS: Advisor / Agent (hereafter, "Premier Agent") wishes to offer Tuition Rewards® Points, similar to frequent flyer miles, to individual clients ("Sponsors") and/or their student beneficiaries.

By participating, Premier Agent shall be eligible to enroll Sponsors in Tuition Rewards, enabling them to earn Rewards Points which can be redeemed, at participating colleges and universities, for Tuition Discounts for undergraduate study, beginning with the freshman year. Premier Agent hereby acknowledges that enrollment shall be based upon the reasonable expectation that any enrolled individual client has sufficient assets to be able to finance some or all of a four-year undergraduate private college education.

ELIGIBLE ASSETS

Assets that qualify a Sponsor to receive Tuition Rewards Points must be assets under management by Agent or products sold by Agent to the Sponsor. Such assets shall include: Annuities, Life Insurance with cash value, Disability Insurance policies; and, Long-Term Care Insurance policies.

Prohibited from consideration are: Term Life Insurance (with no cash value).

Also prohibited are: (a) Because of an exclusivity agreement, "Voluntary Benefits" that an insurance agent sells at the workplace to employees or union members that is paid through a payroll deduction. (b) 529 Savings Plan balances from states that participate in Tuition Rewards (currently, Pennsylvania) as assets are likely to already be receiving Rewards Points. (c) Employer Retirement Plan accounts. This agreement applies **only** to your **individual clients**. We strongly encourage advisors to provide our program to employers who are your clients; however, any agreement involving corporations, partnerships, associations, churches or synagogues, groups, organizations, unions and other entities involves additional fees and must be negotiated separately with SAGE.

REWARDS POINTS – PREMIER ADVISOR PLAN

For the "basic" Premier Agent Plan, Tuition Rewards Points shall be awarded to individual clients ("Sponsors") as follows:

- a) **Points Upon Enrollment – Clients & Prospects:** As an enrollment bonus: 500 Tuition Rewards Points* shall be awarded to each new account-holder ("Sponsor") and 500 "student-specific" Tuition Rewards Points to each new eligible family member ("Student Beneficiary")** upon activation of his/her account online. Prospects as well as clients shall be eligible for enrollment bonuses.
- b) **Annual Points – Clients only:** Annually, each Student Beneficiary** enrolled by a client shall receive at least 1,000 Tuition Rewards Points. Students enrolled by prospects who do not become clients shall not be eligible for annual points. (Agent shall "flag" eligible students as "enrolled by client" to ensure annual points.) The annual points shall be awarded according to the standard formula currently in place for agents participating in the program– 1,000 for students from birth thru age 13; and, 2,000 for students ages 14 through 17. Points shall be awarded directly to registered students on their birthdays. Student Beneficiaries shall stop earning Rewards after age 17 or after Aug. 31 of the year they begin their 12th grade, whichever is earlier. As long as Premier Agent participates for the minimum term of one year, the agent's clients shall be deemed "vested" and student points shall continue to be awarded on birthdays until Aug. 31 of the year the student begins 12th grade. Should Premier Agent discontinue participation prior to a full year of participation, student points shall be "frozen" at that time and no additional points awarded.
- c) **Referral Bonus Points – Clients only:** Premier Agents shall be able to award a 500-point Tuition Rewards Bonus to each Sponsor for new business referrals. Only one referral bonus per sponsor shall be available. (SAGE shall have the right to increase the number of referral bonuses at its discretion.)
- d) **Annual Review Bonus Points – Clients only:** Premier Agents shall be able to award a 500-point Tuition Rewards Bonus to each Sponsor for completion of an annual review / meeting (or similar action).
- e) **Pre-Sale Points – Prospects & Clients:** Premier Agents shall be able to award a 500-point Tuition Rewards Bonus to each prospect who attends a seminar event or pre-sale meeting with the agent. Current clients shall also be eligible for this additional bonus.

* One Tuition Reward point equals \$1.00 in scholarship ("discount", "grant") provided by participating colleges, which may use the Tuition Reward value as part of or separate from other financial aid provided by the institution (or other sources).

