

FRANCHISE DISCLOSURE DOCUMENT

Musicologie Franchising, LLC
1400 W. Third Avenue
Columbus, Ohio 43212
(614) 543-1364
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The franchisor, Musicologie Franchising, LLC ("Musicologie," "us" or "we"), is in the business of franchising music education studios under the "Musicologie" name that feature private music lessons, multi-student accelerated music labs, and rock band group lessons. The franchisee will operate a Musicologie Studio.

The total investment necessary to begin operation of a Musicologie franchise ranges from **\$192,000 to 372,000**. This includes a total of \$60,000 that must be paid to the franchisor or affiliate.

If you acquire the right to develop two Musicologie franchised Studios under a Multi-Studio Development Agreement, the total investment necessary to begin operations is **\$242,000 to \$422,000**, which includes \$110,000 that must be paid to the franchisor or affiliate.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no 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 for you. To discuss the availability of disclosures in different formats, contact us at Musicologie Franchising, LLC, 1400 W. Third Ave, Columbus, Ohio 43212.

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 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 your public library for other sources of information on franchising.

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

ISSUED: April 25, 2024, Amended on August 14, 2024

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 Item 20.
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 E 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 Musicologie 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 Musicologie franchisee?	Item 20 lists 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 B.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About *This* Franchise

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

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

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.

**THE FOLLOWING PROVISIONS APPLY ONLY TO
TRANSACTIONS GOVERNED BY
THE MICHIGAN FRANCHISE INVESTMENT LAW**

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

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

1. A prohibition on the right of a franchisee to join an association of franchisees.
2. 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.
3. 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 needs to be more than 30 days, to cure such failure.
4. 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.
5. 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.
6. 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.

7. A provision which permits a franchise 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:

1. The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

2. The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

3. The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

4. 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.

8. 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).

9. 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 a provision has been made for providing the required contractual services.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000.00, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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

Any questions regarding this notice should be directed to:

State of Michigan
Consumer Protection Division
Attn: Franchise
670 G. Mennen Williams Building
525 West Ottawa
Lansing, Michigan 48933
Telephone Number: (517) 373-7117

Note: Notwithstanding paragraph (f) above, we intend to, and you agree that you and we will, enforce fully the provisions of the arbitration section of our Development Rights Agreement and Franchise Agreement. We believe that paragraph (f) is unconstitutional and cannot preclude us from enforcing the arbitration provisions.

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APPLICABLE STATE LAW MIGHT REQUIRE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION CONTAINED IN THIS DISCLOSURE DOCUMENT. THESE ADDITIONAL DISCLOSURES, IF ANY, APPEAR IN EXHIBIT A.

TABLE OF EXHIBITS

Exhibit A	State Addenda to Disclosure Document, Franchise Agreement
Exhibit B	State Franchise Administrators/Agents for Service of Process
Exhibit C	Table of Contents of Operating Manual
Exhibit D	Franchise Agreement
	Attachment A: Assignment of Telephone Number(s)
	Attachment B: Registered Trademarks
	Attachment C: Personal Guaranty
	Attachment D: ACH Authorization Form
	Attachment E: Lease Addendum
	Attachment F: Multi-Studio Development Agreement
Exhibit E	Financial Statements
Exhibit F	Receipts

Item 1:
The Franchisor, and any Parents, Predecessors and Affiliates

Franchisor, Parent, and Affiliates

The Franchisor is Musicologie Franchising, LLC, which will be referred to as "Musicologie", "we", "the franchisor," or "us". The principal address of the franchisor is **1400 W. Third Ave, Columbus, Ohio 43212**. The franchisor has no parents or affiliates that offer franchises in any line of business.

The trademarks are owned by Musicologie Limited, which is our affiliate. Musicologie Limited was formed on March 7, 2014 and has a principal address of 1400 W. Third Ave., Columbus, Ohio 43212. There is a license agreement between Musicologie Limited and Musicologie to allow for Musicologie to exclusively use and license the intellectual property, including exclusive franchising rights.

The intellectual property, including, but not limited to the trade secrets and the Operating Manual are owned by Musicologie Franchising, LLC.

Musicologie Development LLC, which was first formed on July 17, 2018, is our affiliate that is an owner of the corporate operated or company owned Studios. Musicologie Development LLC has a principal address of 1400 W. Third Ave., Columbus, Ohio 43212.

Soli Studio LLC, which was formed on April 5, 2022, is our affiliate and the owner of the software system that is required for use at your Studio. Soli Studios LLC has a principal address of 1400 W. Third Ave., Columbus, Ohio 43212.

The franchisor has not conducted business in any other line of business. It has not offered franchises in any other line of business. None of our Affiliates have previously or currently are offering franchises. Neither we nor our affiliates have any plans to offer franchises under a different trademark.

The franchisor began offering franchises for sale July 2023. The first music studio operating under the Musicologie name was opened in 2014 by our affiliate.

The term "you" means the person, corporation, limited liability company, partnership or other legal entity that is granted the franchise (as well as the direct and indirect owners of any corporation, limited liability company, partnership, or other legal entity that becomes a franchisee).

We are an Ohio limited liability company. We currently do business under the name "Musicologie."

Predecessors

Musicologie has no predecessors.

Franchisor's Date of Formation

Musicologie Franchising, LLC was formed as an Ohio limited liability company on March 25, 2022.

The Business We Offer

We grant franchises for music education studios operating under the "Musicologie®" name (and using our other Musicologie marks) and using our proprietary operations systems. (For reference purposes in this Franchise Disclosure Document, we call the studios in our system "Musicologie Studios"; we use the term "Studio" to describe the Musicologie Studio that you will operate.)

Musicologie offers a well branded, high quality, unique music education company that provides private music lessons, multi-student accelerated music labs, and rock band group lessons on a variety of instruments in a welcoming, community-focused environment. The experience of both the student and the teacher are dual priorities of the brand and its founders. Franchisee's staff will be well trained (by franchisee), outgoing and professionally competent in their musical and teaching capabilities (as certified by franchisee).

Musicologie is based primarily on a membership structure, offering monthly memberships that include weekly lessons, though individual lessons are also offered and charged per lesson. Memberships include additional benefits, including access to community events and free group classes, open practice hours, and two concerts each year.

The music education services focus on individual private lessons, primarily in person, though online lessons were added during the COVID-19 Pandemic and have continued to be offered even after in-person lessons resumed in all studios. Other services are provided to multiple students at a time, including the branded Piano Lab classes where multiple students are taught at the same time but at their own individual pace. Additionally, the Musicologie Junior program offers classes for toddlers and their adults.

Musicologie franchisees will operate from 1,200 to 2,400 square foot studios. The type of venue for a Musicologie studio will vary depending on the neighborhood and available space and may include residential, commercial, and industrial areas.

Musicologie franchisees will offer:

- Private music education on a variety of musical instruments, styles, and methods, both in person and online.

- Specific instrument and voice offerings will vary depending on teacher availability and student demand, with the most popular being voice and piano.
- Typically 30 or 60 minute classes where students provide their own instruments.
- While piano and voice are the most popular instruments, the variety of available instruments is only limited by what each student and/or teacher can procure to practice on/team on.
- Studios in residential, commercial, and industrial areas depending on the different demographics of the area.
- A fun, enriching experience for both students and instructors designed to foster an inclusive community among its members and the community-at-large.
- A safe, clean, bright, and fun environment for students and instructors, and where parents can feel comfortable bringing and leaving their children in the teachers' care.
- Musicologie will offer well designed studios, with a recognizable footprint. However, studios will not be identical and it is anticipated that each studio's layout and configuration will differ based on the available space. However, there will be a consistent and recognizable feel, signature color scheme and décor throughout the Musicologie franchise system.
- Franchisees and their staff will be well-trained, outgoing, enthusiastic, fun, hospitable, and fully embrace the Mission, Vision, and Values of the Musicologie brand.
- A "Musicologie Teacher Certification" Program has been developed as an internal methodology with the potential to be used in the future as an industry standard.
- Franchisees will be required to use the designated Musicologie supply chain that will include approved vendors for products and supplies, which may include the Musicologie franchisor as the sole supplier.
- Musicologie will provide a curriculum that will include recommended material for instructors to use. Musicologie is considering requiring some specific material in their curriculum and will reserve the right to completely control all curriculum used. It is expected that instructors will continue to be given leeway in the material they use for their lessons.

- Standardized system for student acquisition and retention.
- A membership program will be standard for student acquisition and retention. Musicologie may include additional affinity programs as the system matures.
- Musicologie specified software will be licensed directly/indirectly to franchisees to help them manage the business and provide information to Musicologie.
- Consistent Brand Standards to achieve a consistent and sustainable Brand Promise across the Musicologie franchise system.

Musicologie uses a Membership Model. Pricing for the memberships include assessment fees and monthly membership fees. Inter-studio reciprocal membership is currently offered across the corporately owned locations. It is the intention to continue that “global” style membership in the franchise system. While students will designate a specific studio as their “home” studio as part of their membership, a Musicologie member can take classes at any Musicologie studio. The proprietary internal Musicologie software (“Musicologie Scheduling Software”) will allocate membership revenue based on where the member is taking that particular class. Musicologie reserves the right to change a member’s designated “home” if it determines in its own discretion that a student is taking the majority of their lessons at a particular studio, and/or that making such designation is helpful or more efficient, effective, or practical in the Musicologie Scheduling Software’s processes for allocating revenue. Regardless of which studio is designated as a member’s “home” studio, the Musicologie Scheduling Software will allocate revenue based on where the student took a particular lesson.

