

# SAPPHIRE GROUP

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**SAPPHIRE GROUP, LLC**

**CONFIDENTIAL**

**Revision 2.1 January 1st, 2022**

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**EXHIBIT A – SUBSCRIPTION  
DOCUMENTS**

**Tab  
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**SAPPHIRE GROUP, LLC**  
4708 N. FM 1417  
Sherman, TX 75092  
Phone: 903.813.1415  
E-mail: info@bluestone.ws

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**Subscription Booklet**

All prospective subscribers must complete and deliver to the Company the following materials (all of which is referred to as the “**Subscription Documents**”).

1. A counterpart Subscription Agreement and signed Subscription Agreement Signature Page;
2. A completed and executed Amended and Restated Company Agreement Signature Page;
3. Payment of the applicable subscription amount for the Units, as applicable, called by the Operating Manager by wire transfer or check. Wiring instructions will be provided under separate cover by the Operating Manager. If, in addition to a cash subscription, a subscriber wishes to make a Personal Guarantee to Sapphire Group, LLC, the Subscriber must also provide the Guarantee Agreement on Page 9 of this Subscription Booklet.
5. A completed and executed IRS Form W-9 to certify your tax identification number. If you are not a U.S. person, you must instead complete the appropriate IRS Form W-8. Attached to the Subscription Documents is a Form W-9 from the Department of the Treasury Internal Revenue Service. Forms may also be found on [www.irs.gov](http://www.irs.gov).

The Operating Manager may require you to deliver additional documents, financials, tax returns, agreements, certificates, or instruments prior to acceptance into the Company.

DELIVERY INSTRUCTIONS. Subscription Documents should be delivered to the following address:

**SAPPHIRE GROUP, LLC**  
4708 N. FM 1417  
Sherman, TX 75092  
E-mail: info@bluestone.ws

ACCEPTANCE OF SUBSCRIPTIONS. If your subscription is accepted, you will receive confirmation you have been admitted as a Member as soon as reasonably possible subsequent to your admittance. Subscription proceeds received by the Company with respect to subscriptions that are rejected will be returned promptly to the subscriber, without interest.

**SUBSCRIPTION AGREEMENT**

**A. Subscriber Information**

Subscriber Name(s): \_\_\_\_\_  
\_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Social Security Number(s): \_\_\_\_\_

Tax ID (for entities): \_\_\_\_\_

Subscription Type:    \_\_\_ Individual \_\_\_ Joint \_\_\_ Corporation/LLC \_\_\_ Partnership \_\_\_ Trust

Annual Income: \_\_\_\_\_

Net Worth: \_\_\_\_\_

I will allow Sapphire Group LLC to disclose my name to other potential investors: \_\_\_\_\_ (yes or no)

I elect to reinvest my cash distribution for additional cash units at the end of each year: \_\_\_\_\_ (yes, no or maybe)

The undersigned represents, as to himself or itself, that he/she or it is an “Accredited Investor” as that term is defined in Regulation D promulgated by the Securities and Exchange Commission under the Securities Act of 1933, as amended, in that he/she or it is: (Initial all that apply)

\_\_\_\_\_ a natural person with an individual net worth or joint net worth with that person’s spouse, at the time of purchase, in excess of \$1,000,000, excluding the value of the primary residence of such natural person, calculated by subtracting from the estimated fair market value of the property the amount of debt secured by the property, up to the estimated fair market value of the property; or

\_\_\_\_\_ a natural person with an individual income in excess of \$200,000 in each of the two most recent years or joint income with such person’s spouse in excess of \$300,000 in each of the two most recent years and has a reasonable expectation of reaching the same income level in the current year; or

\_\_\_\_\_ an organization described in Section 501(c)(3) of the Internal Revenue Code, a corporation, a Massachusetts or similar business trust or a Company, not formed for the specific purpose of purchasing any Units, with total assets in excess of \$5,000,000; or

\_\_\_\_\_ an entity or individual which is otherwise an “Accredited Investor” and which has supplied the Board sufficient information regarding such entity’s or investor’s “Accredited Investor” status. (Please complete Accredited Investor Supplement on Page 11).