** "Student-specific" points are not transferable to other enrolled students. Each student can earn points from only from one source; for example, a student may earn points only from one parent, not both (nor from a parent and a grandparent). Sponsor enrollment bonus points may be transferred to other enrolled, eligible family members.

ENROLLMENT LIMITS:

To encourage client enrollment – including past sales as well as new sales – Agent shall be able to enroll **an unlimited number of new and existing clients.**

However, Agent is prohibited from enrolling clients of colleagues – other Agents in his or her office. Colleagues are encouraged to take out their own Agent membership.

RESPONSIBILITIES:

SAGE shall:

- a) Administer the Plan, including preparation of electronic Enrollment Agreements to Sponsors and maintaining executed Enrollment Agreements for the duration of the Plan by electronic means.
- b) Make available the list of member colleges and universities to Agent, Sponsors & Beneficiaries.
- c) Award Tuition Rewards enrollment bonuses as specified and award annual Rewards Points & other bonuses to enrolled Sponsors as long as Agent remains in good standing.
- d) Award Tuition Rewards points annually for enrolled students on their birthdays as specified.

- e) Make available, electronically, a Statement of Account, including the accumulated Tuition Discounts, to each participating Sponsor.
- f) Should Premier Agent terminate participation, continue to allow Sponsors affiliated with Agent to access their accounts at no charge, although no further Sponsor Rewards shall be earned. (If Agent has fulfilled the minimum one-year term birthday rewards for students shall be deemed "vested" and continue to age 17.)
- g) Upon receipt of signed agreement, provide Premier Agent with access to the secure portion of the Tuition Rewards website; and, provide Agent with training & compliance materials.
- h) Assist Premier Agent in developing additional marketing materials, as needed, and approve materials forwarded to SAGE by Premier Agent for compliance review.
- i) SAGE or Premier shall provide Premier Agent with a "trifold" brochure (8.5" x 11") that enables agent to insert his or her own contact information and print (at his or her own expense) to hand to clients.

PREMIER AGENT shall:

- a) Provide Tuition Rewards to individual clients as an added benefit **and agree NOT to charge clients to participate in the program.** Agent is prohibited from receiving checks from clients made out to "SAGE Tuition Rewards" (or the like) for clients wishing to participate in the program.
- b) **Provide all new marketing materials mentioning Tuition Rewards to SAGE for compliance approval.** Following agreement execution, read the SAGE compliance document and oversee enrollment of Sponsors and students according to SAGE specifications.
- c) **Not to contact the admissions, financial aid or development offices of SAGE member colleges for business purposes without prior authorization from SAGE.**
- d) Sign the advisor terms & conditions attached as "exhibit A" on page 5.
(SAGE reserves the right to update the terms & conditions from time-to-time.)

COMPENSATION:

- a) Fees: Premier Agent shall pay SAGE a monthly recurring fee of \$49.95 due upon the signing of this Agreement; alternatively, an annual membership discount shall be available. After the initial term of one year, SAGE shall have the right to raise monthly fees with 60 days notice.
- b) Term: This Agreement shall be for a minimum of one year from the date of signature. After one year, the agreement shall renew automatically on a month-to-month basis; after one year, either party may terminate with 30 days notice.
- c) Non-Payment: If the credit card expires or becomes invalid, Premier Agent shall promptly supply SAGE with updated credit card information. If such information is not received within 30 days, SAGE shall have the right to suspend service, including agent web access to Sponsor data. SAGE shall also have the right to freeze annual Rewards to affiliated Sponsors & Beneficiaries and prohibit enrollment of new Sponsors & Beneficiaries until such time as payment is made. If agent does not renew within 45 days, agent shall be prohibited from participation in the program for two years. If Premier Agent does not complete the minimum obligation of one year, SAGE reserves the right to invalidate Rewards issued to date to Sponsors & Beneficiaries affiliated with Premier Agent.

MISCELLANEOUS:

- a) Confidentiality: Premier Agent and SAGE shall treat as confidential all information regarding or related to the Plan that is not otherwise known to the public. SAGE shall keep client account data confidential.