Franchisees will operate clean, upscale and modern music education studios that are modular with a standard and recognizable layout using a signature color scheme and décor. The studio layout is separated into the front lobby area, six (6) to ten (10) private lesson rooms that are each 50 to 100 square feet, and a larger room for classes and events that include groups. Studio lobbies are bright and clean with well-branded material and information displayed throughout, and with ample seating for students waiting for their lesson as well as parents waiting for their child’s lesson to complete. Lesson rooms can take on more of an individualized and unique personality depending on the studio’s Community Manager or the individual instructors who typically use each room. Each studio’s Big Room has more of a “garage-band” or music studio feel, where groups of students can play together and the Piano Lab courses can be offered.

Franchisees will not provide instruments to students or teachers, though each studio should have a specific number pianos/keyboards for both the Piano Lab and individual lessons as set out in the manuals, in addition to any other requirements specified in the manuals. Musicologie Studios will include relevant written materials, literature, and potentially branded merchandise in the lobby for parents and students to peruse while waiting, as well as entertainment for younger siblings

who are waiting. Musicologie Studios will also include WIFI in the locations that is available to both students and parents. Musicologie will not offer any food or beverage products, except for a coffee machine and water dispenser that is available for use in the lobby at no cost.

It should be anticipated that the Musicologie concept will continue to evolve and may include offerings in addition to those provided in the existing studio, including a potential focus on group classes, partnerships with public and private education programs, in-home lessons, and other market adaptations. It is not anticipated that franchisees will offer for sale any musical instruments, however Musicologie will reserve the right to sell musical instruments in person, through online commerce, and through other alternative channels.

The Musicologie system will allow for these adaptations and evolutions.

Prior Experience

The officers of Musicologie Franchising, LLC have owned and operated Musicologie Studios since 2014. Musicologie Development has owned and operated Musicologie Studios since November 2018.

Agent For Service of Process

Our agents for service of process are listed in Exhibit B.

The Musicologie Franchise

We may periodically make changes to the systems, standards, signage, and equipment requirements. You may have to make additional investments in the franchised business periodically during the term of the franchise if those kinds of changes are made or if your Studio's equipment or facilities wear out or become obsolete, or for other reasons (for example, as may be needed to comply with a change in the system standards or local, state, or federal law). All Musicologie Studios must be developed and operated to our specifications and standards. Consistency of experience with Musicologie is important, and you have no discretion to offer products or services other than those set forth in our Operating Manual, which may be amended by us from time to time. Nevertheless, we reserve the right to allow some Musicologie Studios to offer different services and products from other Musicologie Studios. The franchise agreement is limited to a single Musicologie Studio, which will be set forth in the franchise agreement. Others will be licensed to sell in your Territory, but you will have a protected area where no other Franchisee, nor corporate affiliate will be permitted to open a Musicologie Studio.

Single Studio Franchises

For each Studio, franchisees will enter into separate single unit franchise agreements containing the rights and obligations of the parties. The franchisee will independently manage on a day-to-day basis the management and operation of their business and will be responsible for all costs and expenses incurred in connection with their obligations without any contribution or guarantees by Musicologie. Musicologie will have no involvement in the franchisee's local human resource policies. The form of franchise agreement is attached hereto as Exhibit D.

Multi-Studio Developers

If you choose to open multiple Musicologie Studios, you will sign the Multi-Studio Development Agreement ("MSDA"), in addition to a Franchise Agreement for each respective Musicologie Studio that is opened under the MSDA. The MSDA is an agreement that defines the rights and the obligations of the franchisor and franchisee with regard to the development of a specified number of Musicologie Studio locations to be established by the developer, within a defined territory and the time frame for each of the locations to open. The form of MSDA is attached to the Franchise Agreement as Attachment F. You must agree to open at least two Musicologie Studios to execute a MSDA. You are not required to enter into a MSDA. You may choose to develop more than one Musicologie Studio without a MSDA, but you are not guaranteed the ability to open additional Studios and your Initial Franchise Fee for each Studio will not be reduced, and will remain at Sixty Thousand Dollars without a MSDA.

You will pay a Market Reservation Fee in connection with executing a MSDA. The Market Reservation Fee will depend on the number of Musicologie Studios we grant you the right to develop under the MSDA within the territory designated thereunder. Item 5 discusses how the Market Reservation Fee is calculated. There are no further obligations or deliverables attached to the MSDA and the developer has no right of first refusal or right of first notice related to any other development territories or franchises granted outside of its defined development territory.

The multi-studio developer will sign a separate individual Studio franchise agreement for each Studio developed, but will not be required to pay any additional Initial Franchise fee under such agreement, as it was paid as part of the Market Reservation Fee. The franchise agreement for each Studio will be the then current franchise agreement being offered to new franchisees.

There will be no additional rights to develop any additional Musicologie locations and the MSDA will expire once the development term has expired or the agreed upon number of locations have been opened, whichever is earlier.

The geographic area in which the locations will be located (“the territory”) will be clearly specified in the Multi-Studio Development Agreement and will be based on:

- The physical size of the market area requested by the developer;
- The population in the market;
- The financial profile of the developer;
- The organizational capabilities of the developer;
- The geographic area as recommended by Musicologie;
- The investment that the developer is willing to make; and
- Market Reservation Fee for the number of locations to be opened.

Should developer fail to open and operate the required Studio locations, on the dates specified in the MSDA, Musicologie may terminate the single Studio franchise intended to be opened and may also terminate the MSDA. Should Musicologie terminate the MSDA, the developer may continue to operate compliant Studios then open under franchise agreements.

The development period will begin on the date the MSDA is signed and expired upon the agreed upon date. There is no cross default between the MSDA and the single unit franchise agreement for defaults under the MSDA. However, there are cross defaults between the single unit franchise agreements and the MSDA. Any single unit franchise agreement default, sustained to termination, at the election of Musicologie, extends to all single unit franchises and to the MSDA.

The multi-studio developer will pay a lower Initial Franchise Fee for certain of its Studios and have different obligations than a single studio franchisee. These benefits will only be available to developers and not to single unit franchisees that acquire additional single unit franchises over time.

Industry-Specific Regulations

Franchisee will be required to comply with all federal, state and local laws and regulations that generally apply to your Studio. These include, but are not limited to, the Americans with Disabilities Act; the Fair Labor Standards Act; EEOC; OSHA; Gramm-Leach-Bliley Act; The Patriot Act; Federal Truth in Lending and other laws dealing with credit transactions and collections; Digital Millennium Copyright Act; regulations governing MMS, SMS, emails and telemarketing; the payment of license fees; general location rules and regulations; and, advertising or content related rules and regulations.

Several states have consumer protection laws that regulate education businesses, specifically those that primarily deal with minors.

Some states regulate the terminology you may use in selling memberships, and the form and substance of the terms included in contracts with members.

Other than the above, Musicologie is unaware of any other specific industry regulations or licensing requirements governing the operation of a Musicologie studio.

Musicologie or its affiliates will not be responsible to ascertain the franchisee's initial and continuing legal responsibilities. It is the franchisee's sole responsibility, on an ongoing basis, to investigate and satisfy all local, state, and federal laws and regulations since these can vary from place to place and can change over time.

You should investigate the application of these laws further.

General Description of the Competition to the Franchisee's Business

The franchised music education market is somewhat mature, fragmented and evolving. The market continues to grow and change as technology, student preference, and availability of public school music education shift.

Franchisees will compete with national, regional and local competition including company owned and franchised chains as well as independently owned music education businesses. Franchisees may also compete with other Musicologie Studios owned, and operated by other franchisees, Musicologie or its affiliates. Some competitors may be larger, have better financial resources and name recognition than Musicologie. Some may be privately held or publicly held entities.

A Musicologie studio's performance may be impacted by many factors including the local economic and market conditions, the studio location selected by the franchisee, a franchisee's business experience, capabilities and performance, local and national competition, the quality and performance of a studio's management, teachers and other personnel and, a studio's ability to recruit and retain students.

Your success or failure is primarily based on your own management skills and performance.

Item 2: Business Experience

Co-Founder and CEO: Joseph Barker

Mr. Barker is one of Musicologie's Co-Founders and has been its Chief Executive Officer since its formation in March 2022. Prior to being CEO of Musicologie

Franchising, LLC, Mr. Barker was CEO of Musicologie Development, LLC, 1400 W. Third Ave., Columbus, Ohio 43212 since 2014.

Co-Founder and Chief Education Officer: Kay Barker

Mrs. Barker is one of Musicologie's Co-Founders and has been its Chief Education Officer since its formation in March 2022. Prior to being Chief Education Officer of Musicologie Franchising, LLC, Mrs. Barker was Curriculum Director of Musicologie Development, LLC, 1400 W. Third Ave., Columbus, Ohio 43212 since 2014.

Chief Technology Officer: Kyle Lamoreaux

Mr. Lamoreaux is Chief Technology Officer for Musicologie and has been since its formation in March 2022. Prior to that, he was Technology Director for Musicologie Development, LLC, 1400 W. Third Ave., Columbus, Ohio 43212, since October 2018.

Item 3: Litigation

There is no litigation that is required to be disclosed in this item.

Item 4: Bankruptcy

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

Item 5: Initial Fees

Initial Franchise Fee: You must pay us an initial franchise fee of \$60,000 for the right to establish a single Musicologie Studio under a Franchise Agreement. We provide a \$5,000 discount on the first license for active-duty reserves or honorably discharged veterans of the U.S. Armed Forces and part of the Veterans Transition Franchise Initiative (commonly referred to as "Vet Fran"), which seeks to provide an opportunity for veterans who want to be in business.

You must pay the initial franchise fee in full when you sign the Franchise Agreement. The initial franchise fee is not refundable.