<u>Unit Consideration</u>	<u>Unit Value</u>	<u># Units</u>	<u>Total Amount</u>
Cash	\$450	_____	_____
Personal Guarantee	\$1,350	_____	_____
	Total Units	_____	_____

## B. Subscription Terms

The undersigned (“**Subscriber**”) acknowledges receiving and reviewing a copy of the Amended and Restated Company Agreement of Sapphire Group, LLC, dated December 1<sup>st</sup>, 2020, together with all exhibits called for thereunder (the “**Agreement**”), relating to the private offering (the “**Offering**”) of membership interests (the “**Units**”) by **SAPPHIRE GROUP, LLC** a Texas series limited liability company (the “**Company**”). Terms used and not otherwise defined shall have the meanings ascribed thereto in the Company’s Agreement. Bluestone Partners, LLC, a Texas limited liability company (the “**Operating Manager**”) has been designated by the Board to, among other things, with the capacity of accepting or rejecting subscriptions on behalf of the Company.

1. Subscription. Subject to the terms and conditions hereof, the Subscriber hereby subscribes for and agrees to purchase Units in the Company for the subscription amount indicated in Agreement and hereby agrees to contribute such amount as a Capital Contribution to the Company pursuant to the Agreement. This Subscription Agreement shall not become binding unless the Operating Manager accepts this subscription and signs this Agreement and such additional conditions as the Operating Manager, in its sole and absolute discretion, shall require are satisfied. If this subscription is accepted, this Agreement shall become effective as between the Company and the Subscriber. If this subscription is rejected, the Agreement and the subscription price will be returned to the Subscriber as soon as reasonably practicable, and this subscription shall be rendered void and have no further force or effect.

2. Acceptance of Subscription. The Subscriber acknowledges and agrees that this subscription is made subject to the following express terms and conditions: (a) the Subscriber is committing to purchase the Units for which he/she/it has subscribed, (b) the Company and Operating Manager shall have the right to reject the subscription, in whole or in part, for any reason whatsoever or no reason, (c) the Operating Manager shall have no obligation to accept subscriptions for Units in the order received, and (d) the Company and Operating Manager shall have no liability for documents or checks lost in the mail or by other delivery carriers, or for documents delivered to registered investment advisers, except as such documents are actually received by the Company and Operating Manager.

3. General Acknowledgments, Representations and Covenants of the Subscriber. The Subscriber acknowledges that he/she/it is purchasing Units in the Company without being furnished any offering literature or prospectus other than the Company Agreement (which supersedes any other documentation that may have been furnished to Subscriber) and its exhibits. The Subscriber acknowledges that he/she/it has had an opportunity to ask questions of and receive answers concerning the terms and conditions of the Offering and to obtain any additional information that the Operating Manager possesses or could acquire without unreasonable effort or expense necessary to verify the accuracy of the information contained in the Agreement, and that he/she/it has relied on his/her/its own knowledge or the advice of his/her/its own counsel, accountants, or advisers with regard to the tax and other considerations involved in making an investment in the Units, and no representations have been made to the Subscriber concerning the Units, the Company, its business or prospects, or other matters, except as set forth in the Agreement.

4. Acknowledgements and Representations. The Subscriber further acknowledges, represents, warrants and covenants as follows:

(a) Acknowledges that the undersigned (i) has received the Agreement and (ii) is familiar with and understands the nature and risks related to the Company’s business;

(b) that the undersigned in determining to purchase Units, has relied solely upon the Agreement (including the exhibits thereto) and the advice of the undersigned’s legal counsel and accountants or other financial advisers with respect to the tax and other consequences involved in purchasing Units;

(c) that the undersigned (i) can bear the economic risk of the purchase of Units including the total loss of the undersigned’s investment and (ii) has such knowledge and experience in business and financial matters, including the analysis of or participation in offerings of privately issued membership interests, as to be capable of evaluating the merits and risks of an investment in Units;

(d) The Subscriber has adequate means of providing for his/her/its current needs and possible personal contingencies, and has no need, and anticipates no need in the foreseeable future, to sell the Units for which the Subscriber hereby subscribes. The Subscriber is able (i) to bear the economic risk of his/her/its investment in the Units, (ii) to hold the Units for an indefinite period of time, and (iii) has sufficient financial liquidity to sustain a loss of the entire investment in the event such loss should occur.