- b) Nonexclusive Services: Nothing in this agreement will be construed as to create an exclusive relationship between the Premier Agent and SAGE. Premier Agent acknowledges that SAGE solicits and performs similar services on behalf of other financial professionals that the Premier Agent may consider direct or indirect competition.
- c) Indemnification by SAGE: In the absence of negligence or a willful breach of this Agreement by Premier Agent, SAGE shall indemnify and hold harmless Premier Agent against any and all claims, actions, damages, obligations, losses, liabilities, costs and expenses (including reasonable attorneys' fees, costs of collection, and other costs of defense) (collectively, "Damages"), arising directly from any breach by SAGE of any warranty, representation covenant, or agreement made by SAGE herein.
- d) Indemnification by Premier Agent: Premier Agent shall indemnify and hold harmless SAGE and any of its officers, directors, trustees, employees, agents and legal representatives against any and all claims, actions, damages, obligations, losses, liabilities, costs and expenses (including reasonable attorneys' fees, costs of collection, and other costs of defense) (collectively, "Damages"), arising from any breach by Premier Agent of any warranty, representation covenant, or agreement made or to be performed by Premier Agent pursuant to this Agreement or actual failure to abide by the terms of this Agreement.
- e) Complete Agreement: This Agreement (and any exhibits delivered pursuant hereto thereto) contains the entire agreement among the parties hereto with respect to the transactions contemplated herein and, except as provided herein, supersede all previous oral and written and all contemporaneous oral negotiations, commitments, writings and understandings. This Agreement may be altered by a writing, executed by the parties.
- f) Resolution of Disputes: Any controversy or claim arising out of or relating to this contract, or the breach thereof, shall be settled by binding arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The location of any arbitration proceeding will be Philadelphia, Pennsylvania.
- g) Limits of Liability: SAGE agrees to perform the services under the agreement in a diligent and proficient manner, employing reasonable prudence to protect the interest of the Agent and the Agent's clients. Due to the nature of the services provided under the agreement, SAGE's liability to Partner shall be limited to correcting errors or to the value of services improperly performed.

IN WITNESS WHEREOF, including to be legally bound, the parties have executed this Agreement.

By: _____

Name

Title: _____

Company: _____

DATE: _____

By: _____

James B. Johnston

Chairman & CEO

SAGE SCHOLARS, INC.

DATE: _____

Exhibit A – Advisor Terms & Conditions

Tuition Rewards®, created by SAGE Scholars, Inc. (hereafter "SAGE"), is designed to:

- a) Encourage families to save money (or identify assets) that may be used to help finance a college education;
- b) Provide tuition discounts at participating colleges to students ("Beneficiaries") identified by eligible account-holders ("Sponsors") who are clients / customers of SAGE financial partners;
- c) Provide participating colleges with certain information, enabling student recruiting, in return for the colleges providing the agreed tuition discounts to participants in Tuition Rewards.

As a Participating Advisor ("Advisor"), I agree that:

1. **Terms:** I understand that: (a) Tuition Rewards are provided in **points**, not cash. (b) Rewards Points can be redeemed for discounts on undergraduate tuition at participating 4-year private colleges & universities, starting with the freshman year. (c) Rewards Points must be submitted at time of application. (d) Rewards are limited to a maximum per student of up to one year's tuition, spread evenly over 4 years, or as contractually agreed.* (e) Colleges reserve the right to use Tuition Rewards as part of, or separate from, any financial aid or scholarship package.

* Amounts vary by college, with some early members still "capped" at \$13,800 or other fixed amounts. The current standard college contract is "indexed" for inflation; as tuition rises, the maximum Reward rises.

2. **Free to Families:** I will provide Tuition Rewards to individual clients as an **added benefit**; I agree NOT to charge clients to receive Rewards Points. I understand that I am prohibited from receiving checks from clients made out to "SAGE Tuition Rewards" (or the like) for clients wishing to participate.

3. **Clients:** I will enroll only my own clients. I understand that I am prohibited from enrolling clients of non-participating colleagues with whom I work. I understand that I am prohibited from providing points to organizations to "parcel out" to members. I understand that any agreement involving clients who are banks, credit unions, companies, associations, churches, groups, organizations, unions and other entities must be negotiated separately with SAGE.