Multi-Studio Development Agreement: If we award you the right to develop two or more Musicologie Studios within a given development territory, you must pay us a one-time fee (a "Market Reservation Fee") upon execution of your MSDA in order to reserve your territory under the MSDA. The Market Reservation Fee is not

refundable. Your Market Reservation Fee will depend on the number of Musicologie Studios we grant you the right to develop under the MSDA within the territory designated thereunder, and is calculated as follows: (i) \$110,000 for the right to develop a total of two (2) Musicologie Studios; (ii) \$45,000 per Musicologie Studio if you agree to develop between three (3) and five (5) Musicologie Studios; (iii) \$40,000 per Musicologie Studio if you agree to develop between six (6) and nine (9) Musicologie Studios; and (iv) \$35,000 per Musicologie Studio if you agree to develop ten (10) or more Musicologie Studios. You will be required to enter into our then-current form of franchise agreement for each Musicologie Studio you wish to develop under your Multi-Studio Development Agreement, but you will not be required to pay any additional initial franchise fee at the time you execute each of these franchise agreements.

During our fiscal year ending December 31, 2023, the initial franchise fee paid to us was \$40,000 and the market reservation fee was \$75,000.

**Item 6:
Other Fees**

Type of Fee	Amount	Due Date	Remarks
Royalty Fee ⁽¹⁾	7% of Gross Sales, but not less than \$200 per Week	Paid automatically on each transaction through MyMusicologie	Gross Sales include all revenue from the franchise location actually received by Franchisee, minus sales tax, insurance proceeds, civil forfeiture, condemnation or seizure by government entities. Not refundable.
Brand Fund Fee ⁽²⁾	2% of Gross Sales	Paid automatically on each transaction through MyMusicologie	Gross Sales include all revenue from the franchise location actually received by Franchisee, minus sales tax, insurance proceeds, civil forfeiture, condemnation or seizure by government entities. Not refundable.
Local Marketing	Minimum of 2% of Gross Sales or \$500 per month, whichever is greater	Recommended to be spent monthly until you are at capacity	Payable to your local marketing suppliers. Not refundable.

Type of Fee	Amount	Due Date	Remarks
Transfer Fee ⁽³⁾	\$10,000	Prior to consummation of transfer	No fee is imposed for a one-time transfer to a corporate entity formed by you for the convenience of ownership or an instance where you have a Business and are adding an operating partner who will have a 20% or less ownership interest and we determine there is no change of control in the franchisee entity.
Transferee Training Fee	\$5,000	Prior to consummation of transfer	Payable when you transfer franchise. Not refundable.
Renewal Fee ⁽⁴⁾	\$5,000	Upon executing the then-current franchise agreement	Payable when you exercise your option to renew. Not refundable.
Audit	Cost of audit, plus twice the deficiency	Immediately upon invoice	Payable only if audit shows an understatement of at least 2% of Gross Sales for the period audited. Not refundable.
Late Royalty Payment	5% of amount due	When payment of royalty is overdue	Not refundable.
Financial Information Late Fee ⁽⁵⁾	\$100 per week or any fraction thereof until franchisee has provided financial information	Immediately upon invoice	Not refundable.
Relocation Fee ⁽⁶⁾	\$5,000, plus travel costs for Relocation Approval	\$5,000 deposit is paid to us upon your request for relocation. The	The travel expenses are not refundable. The \$5,000 Relocation Fee is refundable if the relocation is not

Type of Fee	Amount	Due Date	Remarks
	Expenses.	travel expenses will be invoiced and you must pay them within 30 days of receiving the invoice.	approved.
Franchisee Conference or Meeting Fee	Up to \$1,000 per person, plus expenses.	Before the conference or meeting.	We may hold a meeting or convention of our franchisees, and we may designate that attendance at the meeting is mandatory for your Operating Partner and your General Manager. The expenses to be paid include your attendees' travel, lodging, meals, and wages. Not refundable.
Termination as the result of default	\$200 per week for each week remaining during the franchise agreement term	Immediately after the termination as the result of a default	Amount of future minimum royalties which will not be paid. Not refundable.
Brand Standards Fee ⁽⁷⁾	\$250 per violation, after first receiving written notice	Within 5 days after Franchisee received written notice of the Brand Standard not being met and has received an opportunity to cure it	Not refundable.
Brand Standards Liquidated Damages ⁽⁸⁾	2% of Gross Sales after Franchisee has failed to remedy the issue that led to the Brand Standards Fee for a period of five (5) business	After 5 days of failure to cure the Brand Standards violation after the initial Brand Standards Fee has been charged. Continues until	Not refundable.

Type of Fee	Amount	Due Date	Remarks
	days	the violation is remedied.	
Software Fee	\$500 per month	Monthly to Musicologie	The Software Fee is for use of MyMusicologie, our required proprietary studio management software, as well as third party software for email, phone, applicant tracking system, website, internal communication, and learning management system. This fee may be increased as technology changes, but in no event will we charge more than \$800 a month.
Quickbooks Online	\$50	Monthly	Payable to Quickbooks Online
Ongoing and Remedial Training	\$500 per day, plus actual travel expenses of trainer	Invoiced by Musicologie, payment is drawn within ten (10) days of the invoice.	Not refundable.

All fees are uniformly imposed.

NOTES:

1. MyMusicologie is required to be used by franchisee. Franchisees will perform a monthly reconciliation to account for any cancelations, refunds, other other changes to the Gross Sales number. The amount of any credits, allowances, adjustments or uncollectible amounts, subject to the limitation that uncollectible amounts cannot exceed 0.5% ($\frac{1}{2}$ of 1.0%) of Gross Sales for any fiscal year of the franchisee. Subsequent collections of charged off amounts must be included in Gross Sales when they are collected. The minimum weekly royalty is two hundred dollars (\$200).

2. You will pay two percent (2%) of your Gross Sales for regional and/or national advertising to be utilized in our sole discretion, provided that said funds are actually utilized for advertising, branding, or marketing expenses ("the Brand Fund Fee").

The Brand Fund Fee will be paid automatically on every transaction collected through MyMusicologie. If the Brand Fund Fee is not paid timely, you must pay an additional late fee of One Percent (1%) per month until the Brand Fund Fee is paid.

3. If you transfer your franchise, the transfer fee will be \$5,000. However, there is no transfer fee under the following circumstances: (1) the transfer is to an entity controlled by the franchisee, (2) the transfer is to an entity or person that has been a franchisee in good standing for at least five (5) years, (3) the transfer is to an entity or person who has managed a company-owned Musicologie Studio for at least five (5) years, (4) the transfer was the result of franchisee's death or disability or (5) the transfer is to an immediate family member. The transferee is responsible for paying Five Thousand Dollars (\$5,000) for the initial training costs, which shall be paid to Musicologie prior to the approval of the transfer.

4. When your initial ten (10) year term expires, so long as you are a franchisee in good standing, you will be offered one additional ten (10) year renewal term. You will pay 25% of the then-current Initial Franchise Fee for single unit Studio owners. You must provide notice that you wish to renew your agreement and provide the required renewal fee by sixty (60) days prior to the end of the initial Term.

5. If a late fee relating to financial statements, financial information, reinspection, audit, insurance, or a penalty relating to an annual meeting is not paid, you must pay interest at the rate of One Percent (1%) per month, but in no event greater than applicable law.

6. Upon request for relocation, Franchisee shall pay a Relocation Fee of Five Thousand Dollars (\$5,000) to us. Additionally, Franchisee shall pay for all reasonable travel expense incurred by us in determining whether to approve the Relocation, including, but not limited to, airfare, mileage, food, and lodging. In the event that the Relocation is denied, the travel costs will not be refundable. However, the Five Thousand Dollar (\$5,000) fee will be refundable under such a scenario.

7. If you fail to uphold the Musicologie brand standards, you may be charged with a fee of \$250 for each instance of brand non-compliance. However, we will not charge you with a Brand Standards Fee unless you have first received written notice (including email) of the nature of the non-compliance and specific steps for what you must do to cure the non-compliance, and you have had that notice for five (5) days. After 5 days, if you do not remedy the non-compliance, we may charge a Brand Standards Fee, or we may choose to deem the non-compliance a default.

Note 8. If you fail to uphold the Musicologie brand standards, even after you have been charged a Brand Standards Fee, Musicologie will provide you with an additional written notice and give you five (5) more days to remedy the non-compliant issue. If you fail to remedy the brand non-compliance in that period of

time, Musicologie may charge the Brand Standards Liquidated Damages of 2% of Gross Sales for the period of your continuing non-compliance.

**Item 7:
Estimated Initial Investment
YOUR ESTIMATED INITIAL INVESTMENT**

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee ⁽¹⁾	\$60,000	Lump sum	At signing of Franchise Agreement	Us
Rent – 1 Month ⁽²⁾	\$2,500 – \$5,000	As Arranged	As Arranged	Landlord
Security Deposits ⁽³⁾	\$2,500 – \$5,000	As Arranged	As Arranged	Landlord
Leasehold Improvements ⁽⁴⁾	\$37,500– \$150,000	As Arranged	As Arranged	Contractors
Architect/Project Management ⁽⁵⁾	\$10,000 – \$27,500	As Arranged	As Arranged	Approved Suppliers
Furniture, Fixtures, and Equipment ⁽⁶⁾	\$ 18,000– 30,000	As Arranged	As Arranged	Approved Suppliers
Market Introduction ⁽⁷⁾	\$20,000	As Arranged	As Arranged	Various Media and Advertising
Insurance ⁽⁸⁾	\$3000 - \$4500	As Arranged	As Arranged	Insurance Company
Signage ⁽⁹⁾	\$7,500 – \$12,000	As Arranged	As Arranged	Approved Suppliers
Training Expenses ⁽¹⁰⁾	\$10,000 – 15,000	As Arranged	As Arranged	Hotels, Restaurants, Airlines, Employees, etc
Professional Support ⁽¹¹⁾	\$5,000 – \$10,000	As Arranged	As Arranged	Attorneys and accountants

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Permits and Licenses ⁽¹²⁾	\$1,000 – \$3,000	As Arranged	As Arranged	Governmental entities
Additional Funds - 3 Months	\$15,000 – \$30,000	As Arranged	As Arranged	Employees, vendors, utilities, etc.
TOTAL	\$192,000–\$372,000			

The above fees in this Item 7 are not refundable under any circumstances.