(e) The Subscriber acknowledges and confirms that he/she/it has fully considered the contents of the Agreement, and that he/she/it understands and is aware of all the risks related to this investment. The Subscriber further acknowledges and confirms that this investment involves various risk factors that are set forth in the Agreement, including but not limited to the following factors: (i) any projections, forecasts or estimates as may have been provided to the Subscriber are purely speculative and cannot be relied upon to indicate actual results that may be obtained through this investment; any such projections, forecasts and estimates are based upon assumptions which are subject to change and which are beyond the control of the Company or its management; and past performance does not predict future performance; (ii) the tax consequences which may be expected by this investment are not susceptible to absolute prediction, and new developments and rules of the Internal Revenue Service, audit adjustment, court decisions or legislative changes may have an adverse effect on one or more of the tax consequences of this investment; (iii) the Subscriber has been advised to consult with his/her/its own advisor regarding legal matters and tax consequences involving this investment; (iv) an investment in the Units involves a risk of loss of such investment; (v) there will be no trading market for the Units nor will the Units be freely transferable, and, accordingly, it may not be possible for the Subscriber to liquidate his/her/its investment or any portion thereof, in case of emergency, if at all; (vi) the general condition of the economy will all affect the Company's business, financial condition and results of operations, and there is no assurance that the Operating Manager will be successful in addressing such risks; and (vii) the Company has limited history of operations, it may not have any significant assets other than its investment as stated in the Agreement, and there is no assurance that the Company will be successful in addressing the various risks that could affect its business and financial condition and results of operations.

(f) The Subscriber has determined that the purchase of Units is consistent with his/her/its investment objectives and income prospects. The Subscriber's overall commitment to investments that are not readily marketable is not disproportionate to his/her/its individual net worth, and his/her/its investment in the Units will not cause such overall commitment to become excessive.

(g) The Subscriber acknowledges and understands that the Agreement supersedes all previously given materials, if any, and nothing other than the Agreement was relied upon in making a decision to subscribe for the Units.

(h) The Subscriber understands that the Units have not been registered under the Securities Act or the laws of any State and are being offered under an exemption from registration thereunder; the Subscriber represents warrants that the Units will be acquired by the Subscriber solely for his/her/its own account, for investment purposes only, and not with a view to, or in connection with, any resale or other distribution thereof in a manner which would require registration under the Securities Act of 1933 (the "**Securities Act**"), or any applicable state securities laws; the Subscriber does not now have any reason to anticipate any change in his/her/its circumstances or other particular occasion or event which would cause him/her/it to sell the Units; and the Subscriber further represents and warrants that he/she/it has no agreement or other arrangement, formal or informal, with any person to sell, transfer or pledge any part of the Units subscribed for hereby.

(i) The Subscriber understands that no federal or state agency has passed on the fairness for investment of, or made any recommendation or endorsement of, the Units.

(j) The Subscriber (or its designee) has the requisite legal capacity to subscribe to the Units.

(k) The address and social security number or federal tax identification number set forth above are the Subscriber's true and correct residence and social security number or federal tax identification number.

(l) The Subscriber will be the sole party in interest in the Units and as such will be vested with all legal and equitable rights in the Units.

(m) Neither the Subscriber, nor any of its beneficial owners, appears on the Specially Designated Nationals and Blocked Persons List of the Office of Foreign Assets Control of the United States Department of the Treasury or in the Annex to United States Executive Order 132224 – Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism, nor are they otherwise a prohibited party under the laws of the United States (an "**Unacceptable Investor**"). The Subscriber further represents that the monies used to fund the investment in the Company are not derived from, invested for the benefit of, or related in any way to, the governments of, or persons within, any country under a U.S. embargo enforced by OFAC. The Subscriber further represents and warrants that the Subscriber: (i) has conducted thorough due diligence with respect to all of its beneficial owners, (ii) has established the identities of all beneficial owners and the source of each of the beneficial owner's funds and (iii) will retain evidence of any such identities, any such source of funds and any such

due diligence. The Subscriber further represents that he/she/it does not know or have any reason to suspect that (i) the monies used to fund the subscriber's investment in the Company have been or will be derived from or related to any illegal activities, including but not limited to, money laundering activities, and (ii) the proceeds from the Subscriber's investment in the Company will be used to finance any illegal activities.

(n) The Subscriber has full requisite power and authority to make, execute, deliver and perform this Agreement and to effect the transactions contemplated hereby. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary action on the part of the Subscriber.