4. **Assets:** I understand that assets that qualify a Sponsor to receive Tuition Rewards include: Annuities, Life Insurance with cash value, disability policies and long-term care policies. Currently prohibited from consideration are Term Life Insurance (with no cash value). Also prohibited are: (a) 529 Savings Plan balances from states participating in Tuition Rewards (as clients already may be receiving Rewards Points); and, (b) company retirement plan assets (401(k), 403(b), etc.); (c) Awarding Tuition Rewards points based on sales of voluntary benefits to organizations without approval of The College Tuition Benefit, which has exclusive distribution rights.

(SAGE may modify eligible assets from time-to-time at its discretion.)

5. **Signature:** I will provide to Clients ("Sponsors") a "Consent Form" for signature. The form protects the Advisor and SAGE from potential liability. The form asks Sponsors to acknowledge Tuition Reward terms and deadlines (for enrollment, transfer of points to students, submission of points to colleges, etc.). A copy of the form is to be provided to the Sponsor, reminding sponsor of all important deadlines.

6. **Marketing:** I will provide all marketing materials that I create concerning Tuition Rewards to SAGE's compliance department for review & approval **prior** to production, publication or email marketing. This includes, but is not limited to, brochures, flyers, advertisements, and website or other electronic copy.

7. **Member Colleges:** I agree that I will not contact the development, admissions or financial aid offices of any member college for business purposes without prior authorization from SAGE (unless I have a pre-existing relationship).

[Explanation: When non-savvy advisors have contacted college development offices seeking business; this has not only proved unsuccessful for advisors -- but has caused member colleges to threaten to withdraw from the Tuition Rewards college consortium. Member colleges are certain to have pre-existing relationships with trustees, major donors and influential alumni involved in financial services. Colleges join our program to recruit students – not to fend off salespeople. Contacting development officers (unfamiliar with an enrollment initiative) is not only a waste of your time and effort -- but can result in the loss of membership of our colleges.]

Date: _____ Signature: _____ Print Name: _____

Exhibit B – Payments and Fees

STEPS:

1. ON-LINE: Create your agent account at:

<https://secure.tuitionrewards.com/bafp/index.cfm?p=premier>

2. REGISTRATION INFORMATION:

NAME: _____

TITLE: _____

COMPANY NAME: _____

MAIL ADDRESS: _____
(include suite #)

CITY: _____ STATE _____ ZIP _____

OFFICE PHONE: (_____) _____ CELL PHONE: (_____) _____

E-MAIL: _____

WEBSITE (if any) _____

3. PAYMENT INFORMATION:

_____ **\$49.95/MONTH** BILLED TO MY CREDIT CARD

Or, _____ A YEAR’S MEMBERSHIP, **\$549.00** BILLED TO MY CREDIT CARD

Or, a check is enclosed to cover a year’s membership, \$549.00 – **Discount: 12 months for the price of 11**

If by credit card: _____ VISA AVS CODE (3 digits on back of card): _____
_____ MASTER CARD AVS CODE (3 digits on back of card): _____

CREDIT CARD # _____ EXP. DATE: ____/____/____

BILLING ADDRESS: _____

CITY: _____ **STATE** _____ **ZIP** _____

ADDRESS ABOVE MUST MATCH BILLING ADDRESS ON THE CARD

I authorize SAGE Scholars, Inc. to charge my credit card as per the terms of our agreement:

4. RETURN THE SIGNED CONTRACT via FAX, EMAIL (as an attachment) or MAIL.

Be sure to sign the contract on page 4 - and the advisor terms & conditions on page 5.

Please send to:

Mail address:

SAGE Scholars, Inc.
21 South 12th Street, 9th Floor
Philadelphia, PA 19107

or, **Email** as an attached PDF to: marketing@sagescholars.com

or, **Fax** to: **1-215-564-9934** (please call 1-215-564-9930 to confirm receipt)

To contact SAGE, call **1-215-564-9930** (between 8:45 AM & 4:45 PM, Eastern Time, Mon.-Fri.)

SAGE Scholars Inc., 21 S. 12th Street, 9th Floor, Philadelphia, PA 19107 • 215-564-9930 • marketing@sagescholars.com