Notes:

1. **The Initial Franchise Fee.** The Initial Franchise Fee for your first Musicologie Studio will be \$60,000. There is no discount for additional Musicologie Studios that you open, unless you have executed a Multi-Studio Development Agreement. The Initial Franchise Fee is not refundable.

2. **Rent.** You must secure suitable real estate for your Studio. Typical locations for traditional Musicologie Studios are 1,200 to 1900 square feet and have six (6) to ten (10) private lesson rooms. Typically, the real estate for the Studio is leased, rather than purchased. The initial investments for your Studio would be significantly different if you purchase the real estate for your Studio and we do not provide estimates on such scenarios given the variability of real estate prices. The amounts indicated in this Item 7 assume that real estate is leased and reflect a typical range of monthly rentals and assumes as part of your lease negotiation you and the landlord will agree that you will not begin to pay rent until at least the month that your Studio opens. Landlords may vary the base rental rate and charge rent based on a percentage of gross sales. In addition to base rent, your lease may require you to pay common area maintenance charges (“CAM Charges”) for your pro rata share of the real estate taxes and insurance, and your pro rata share of other charges. The actual amount you pay under the lease will vary depending on the size of the Studio, the types of charges that are allocated to tenants under the lease, your ability to negotiate with landlords and the prevailing rental rates in the geographic region. Location is a major factor in the amount of rent required. You will be responsible for reviewing your own lease. We will not review your lease on your behalf. You are encouraged to retain a real estate attorney to represent your interests for lease review and negotiation. You must sign your lease within one hundred eighty (180) days of signing the Franchise Agreement. Your Studio must be open within 365 days of signing the Franchise Agreement. You must use your best efforts to procure a lease.

3. Security Deposits. Our estimate assumes that you will need to provide one month of rent as a security deposit to your landlord, and you may need to provide security deposits for your utilities (such as gas, water and/or electric). Some landlords might require additional security deposits.

4. Leasehold Improvements. This range expects and assumes that you and your business advisors will negotiate with the landlord of your Studio to get a tenant improvement allowance or credit ("TI") that is consistent with industry statistics and experience with general contractors and similar providers for this kind of buildout. Construction costs and TI allowances/credits can vary significantly from market to market and among local vendors and also depend on factors such as the whether the premise is first or second generation, the condition of the premises, the financial condition of the tenant, and the length of the term of the lease. Our estimate assumes your landlord provides adequate cooling, water and heating infrastructure, and includes some materials such as paint, trim, plumbing, electrical and flooring, labor costs and installation of certain features, including flooring and lighting. Our estimate may vary from your actual costs, depending on the location, size, and condition of your Studio.

5. Architect/Project Management. You must hire an architect to assist with design, layout and architectural drawings suitable for permitting per the Musicologie Design Manual. Your plans must be approved by us before you can begin building out your Studio, but our review of your plans is only to verify compliance with our requirements and presentation of the Marks. You and your architect must make sure that your construction plans comply with all applicable laws, ordinances and building codes, including the Americans with Disabilities Act. The high end estimate of this range is if you elect to use our approved vendor to provide real estate and construction project management services. You are strongly encouraged, but not required, to use the approved vendor. If you elect not to use the approved vendor, you will be solely responsible for all aspects of securing real estate, finding a contractor, securing permits, signage, FF&E, and meeting all aspects of brand standards.

6. Furniture, Fixtures and Equipment. The amount shown is for the purchase of equipment and fixtures for a traditional Studio, which includes at least 6 digital pianos, a drum set, guitar, bass, amps, PA system, Musicologie Junior starter kit, curriculum and merchandise starter kits, lobby furniture, lesson room furniture, a front desk, lobby computer and other necessary fixtures and décor.

7. Market Introduction. You must spend a minimum of Twenty Thousand Dollars (\$20,000) on local advertising in the 60-90 days before your Studio opens. You must follow our pre-sale playbook. Your pre-sale marketing campaign should be conducted in the 60-90 day period before Grand Opening and continue after your Studio opens or until you reach membership enrollment capacity, whichever comes first.

8. **Insurance.** You must maintain the following insurance coverage: workers' compensation and occupational disease; property insurance, data and network defender insurance, general liability insurance, including products liability, and an umbrella policy, with a limit of not less than \$1,000,000 per occurrence, and \$2,000,000 overall. Musicologie must be listed as an additional insured on all policies. If you fail to obtain the required insurance, Musicologie may purchase the insurance on your behalf and charge you for it.

9. **Signage.** These amounts represent your cost for interior and exterior signage. Your landlord or your local ordinances may have different restrictions it places on interior and exterior signage which may affect your costs. You may elect to purchase optional signage for your Studio, although the costs may exceed the high end estimate.

10. **Training Expenses.** We will provide an initial training program for up to three trainees, the cost of which is included in your initial franchise fee. For each additional person that you request we train, you must pay our then-current training fee. Our estimate includes travel, lodging, meals and wages expenses. Your actual costs may vary depending on the distance you must travel and the accommodations you choose.

11. **Professional Support.** We strongly encourage you to engage the services of an attorney and/or an accountant to advise you regarding this franchise offering.

12. **Permits and Licenses.** These are estimates of the costs for obtaining local business licenses which typically remain in effect for one year. These figures do not include occupancy and construction permits which are included in the leasehold improvements estimate. The cost of these permits and licenses will vary substantially depending on the location of the Franchised Business. We strongly recommend that you verify the cost for all licenses and permits required in your jurisdiction before signing the Franchise Agreement.

13. **Additional Funds.** You will need additional funds to support ongoing expenses, such as payroll, if these costs are not covered by sales revenue for your first three months of operation. Our estimate does not include any sales revenue you may generate. We estimate that the amount given will be sufficient to cover pre-opening expenses, including pre-opening payroll and ongoing expenses for the start-up phase of the business, which we calculate to be three months. When preparing these figures, we relied on our experience operating Musicologie Studios since 2014. This is only an estimate and there is no guarantee that additional working capital will not be necessary during this start-up phase or after.

YOUR INITIAL INVESTMENT MULTI-STUDIO DEVELOPMENT AGREEMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Market Reservation Fee ⁽¹⁾	\$110,00	Lump sum	At signing of Multi-Studio Development Agreement	Us
Initial Investment to Open First Studio under the MSDA ⁽²⁾	\$132,000 - \$312,000	As incurred	As incurred	Third parties
TOTAL	\$242,000 - \$422,000			

Notes:

1. ***The Market Reservation Fee.*** The Market Reservation Fee is discussed in Item 5. Our estimate assumes you will develop the minimum of two Studios. If you choose to develop more than two Studios, the Market Reservation Fee will increase as set forth in Item 5.

2. ***Initial Investment to Open First Studio Under the MSDA.*** This is the estimated investment for opening the first Musicologie Studio to be developed under the MSDA, pursuant to the initial table set forth in this Item 7, less the \$60,000 Initial Franchise Fee. Since you are paying the Market Reservation Fee, no separate Initial Franchise Fee is due and owing.

**Item 8:
Restrictions on Sources of Products and Services**

Soli Studio, LLC is currently the only Approved Supplier for the Software System that you will be required to purchase. We will not allow alternative suppliers for this item. Soli Studio, LLC is an affiliate of Musicologie Franchising, LLC.

Required Purchases:

Consistency of the highest quality standard of service is at the core of the success of the Musicologie brand and the future success of your Musicologie Studio. Accordingly, to ensure quality across all Musicologie Studios, Musicologie will closely control the sources for all curriculum, materials, instruments, any other equipment, or merchandise offered in the studios. In addition, the company will identify authorized suppliers, and will reserve the right to name Musicologie, or an affiliate as an exclusive supplier for certain items.

Musicologie may earn income based on purchases by Musicologie Studios, including yours. Musicologie may approve or deny, in the sole discretion of Musicologie, alternative suppliers proposed by franchisees. Musicologie has the right to limit the number of suppliers.

Musicologie has the sole right to establish strategic alliances for leasing packages for equipment, instruments, merchandise items and/or supplies and services used by the franchisees in operating their Musicologie Studios. Musicologie has no obligation to consult with franchisees regarding this matter.

Any revenue earned by franchisees from authorized or required suppliers will be tracked and disclosed each year in the respective disclosure documents. To date, there are no revenues that have been received by Musicologie from required purchases.

We may require that you purchase from a designated supplier of other goods and services in the future. Such requirements will be communicated to you through the Operating Manual and System.

Approval of Alternative Suppliers:

You may suggest alternative suppliers to be approved by us. We may, at our sole discretion, approve the products for usage or decide to not approve the products.

Ownership Interest in Suppliers:

Our affiliate, Soli Studio LLC, which we have ownership in, owns the software that you are required to use to operate your Studio. The current fee is Five Hundred Dollars (\$500) per month, but we have the right to increase such fee amount up to Eight Hundred Dollars (\$800) per month.

Other than Soli Studio LLC, we have no ownership interest in any distributors or manufacturers of the products or services that you are required to purchase from Approved Suppliers.

Revenue from Franchisee Purchases:

Neither we nor our affiliates sell products or services directly to our franchisees. Therefore, we derive no revenue from those activities. However, we may receive payments from designated and approved suppliers on account of franchisees' purchases of required and approved items from those suppliers. In 2023, we received a total of \$0 in administration fees and rebates from franchisee required purchases. Additionally, during our 2023 fiscal year, our total revenues from selling products and providing services to franchisees was \$0.00, which represents 0% of our total accrued revenue for the 2023 fiscal year, which was \$47,742.74. None of our affiliates received any revenue from selling products or providing services to

franchisees in 2022. We calculated these figures from our internal unaudited financial statements.