(o) This Agreement is a valid and binding obligation of the Subscriber, enforceable (subject to normal equitable principles) in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, debtor relief or similar laws affecting the rights of creditors generally. The execution and delivery of this Agreement by the Subscriber, or the consummation of the transactions contemplated hereby, will not conflict with or result in a violation or breach of any term or provision of, nor constitute a default under (i) if the Subscriber is an entity, any provision of the Subscriber's formation or organization documents; (ii) any indenture, mortgage, deed of trust, credit agreement or other contract or agreement of any nature whatsoever to which the Subscriber is a party or by which its properties are bound; or (iii) any provision of any law, rule, regulation, order, permit, certificate, writ, judgment, injunction, decree, determination, award or other decision of any court, arbitrator or other governmental authority to which the Subscriber is subject to.

(p) The undersigned acknowledges that the Operating Manager has the unconditional right to accept or reject this Subscription.

(q) That all representations, warranties and covenants contained in this Subscription Agreement and elsewhere are true and correct as of the date hereof and will be true and correct as of the date this subscription is accepted by the Operating Manager, if at all.

5. Limitation on Transfer of Units. The Subscriber acknowledges that he/she/it is aware that there are substantial restrictions on the transferability of the Units. The Units are being offered and sold in reliance upon the exemption from the registration requirements of the Securities Act afforded by Section 4(a)(2) thereof as interpreted by the Commission in Rule 506 of Regulation D and exemptions from the registration provisions of applicable state securities laws. Accordingly, transferability of the Units is restricted under the Securities Act and by provisions of applicable state securities laws. The Units may not be sold or transferred by an investor in the absence of an effective registration statement under the Securities Act and applicable state securities laws or an opinion of counsel acceptable to the Operating Manager, the Company and its counsel that registration is not required. The Company does not intend to file a registration statement under the Securities Act to provide for a public resale of the Units.

6. Compliance with Private Placement Exemption Requirements. The Subscriber understands and agrees that the following restrictions and limitations are applicable to the Subscriber's purchase and resales, hypothecations or other transfers of the Units pursuant to federal and state securities laws:

(a) Such Units shall not be sold, pledged, hypothecated or otherwise transferred unless they are registered under the Securities Act and applicable state securities laws or are exempt therefrom.

(b) A legend in substantially the following form has been or will be placed on any certificate(s) or other document(s) evidencing the Units:

**THE SECURITIES REPRESENTED BY THIS INSTRUMENT OR DOCUMENT HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. WITHOUT SUCH REGISTRATION, SUCH SECURITIES MAY NOT BE SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED AT ANY TIME WHATSOEVER, EXCEPT UPON DELIVERY TO THE ISSUER OF AN OPINION OF COUNSEL THAT REGISTRATION IS NOT REQUIRED FOR SUCH TRANSFER OR THE SUBMISSION TO THE ISSUER OF SUCH OTHER EVIDENCE AS MAY BE SATISFACTORY TO THE ISSUER TO THE EFFECT THAT ANY SUCH TRANSFER SHALL NOT BE IN VIOLATION OF THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS OR ANY RULE OR REGULATION PROMULGATED THEREUNDER.**

(c) In addition, the legend described in subparagraph (b) above will be placed with respect to any new certificate(s) or other document(s) issued upon presentment by the undersigned of certificate(s) or other

document(s) for transfer.

7. Other Matters.

(a) The Subscriber agrees to execute (with acknowledgment or affidavit, if requested by the Company) promptly all such agreements, certificates, tax statements, tax returns and other documents as may be required of the Company or the investors in the Company by the laws of the United States of America, or any state in which the Company conducts or plans to conduct business, or any political subdivision or agency thereof or of any foreign nation. The Subscriber agrees that, except as provided herein, this Agreement or any agreement made hereunder or pursuant hereto may not be canceled, terminated or revoked by him/her/it except with the written consent of the Company. The Subscriber agrees that this Agreement and the foregoing acknowledgments, representations and covenants shall survive delivery, acceptance of the subscription, closing of the transactions contemplated by this Agreement and any investigation made by any party relying on the same. The Subscriber agrees to execute any and all further documents necessary or advisable, in the sole discretion of the Company, in connection with his/her/its becoming a holder of the Units. The Subscriber agrees not to transfer or assign this Agreement, or any of his/her/its interest herein, and further agrees that the assignment and transfer of the Units acquired pursuant hereto shall be made only in accordance with all applicable laws.