Cooperatives:

We do not have any purchasing or distribution cooperatives at this time.

Negotiated Prices:

We may negotiate purchase agreements with product manufacturers and/or service providers.

Material Benefits:

Other than assurance of system wide quality control, we do not provide any material benefit to you if you buy from sources we approve. You will be notified if such material benefits are provided.

Estimated Proportion of Any Required Purchases and Leases in Relation to All Purchases and Leases to be Made by the Franchisee:

The estimated proportion of required purchases and leases in relation to all purchases and leases to be made by the franchisee in establishing the business is approximately four fifths (4/5), or eighty percent (80%) of all purchases and leases to be made by franchisee.

The estimated proportion of required purchases and leases in relation to all purchases and leases to be made by the franchisee in operating the business is approximately three fifths (3/5^{ths}), or sixty percent (60%) of all purchases and leases to be made by franchisee.

**Item 9:
Franchisee's Obligations**

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

Obligation	Section in Agreement	Disclosure Document Item
a. Site Selection and Acquisition/Lease	Franchise Agreement ("FA"): Sections 3(C), 14(B), (C)	Items 1 and 7

b. Pre-Opening Purchases	FA: Sections 8(E), 9(C), (H)	Item 7
c. Site Development and Other Pre-Opening Requirements	FA: Sections 3(C), 8, 9	Item 7
d. Initial and On-Going Training	FA: Section 3	Item 11
e. Opening	FA: Sections 4(A), 9(B), 11(D),	Item 11
f. Fees	FA: Section 4	Items 5 and 6
g. Compliance with Standards and Policies/Operating Manual	FA: Section 2	Item 11
h. Trademarks and Proprietary Information	FA: Section 13	Item 13
i. Restrictions on Products/Services Offered	FA: Sections 2, 9(D)	Item 16
j. Warranty and Customer Service Requirements	FA: Section 2	Item 11
k. Territorial Development and Sales Quotas	Not Applicable	Not Applicable
l. Ongoing Product/Service Purchases	FA: Section 9	Item 8
m. Maintenance, Appearance, and Remodeling Requirements	FA: Section 8(A-B), 8(D)	Not Applicable
n. Insurance	FA: Section 9(H)	Item 6
o. Advertising	FA: Section 11	Items 5 and 6
p. Indemnification	FA: Section 9(G)	Not Applicable
q. Owner's Participation in Management/Staffing	FA: Section 9(J)	Item 15
r. Records/Reports	FA: Section 4	Item 6
s. Inspections/Audits	FA: Sections 4, 11, 12	Items 6 and 11
t. Transfer	FA: Section 15	Item 17
u. Renewal	FA: Section 7(B)	Item 17
v. Post-Termination Obligations	FA: Sections 14, 15, 16	Item 17
w. Non-Competition Covenants	FA: Section 14	Item 17
x. Dispute Resolution	FA: Section 16(E)(vii)(2)	Not Applicable
y. Personal Guaranty of Franchisee's Obligations	FA: Section 14, Attachment C to FA	Item 15

Security Interest	FA: Section 5	Not Applicable
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**Item 10:
Financing**

We do not offer financing to any of our franchisees. We will not guarantee your note, lease, or other obligations.

**Item 11:
Franchisor's Assistance, Advertising, Computer Systems and Training**

Except as listed below, Musicologie Franchising, LLC is not required to provide you with any assistance.

We may provide any of these services through our employees and representatives, through our affiliates or through any third party provider we designate.

Pre-Opening Assistance

The following are our obligations prior to the opening of your Studio:

1. Assist you with and approve the location that you select (Franchise Agreement, Section 6). We do not own or lease the building in which you will be operating your business. We will not assist you in negotiating your lease. The Location you select must be within the geographic area specified in Section 6 of the Franchise Agreement. Our review and notice to you of our approval or disapproval of the Studio's location will occur within 30 days following Musicologie's receipt of a completed site review kit from you. The approval of the Musicologie Studio location will be conditioned on its potential student base, lease costs, competition, population density and composition, visibility, proximity to other Musicologie locations and other factors and approval by Musicologie will not be unreasonably withheld. Musicologie recommends that the Musicologie studio be between 1,200 and 2,400 square feet, including between six (6) to ten (ten) private lesson rooms. Each private lesson room is typically between 50 to 100 square feet. There must also be sufficient parking, estimated to be between 8 to 10 parking spaces, where driving is the primarily transit method anticipated for students. Parking is not a requirement in urban area where mass transit/subway is the primary method of transportation for clients.

2. Assist you with the layout of the Studio (Franchise Agreement, Sections 2 and 3). We will provide sample architectural drawings and specifications for adaptation by you and your local architects and builders. Upon receipt of the adapted architectural plans developed by your architect, we will review the architectural drawings layout and design. Our review will be for design and layout

compliance only and does not include any reviews for engineering, electrical, plumbing, and local zoning requirements, or compliance with any regulation or code, including but not limited to the American Disabilities Act. Following our review, and prior to the development of the studio, we will receive a final, approved and signed set of architectural plans from you. Your choice of architect, engineer and building contractor must be approved by us. Construction of your Musicologie Studio can commence after you receive our written approval, which will not be unnecessarily delayed. We, or a designated third party, will also provide one site visit during the construction phase to observe the progress of the studio build-out which may be conducted remotely by Zoom or other remote platform.

3. Provide you with the Musicologie Operating Manual (Franchise Agreement, Section 2). This manual contains the proprietary System for operating a Musicologie Studio. Additionally, it contains guidelines for establishing a DBA for franchisee, opening a bank account, setting up authorization for EFT transfers, Studio layout and design, Layout for franchisees landing page on the website, Franchisee's email address, and insurance requirements and procurement.

4. Assist you with the selection of fixtures, signs, opening inventory, supplies, and equipment for your Studio. We will not provide these items directly to you. Instead, we will provide names of approved suppliers and written specifications. We do not deliver or install any signs, opening inventory, supplies, or equipment to your Studio. Specifications for fixtures and equipment are in the Operating Manual. You will be required to purchase all fixtures and equipment (Franchise Agreement, Section 9).

5. Specify approved sources of suppliers and distributors (Franchise Agreement, Sections 3 and 9).

6. Train you or the individual who will be personally involved in the conduct and operation of your Studio (Franchise Agreement, Section 3).

7. Travel to your Location and provide at least five (5) days of assistance at your Studio observing and coaching your Studio Trainer in their training of your initial personnel. (Franchise Agreement, Section 3)

Opening Time

The typical length of time that it takes to open a Musicologie Studio is approximately 9 months after you execute the Franchise Agreement and obtain financing. The factors that affect this time are the identification of a suitable location, the ability to obtain a lease, building permits, local ordinances and zoning, the oppressiveness (or lack thereof) of the local governmental entity, weather conditions, the skill of the contractor hired for build out, the extent of the buildout that is required, and installation of equipment, fixtures, signage – and, *most importantly, your ability to continuously follow up with all parties.* We must approve

your Studio before opening. We will not unreasonably withhold our consent. The time for opening will be longer if you purchase the real estate.

We will designate the date you will open for business. If your Studio is not open and doing business within three hundred sixty-five (365) days after the Franchise Agreement is signed, either you or us may terminate the Franchise Agreement. In the event of such a termination, Musicologie Franchising, LLC will be entitled to keep the Initial Franchise Fee, plus any costs Musicologie Franchising, LLC actually incurred on your behalf. (Franchise Agreement, Section 4).

Post-Opening Assistance

During the operation of the Studio, we will do all of the following:

1. If you request it, we will travel to your Studio and provide on-site assistance following the grand opening of your Studio for a total of five (5) days for your first two (2) Studios only. If you request our presence for any time after the opening, you must pay us the actual travel expenses that we incur. We must receive a travel deposit to be provided prior to scheduling post-opening travel. The amount of the travel deposit will depend upon the amount of days that you request for us to be on site. (Franchise Agreement, Section 3).

2. Periodically meet or consult with you concerning the operation of your Studio. We do not have an obligation to meet or consult with you at any specific time, rate, or frequency (Franchise Agreement, Section 3).

3. Loan you a copy of the Operating Manual, which currently contains 1391 pages, but is regularly updated. The Operating Manual is strictly confidential and remains our property. We may modify the Operating Manual, but any alteration of the Operating Manual will not modify your status and rights under the Franchise Agreement (Franchise Agreement, Section 2).

Advertising/Marketing

The Brand Fund Fee of two percent (2%) of Gross Sales will be debited immediately from every transaction. Studios owned by us (if any) or by our officers (if any) will be subject to the same Brand Fund Fee as any other Musicologie Studio.

There is not currently an advertising council that is composed of franchisees.

In the most recently concluded fiscal year, ending December 31, 2023, there was a total of \$35,142.74 collected for the Brand Fund. 20% was spent on administrative, 80% was spent on media production and ad buys.

A franchisee may obtain an accounting of the Brand Fund on request. The Brand

Fund is audited each year as part of the audited financial statements.

The franchisor is not required to spend any amount on advertising in franchisee's area or territory.

Musicologie will provide the franchisees with its base line recommended Market Introduction Program. Franchisee will review and modify the guidelines provided to them and submit to Musicologie, in writing, their modified opening program and detailed budget no later than forty-five days before the studios scheduled opening. Musicologie will review, approve or further modify the franchisees proposed market introduction program within ten business days of receipt. A failure of Musicologie to approve the franchisee's written plan will signify disapproval by Musicologie. Franchisee should follow up with Musicologie if they have not received any communications about the plan at the end of the ten-day period. The Market Introduction Plan will be funded by the franchisee, without any contribution by Musicologie or the Brand Fund.

The funds from the Brand Fund Fee will be used for a variety of uses that are in furtherance of the Musicologie brand, including, but not limited to: agency fees, radio, tv, cable, celebrity endorsements, production and media, creative for local ads, door hangers and mailers, brochures, promotional materials, logo wear, labeling, market research, sponsorships, sweepstakes, competitions, battle of the bands, public relations, list acquisition and development, mystery shoppers, social media, association dues, music education related trade associations, signage, Brand Fund accounting costs, website development and enhancement, labor associated with the Brand Fund.

The Brand Fund will not be used to pay for the direct cost of recruiting franchises, when those costs are exclusively for the purpose of franchisee recruitment. However, if the expenditure includes some costs related to franchisee recruitment, so long as the main purpose of the expenditure is for other purposes, it is an allowed expenditure.

All Musicologie Studios including those owned and operated by Musicologie and its affiliates will contribute 2.0% of Gross Sales to the Fund. Brand Fund contributions will be made at the same time as the continuing royalties and by Electronic Funds Transfer. Musicologie Studios developed in the future that are owned and operated by Musicologie or its affiliates will contribute to the Brand Fund at the rate included in the FDD at the time of studio opening.

Franchisees will participate in an advisory capacity in the Brand Fund management and decisions through a Franchisee Advisory Council once it is established. While the franchisees will provide advice to Musicologie, Musicologie will have sole discretion over the operation of the Brand Fund and all use and expenditure decisions. There will be no requirement for Musicologie to expend the Brand Fund in proportion to the contributions made by franchisees, in any specific geographic

area or during any period of time.

Musicologie reserves the right to dissolve the Brand Fund at any time and for any reason. Musicologie's only obligation at that time will be to either spend the balance in the Brand Fund on eligible expenditures or, rebate the balance in the Brand Fund to the then current franchisees, that are not in default, based on a formula that allows for the pro-rata rebate based on contributions to the Brand Fund in the Brand Fund's last fiscal year. Musicologie and affiliate owned Musicologie Studios will be included and will be paid based on the above rebate formula. Franchisees in default will not be eligible for any fund rebate.

Unexpended sums in the Brand Fund may be carried from year to year at Musicologie's determination and if it chooses, any money loaned to the Brand Fund by Musicologie or its affiliates may earn interest at a rate to be reasonably determined by Musicologie's management.

While the cost of developing and maintaining the Musicologie web site may be charged to the Brand Fund, that portion of the web site related to franchisee recruitment will not.

You must spend at least two percent (2%) of your Gross Sales or \$500 per month, whichever is greater, on Local Advertising. You shall maintain for inspection by us all bills, invoices, canceled checks, and other proof of expenditures for Local Advertising.

You will be required to spend your required Local Advertising amounts based on an annual plan developed by Musicologie. You will propose local market changes to the plan to Musicologie for approval. The annual plan provides details for approved marketing expenditure by franchisee in their local marketing budget. Franchisees may be required to submit proof of promotion and advertising expenditures from time to time as required by Musicologie. Musicologie may elect to require franchisee to contribute to the Brand Fund any local advertising not spent per the approved plan and to use unexpended market introduction funds to local advertising.

While you will be provided with Musicologie approved advertising and marketing materials that can be used without further approval, you may also choose to develop your own marketing material. All marketing material, not previously approved by Musicologie, must be presented to Musicologie for approval in advance of its use, without exception. If you do not receive written approval within ten (10) business days, then that material is deemed not approved. Musicologie reserves the right to require franchisees to discontinue the use of any advertising or marketing material that was previously approved upon notice. Musicologie reserves the right to establish marketing and other affinity type programs that franchisees will be required to participate in.

In the event that you use unapproved Local Advertising or marketing materials, you must pay a Brand Standards Fee of \$250 per occurrence, which shall be debited from your account through Electronic Payments after you have been provided written notice and five days to cure. "Local Advertising" includes, but is not limited to, flyers, labor for delivering flyers, print media, Google Adwords, Facebook advertising, promotions, sponsorships, or any other commercially reasonable expenditure of money for the purpose of increasing the notoriety of your Studio.

No franchisee is currently required to participate in a cooperative program. However, we reserve the right to alter this policy in the future. Musicologie reserves the right to reallocate the percentage Brand Fund, Local Advertising and Regional Co-op expenditures at its sole discretion and upon 90 days' notice to franchisee. Any required Co-op expenditure will not exceed the local advertising requirement and will be counted toward the local advertising requirement amount.

Computer System Requirements

You will be required to use the hardware and software as specified by Musicologie and will make all updates as required by Musicologie, immediately and without limitation to cost, during the term.

You will obtain and maintain operating software, accounting, Internet, Intranet and other business and industry software as specified and from sources designated by Musicologie. Musicologie will have the right to require that you upgrade your computer, software and personal communication system as new updates become available but not more than once a year.

You will install and maintain Internet connectivity as specified by Musicologie in its Operating Manuals. You will maintain all financial and other information specified by Musicologie on your computer system. You will be required to provide Musicologie with any and all user IDs and passwords necessary for Musicologie to access files and other information contained on your computer system.

Musicologie will have unlimited access to all information maintained on your computer system. You will be provided with a Musicologie franchisee email accounts (i.e. john.smith@Musicologie.) to be used for all business communications. Musicologie will have unlimited access to the content of all email accounts.

You are prohibited from adding any software to their computers or peripherals without the express written permission of Musicologie, including virus software and firewalls. Musicologie may acquire or develop software for use by franchisees. The type and/or source may change from time-to-time. You will be required to pay a fee of \$500/month for the Musicologie Scheduling Software, which is owned by our affiliate Soli Studio, LLC, with the ability to increase as the cost goes up, and will

be required to pay a fee and enter into a software agreement with franchisor, its affiliates or a third-party supplier in connection with any software or use of the Internet and Intranet.

Musicologie may establish a hardware and software help desk to assist you or may require you to engage the services of third party vendors, which may include affiliates of Musicologie, for hardware and software support. Due to the confidentiality of the information contained within the Musicologie franchise system, Musicologie may limit hardware and software support to only approved vendors. Help desk support may be limited by the available support staff and by the policies established by third party suppliers and may be limited to business hours. You will be responsible for all fees incurred.

You are required to purchase and utilize a video surveillance system that will allow us to monitor the activity at the Studio from a site selected by us. (Please note that we do not require access to your video surveillance system unless we feel that there is a compelling business reason for us to have access (such as customer complaints). We may designate the manufacturer, model number, and other similar requirements for the video surveillance system. (Franchise Agreement, Section 8).

Training (Franchise Agreement, Section 3)

The Musicologie training program is mandatory. Musicologie will provide initial training to you, the operating principal, the Musicologie Community Manager and a studio trainer for the franchisee's initial Musicologie Studio without additional fee. Musicologie will also provide initial training for your Community Manager and trainer for your second location without additional fee. No additional initial training will be provided to you and your management and staff after the second location. If additional training is requested by you, it will be provided at the then-current fee.

You are responsible for the training and internal certification of your own teachers and other personnel. *As the delivery to students of Musicologie's brand standards is your responsibility, the training and internal certification of your teachers and other staff is a recommendation only.* You will be measured by the studio's output to brand standards and not how they were able to achieve that requirement.

Based on the performance of the Musicologie Studio to brand standards, if Musicologie determines that retraining of the studio trainer is required, Musicologie reserves the right to require the Musicologie Studio trainer to be retrained at Musicologie offices in Columbus or at another location selected by Musicologie. You will pay Musicologie for retraining of the studio trainer at the then current training fee. You are responsible for the salaries, benefits, travel, lodging, meals and other expenses for their personnel attending training.

If, in Musicologie's opinion, your studio trainer is not capable of performing the duties of training your staff after re-training, Musicologie will not conduct a train-

the trainer program a third time for that person. Musicologie will request that you appoint an alternative studio trainer and have that person attend the Musicologie studio trainer program in Columbus or another location selected by Musicologie. You will pay the then current fee for studio trainer training and all costs for their studio trainer's attendance. The failure to have a trained studio trainer may lead to a default if the Musicologie Studio does not perform to brand standards. There is no restriction on the you retaining the former studio trainer as a teacher or in any other role other than as studio trainer.

Musicologie does not train your music teachers or other personnel. However, if you request and space is available in regularly scheduled training programs, you may request that Musicologie train your teachers and other personnel, with the understanding that Musicologie in no way has any control over your employees. Training will be conducted at Musicologie's location in Columbus, OH or at a location selected by Musicologie at Musicologie's then training fee.

If you request that training is conducted at your Musicologie Studio, and subject to the availability of Musicologie personnel, you will pay a training fee of \$500.00 per Musicologie staff per day. In addition, you are responsible for paying for all reasonable travel costs during the training, including airfare, gas, mileage, meals, hotel, and related items.

Initial training includes online pre-training that you can complete at home. The online training modules are designed to familiarize you with Musicologie and its affiliates, its history, culture and service. In addition, the online courses will also provide training on how to process student memberships, use the Musicologie Scheduling Software and other features of operating the Musicologie Studio. The purpose of the online training is to lessen the need and expense for you to attend live training while increasing the quality and consistency of the training provided to you and your personnel.

Upon completion of the online courses, you, the operating principal, Community Manager, and studio trainer will attend the next regularly scheduled initial training program conducted by Musicologie in Columbus or in another location selected by Musicologie without any additional tuition fee. You may need to pass a test on the pre-training material provided by Musicologie prior to attending the balance of the initial training. If pre-training is not completed to Musicologie's reasonable expectations, and initial training needs to be rescheduled for any of the scheduled persons, you will pay an additional fee of \$5,000.00 per person for scheduling the replacement's initial training. Franchisees will be encouraged to bring additional staff to training at no tuition when space is available.