(b) All notices or other communications given or made hereunder shall be in writing and delivered by hand, by mail or by electronic mail. If mailed it shall be addressed as follows: (i) if to the Company or the Operating Manager, to the address indicated in the Agreement or (ii) if to the Subscriber, to the street address set forth on the Subscription Documents (or at such address as either party may, by notice given in the manner described herein, change its address for purposes of notice hereunder).

(c) This Agreement shall be governed by and construed in accordance with the laws of the State of Texas without regard to the conflict of laws principles of any jurisdiction. This Agreement constitutes the entire agreement among the parties hereto with respect to the subject matter hereof, and may be amended only by a writing executed by the party to be bound thereby.

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IN WITNESS WHEREOF, the undersigned Subscriber hereby confirms and agrees to all matters set forth in this Subscription Agreement, agrees to be irrevocably bound by the terms hereof, and subscribes for the Units as set forth hereto.

**SUBSCRIBER:**

\_\_\_\_\_  
Signature

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

\_\_\_\_\_  
Date

\_\_\_\_\_  
Joint Signature – *if applicable*

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

\_\_\_\_\_  
Date

**Company's Acceptance of Subscription**

The Company hereby accepts the Subscriber's subscription to the Company as set forth above.

**ACCEPTED AND AGREED**

**OPERATING MANAGER:**

**BLUESTONE PARTNERS LLC**

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

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



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**GUARANTEE AGREEMENT**

Reference is hereby made to the subscription of membership interests (“Guarantee Units”) evidenced by that certain Subscription Agreement between **SAPPHIRE GROUP, LLC** (“Company”), and \_\_\_\_\_ (“Guarantor”), dated \_\_\_\_\_. In consideration of receiving Guarantee Units of the Company, the undersigned (“Guarantor”) hereby unconditionally guarantees to the Company the payment of \$\_\_\_\_\_ (“Guarantee Amount”). Terms used and not otherwise defined shall have the meanings ascribed thereto in the Company’s Amended and Restated Company Agreement.

Upon written notice from the Company, Guarantor agrees to remit to the Company the sums of money so requested, not to exceed the amount of the Guarantee Amount as stated herein. Guarantor agrees to provide the Company with a personal financial statement prior to the Company’s acceptance of Guarantor’s subscription for the Guarantee Units and will provide an updated statement annually thereafter. Board approval will be required for the subscription of the Guarantee Units.

Guarantor hereby waives presentment for payment, demand for payment, notice of nonpayment or dishonor, protest and notice of protest, diligence in collection, and any and all formalities that may be legally required to charge Guarantor with liability; and Guarantor further agrees that his liability as Guarantor shall in no way be impaired or affected by any renewals, waivers, or extensions that may be made from time to time, with or without the knowledge and consent of Guarantor, of any default or the time of payment or performance required under the Company’s Amended and Restated Company Agreement, or by any forbearance or delay in enforcing any obligation thereof.

Guarantor further covenants and agrees to pay all expenses and fees, including attorney fees that may be incurred by the Company or its successors or assigns enforcing any of the terms or provisions of this Guarantee Agreement.

This Guarantee Agreement shall be binding upon the heirs, legal representatives, successors and assigns of Guarantor, and shall not be discharged or affected, in whole or in part by the death, bankruptcy or insolvency of Guarantor.

This Guarantee Agreement is absolute, unconditional and continuing, and payment of the sums for which the Guarantor becomes liable shall be made by check or wire transfer (or by any other means agreed between Guarantor and Company) to Company or its successors or assigns from time to time on demand as the same become or are declared due.

IN WITNESS WHEREOF, Guarantor has executed this Guarantee on \_\_\_\_\_.

**GUARANTOR SIGNATURE:** \_\_\_\_\_

**GUARANTOR NAME:** \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Email: \_\_\_\_\_

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**AMENDED AND RESTATED COMPANY AGREEMENT COUNTERPART SIGNATURE PAGE**

**MEMBER:**

Signature: \_\_\_\_\_

Signer's Printed name: \_\_\_\_\_

Entity Name (if applicable): \_\_\_\_\_

Title (if applicable): \_\_\_\_\_

Current notice address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Email: \_\_\_\_\_

Phone: \_\_\_\_\_