The Musicologie initial training program will be up to two weeks (10 days) in duration for you, operating principal, Community Manager, and/or studio trainer. Upon approval for studio opening, Musicologie will provide up to an additional week (5 days) opening support which will include observing and coaching

franchisee's studio trainer in their training of the franchisee's initial personnel. Initial training will be provided to franchisee and operating principal for the franchisee's first two locations only.

Additional opening support after the second studio will be charged at the then existing fee charged by Musicologie. You will also pay the travel and local expenses of your personnel. Initial training will be provided for the first and second studios only for your Community Manager and studio trainer. No additional initial training will be provided without charge by Musicologie after the second studio franchise. Any additional initial training requested by you or required by Musicologie, based on the performance of your Studios, will be at the then initial fee charged by Musicologie for such repeat initial training.

Musicologie may include multiple franchisees and developers in all training programs and may require you and your staff to attend and complete training offered by third parties. Failure to complete training, re-training if required and, replacement personnel training, if required, to Musicologie's satisfaction, may result in termination of the franchise – at Musicologie's sole discretion. Retraining and replacement training of franchisee, Community Manager and operating principles will be provided at a fee of \$5,000.00 per person.

Training will be under the direction of Joseph Barker, Kay Barker and Kyle Lamoreaux, whose experience includes over 10 years of operating six Musicologie Studios, developing the Musicologie System and creating the Musicologie business model from its inception.

You must comply with Musicologie's continuing training requirements, which may include a requirement for you to purchase additional equipment, instruments, and other inventory or make other purchases necessary either to attend training or to implement changes, upon return to their Musicologie studio.

Musicologie may develop or acquire continuing and advanced training for franchisee, operating principal, Community Manager, studio trainer or other personnel, some which may be mandatory and some that may be provided by third parties. The training may be web based or may be conducted in a classroom or on- the- job setting at Musicologie's studio in Columbus, your Musicologie studio or other designated location, conferences or conventions as determined by Musicologie.

Franchisees, their management and staff will be required to attend and complete all mandated training provided by Musicologie, including those offered by third parties. Franchisee will be responsible for all travel related costs.

Musicologie reserves the right to charge for continuing and advanced training at the then-current training fee. The current fee for Musicologie delivered training at your Musicologie Studio is \$500.00 per Musicologie training staff per day for

continuing and advanced training provided locally, subject to the availability of Musicologie personnel. Training fees for advanced and continuing training provided by Musicologie in Columbus or another location selected by Musicologie will be announced when those courses are available. Third party training companies will establish their own training fees.

Multi-studio developers will be offered multi-studio developer training, which will be developed. Attendance at multi-studio developer training is currently voluntary, but Musicologie reserves the right to make it mandatory as the system matures. As above, Musicologie will select the location for multi-studio developer training. There is no additional fee anticipated for multi-studio developer training.

The training program is conducted after you have executed the Franchise Agreement, paid any applicable fees, obtained all financing, and executed a lease for a suitable location that we approve for your Studio.

TRAINING PROGRAM

Subject	Hours of Classroom or Web-Based Training	Hours of on the job training	Location
Musicologie 101, CM Training and MyMusicologie	3	0	Approved Locations
New Site/Start-up Procedures	8	4	Approved Locations
Human Resources	4	4	Approved Locations
Operations	4	6	Approved Locations
Course Offerings and Curricula	8	4	Approved Locations
Software	3	0	Approved Locations
Effective Marketing Strategies	5	0	Approved Locations
Leadership Training	4	0	Approved Locations
Financial and Business	3	0	Approved Locations
TOTAL	40	18	

You are responsible for personal expenses in connection with the training program, including costs and expenses of transportation, lodging, meals, and employee benefits. There is no additional cost for the initial training program. You will attend the first training program after you sign the franchise agreement and have paid the

initial franchise fee.

Operating Manual

Musicologie will provide you with a Musicologie operating manual. It is the intent of Musicologie that your studio trainer will use elements of the Operating Manual in their training and internally certifying their teachers and other studio management and personnel. Musicologie may also, when developed, provide franchisee's studio trainer with additional training material that may be provided in written, electronic or in video format.

All training materials developed by Musicologie will remain the property of Musicologie. Your studio trainer may use or modify the training material provided by Musicologie in the training of studio management and personnel as they deem necessary. All modifications made to Musicologie's training materials, will become the property of Musicologie and Musicologie may use that material, without compensation or attribution, for the Musicologie system.

The Musicologie Brand Standards/Operating Manual is a library of material establishing brand standards for the operation of the Musicologie studio, information addressing aspects of the Musicologie studio business and policies and procedures, some which may be recommendations that you may implement at your sole determination. The manual will provide forms and reports required by Musicologie and provided to franchisee to also assist them in managing their business.

You are required to implement all brand standard changes made to the Operating Manual from time to time. The Musicologie Brand Standards/Operating Manual may be loaned to you and provided in writing or in electronic format on Musicologie's learning management system. Musicologie will routinely archive all changes made to the Operating Manual.

Access to all manuals and training material will be limited to authorized-personnel that have signed a confidentiality agreement, as specified by Musicologie. Musicologie will issue to franchisee, their operating principal, studio managers and studio trainer passwords for access to the Operating Manual and training materials, which will not be shared with unauthorized personnel. The Operating Manual and training material may not be duplicated, except as required for use in the operation of the Musicologie studio, but will not be shared or used outside the Musicologie studio.

While elements in the operating manual and training materials may be found in the public domain, you acknowledge that as combined and provided, collectively they are protectable Trade Secrets of Musicologie and use or dissemination outside of the Musicologie studio by you, your management and/or staff will be a material default, not subject to cure.

We will provide you with a copy of (or access to) the Operating Manual within seven (7) days of your execution of the Franchise Agreement. The Operating Manual contains mandatory standards, operating procedures and specifications for the System. We can change the terms of, and add to, the Operating Manual whenever we believe it is appropriate (Franchise Agreement, Section 2). A copy of the table of contents of the Operating Manual, which contains 1391 pages, as of the date of this Disclosure Document is attached as Exhibit C.

Item 12: Territory

Single Unit Studios

Single Unit Studios will receive a Protected Area. If your Protected Area is located in a suburban area, your Protected Area will include a population of at least 50,000 people, which for most suburban areas will cover a radius of 3-4 miles from the Studio (taking into account any geographic factors like rivers or other similar natural boundaries). We reserve the right to create a more limited Protected Area for Studios located in densely populated areas. Your Protected Area may be described in terms of street boundaries or may be drawn on a map to be attached to your Franchise Agreement. Provided you are in compliance with your Franchise Agreement, the Protected Area will be the designated area within which no other traditional Studio location, corporate or franchised, will be physically located. Musicologie students may take classes at any Musicologie location regardless of where they live and we do not place any additional restrictions on students. This includes both in-person and online classes. Musicologie and its affiliates may conduct marketing, without limitation, anywhere. Musicologie and its affiliates may develop alternative distribution channels for Musicologie services, programs, and proprietary products, including at schools, community centers, and other alternative venues, and those alternative distribution channels may compete with the franchisee. Musicologie provides no assurances that those alternative distribution channels will be offered as franchises or, if offered as franchises, that they will be offered to Musicologie franchisees in those market areas.

If you are a single Studio owner, you will not receive complete exclusivity for your territory because other Studios and Musicologie are entitled to market in your Protected Area for online services. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. *Musicologie reserves the right to restrict advertising by franchisees in the abutting territories of other Musicologie franchisees. At this time, there is no such restriction.*

Musicologie retains all rights that are not expressly granted to franchisee to establish and operate a franchised or company-owned Musicologie studio business. While it is not our intent, at this time, to expand Musicologie studios other

than through company and franchisee owned studios, Musicologie reserves the right to do so through other distribution methods. Musicologie also reserves the right to merge with, acquire or become associated with any business including other music education businesses, of any kind under other system and/or other marks, which businesses may convert to or operate under the Musicologie proprietary marks and offer or sell music lessons and education or other services or products that are the same as, similar to, or different than the music education or other services and products offered at or from a franchisee's studio.

Multi-Unit Studios

Musicologie will grant multi-studio developers an exclusive territory in which to develop their required number of locations. The size of the territory will vary depending on the number of locations to be developed and negotiations with each individual developer.

The Multi-Studio Development Agreement will specify the number of studios the developer has contracted to open, a detailed timeline of when the studios should be open, and the market area provided to them to open those studios. Provided that the developer is not in default, Musicologie will not open any company owned or franchisee owned studios in the developer's defined territory.

The territory will be exclusive to the development of Musicologie studios, but will not include exclusive rights to alternative venue or distribution methods, including schools, mass gathering locations such as resorts or cruise ships, online lessons, or other alternative channels.

There will be no cross defaults between the MSDA and the franchise agreements but there will be cross defaults between the franchise agreements and the development agreement and all other franchise agreements entered into by the developer or its affiliates with Musicologie. A failure to meet the development schedule will not impact the individual franchise agreements so long as those studios are in compliance.

The general area in which your Studio will be located will be specified in Section 6 of your Franchise Agreement. The general area may be defined by roads or streets, a zip code, or other means. You will select the proposed specific location of your Studio within the general area set forth in Section 6 of your Franchise Agreement. The location must be approved by us (Franchise Agreement, Section 6).

We will approve relocation of the franchise business under the following conditions: The relocation must be within the geographic area that is within your Territory. Musicologie Franchising LLC will charge a fee of \$5,000 to review the proposed location. At the same time that you submit the written request for relocation, you shall pay Five Thousand Dollars (\$5,000) to Musicologie Franchising LLC.

Musicologie Franchising, LLC will not unreasonably withhold consent for relocation of the franchise business.

You do not have the right to acquire additional Studios within your Territory, unless you have executed a MSDA that provides you with such a right.

The continuation of your Territory does not depend upon a certain sales volume, market penetration, or other contingency.

Item 13: Trademarks

We grant you the right to operate your Studio under the name “Musicologie.” You may also use our other current or future trademarks to operate your Studio. By “trademark,” we mean trade names, trademarks, service marks, and logos used to identify your Studio.

The following is a description of the principal trademarks that we offer to you (collectively “the Musicologie Marks”):

Mark	Registration No.	Registration Date
MUSICOLOGIE (& Design) 	5446248	Apr 17, 2018
SIMPLY DELIGHTFUL MUSIC LESSONS	7065168	May 30, 2023
MUSIC MAKES US HUMAN	6901278	Nov 15, 2022

The mark below is registered on the Supplemental Register of the United States Patent and Trademark Office which is included within “the Musicologie Marks”):

Mark	Registration No.	Registration Date
ACCELERATED PIANO LAB	7264592	January 2, 2024

Our affiliate, Musicologie Limited, an Ohio limited liability company, is the registered owner of the Musicologie Marks. We have entered into an Exclusive Franchisor Trademark License Agreement with Musicologie Limited that allows us

to take all actions with the Musicologie Marks, other than selling the Marks to a third party.

As of the date of this Disclosure Document, we have filed all Declarations of Use and all renewal applications required to be filed to keep the federal registrations listed above in full force and effect. We have filed, or will file when due, all required affidavits for its registered marks listed above. No Marks are due for renewal or maintenance. We intend to maintain or renew the Marks (as applicable) if they remain important to the Musicologie brand.

You shall not use the Musicologie trademarks in any other business or activity not related to the specific and authorized requirements of their Musicologie studio. You shall disclaim any ownership rights regarding the marks specifically including, but not limited to: any claims of equity in the mark; and/or, compensation for any goodwill upon expiration or termination of their franchise for the management of a Musicologie location.

You must use Musicologie logos as approved including color combination, typeface and other features and only in the prescribed manner and without any infringement or modification to the mark. You must immediately notify Musicologie of any infringement of its mark by others and provide Musicologie with any assistance we might request to defend the mark.

You will not use the Musicologie or any other licensed trademarks in your corporate or other business name and will file, in a timely fashion, and maintain, any fictitious name registration (DBA) as locally required.

You must prominently display, as designated by Musicologie, a notice to the public that you are a franchisee of Musicologie and are managing the Musicologie location as an independent business. The notice, as further specified by Musicologie will appear on all signage, printed material, contracts, business cards and on all electronic communications including but not limited to emails and social media (if any is allowed by Musicologie).

You shall not use the Musicologie trademarks on any of its human resource materials including policies, forms, checks, etc.

No agreement limits our right to use or license the use of the Musicologie Marks. There are no material determinations, proceedings or litigation that would affect your right to use the trademarks other than as may be stated in this Disclosure Document. We do not know of any infringing use that could materially affect your use of Musicologie Marks other than as may be stated in this Disclosure Document.

As of the date this Disclosure Document was prepared, there were no effective material determinations of the Patent and Trademark Office, Trademark Trial and

Appeal Board, the trademark administrator of this state or any court. There were no pending infringement, opposition or cancellation of the trademarks and no pending material litigation involving the principal trademarks.

You must notify us immediately when you learn about an infringement of or challenge to your use of our trademark. We will take the action we think appropriate. We are not required to defend you against a claim against your use of our trademarks or to pay for any costs you incur as a result of such a claim.

You must modify or discontinue the use of the Musicologie Marks if we modify or discontinue it. If this happens, we are not required to reimburse you for your tangible costs of compliance (for example, changing signs). You must not directly or indirectly contest our right to our trademarks (including, but not limited to the Musicologie Marks) trade secrets or business techniques that are part of our business.

You must follow our rules in using these marks. You cannot use a name or mark as part of a corporate, limited liability company, other entity name, or Internet domain name. You cannot use any of our names or marks with modifying words, designs or symbols except for those that we expressly license to you. For example, your business entity name may not include any of our trademarks or any variation of them (such as, "Musicologie") and you may not use your name in advertising your store (such as "John Smith's Musicologie"). You may not use our trademarks in connection with the sale of unauthorized product or service or in any manner that we have not authorized, in writing, and in advance.

Item 14: Patents, Copyrights, and Proprietary Information

We have no patents or registered copyrights that are material to the franchise. We do, however, claim copyright interests in our curriculum, training, operating manuals, magazines, posters, pamphlets, brochures, television advertisements and all other printed, video and pictorial materials that we produce, although these materials have not been registered with the Copyright Office of the Library of Congress. These materials are proprietary and confidential and are considered our property. They may be used by you only as long as you are a franchisee, and only as provided in your Franchise Agreement. We reserve the right to register any of our intellectual property with the Copyright Office if we deem the same to be appropriate.

You do not receive the right to use an item covered by a patent or copyright unless it is expressly incorporated as proprietary information in our operations manuals. You may use these materials, in the manner we approve, in the operation of your Studio during the term of your Franchise Agreement. However, you may not use these materials in any other way for your own benefit, or communicate or disclose them to, or use them for the benefit of, any other person or entity.

These materials include any trade secrets, knowledge or know-how, confidential information, advertising, marketing, designs, plans, or methods of operation. This includes information about our sources of supply. You may disclose this information to your employees, but only to the extent necessary to operate the Studio, and then only while your Franchise Agreement is in effect. You must also promptly tell us when you learn about unauthorized uses, or challenges to our uses, of this proprietary information. We are not obligated to take any action, but will respond to this information as we think appropriate. At this time, there are no infringing uses known to us, which could materially affect your use of the copyrights.

There is no effective decision, ruling or order of the United States Patent and Trademark Office, Copyright Office of the Library of Congress or any court, which could materially affect the ownership or use of any patents or copyrighted materials. Our right to use or license any patents and/or copyrighted items that we may acquire or register is not materially limited by any agreement or known infringing use.

There are no agreements currently in effect, which significantly limit our rights to use, or license the use of, such patents or copyrights in any manner material to you.

We may use and incorporate into our System, changes and improvements that you or your employees or contractors develop, which we will then own as part of the System should we choose to include those changes and improvements in the System. We do not have an obligation to you or the developer of these changes or improvements in connection with such use.

Item 15:
Obligation to Participate in the Actual Operation
of the Franchise Business

The approved Community Manager and Studio Trainer must personally be involved in the conduct and operation of your Studio. The Community Manager, Studio Trainer or other managers cannot have an interest or relationship with any of our competitors.

Your Musicologie Studio must have the following personnel:

- An Operating Principal (which may be the Franchisee) who can also act as General Manager to oversee the franchisee's chain of Musicologie studios sufficient to meet Musicologie's brand standards. The Operating Principal is the sole person that may make decisions as they relate to any material discussion with Musicologie and once appointed, can only be changed with Musicologie's approval. Any entity, including partnerships, corporations, married or committed couples that are franchisees or developers, must appoint an Operating Principal upon signing the agreement.
- A Community Manager (which may be the franchisee, operating principal or general manager) to oversee the operation of each Musicologie studio sufficient to meet the brand standards of Musicologie.
- A Studio Trainer (which may be the franchisee, operating principal, general manager or Community Manager) to train all management, staff and other employees sufficient to meet the brand standards of Musicologie.

The Operating Principal and Community Manager do not need to be an equity participant, but are required to complete initial and continuing training to Musicologie's satisfaction. The Operating Principal, once appointed by franchisee and approved by Musicologie cannot be replaced without Musicologie's approval, which will not be unreasonably withheld.

If the Community Manager is not on the premises, a trained manager under your supervision must be at the Studio while it is open for business.

We may require the Owner Operator or the manager(s) to successfully complete training as specified by us. We may require certain certifications to be obtained by all managers. Such certification may require successfully completing training, passing tests, and a minimum amount of on the job experience. All principals, Community Managers, and Studio Trainers must be certified after we establish the program. Owner Operator and manager(s) must be able to adequately communicate (oral and written) with customers, employees, representatives of relevant government agencies, and others.

While you are a Musicologie franchisee, and for a period of time thereafter, you may not become involved in any business that is engaged in offering private music lessons, whether in-person or online.

The Owners must sign the Personal Guaranty set forth in Attachment C to the Franchise Agreement, agreeing to personally discharge all of your obligations under the Franchise Agreement and agreeing to be personally bound by some of your obligations in the Franchise Agreement relating to, among other items, competition and sale of interest in the entity owning the Studio.

Item 16:

Restrictions On What The Franchisee May Sell

We will prescribe an offering of membership services and, if applicable, products which you must offer for sale. A Musicologie Studio must offer all services and products as set forth in the Operating Manual.

We may revise the services and products that are offered periodically. You must revise your service and product offerings accordingly. We will provide assistance to you with respect to the preparation and marketing of any new services or products. There is no limitation upon the customers to whom you may sell products or services.

You may not sell or allow the sale of any unapproved product or service in your Studio. A Studio may not share its leased or owned studio space with any other business. You may not engage in co-branding without the express written consent of Musicologie Franchising, LLC. Only our approved services and products may be sold in your Studio (Franchise Agreement, Section 8(C)). (That means that you cannot sell random items at the counter. You may only sell approved Musicologie services and products.)

Musicologie reserves the right to control the minimum and maximum prices that you may charge the public for your services. You should be aware that collaboration with other franchisees in establishing prices may be considered a violation of the law.

Item 17: Renewal, Termination, Transfer, and Dispute Resolution

This table lists certain important provisions of the Franchise Agreement and related agreements pertaining to renewal, termination, transfer and dispute resolution. 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	Franchise Agreement, Section 7	10 years
b. Renewal or Extension of Term	Franchise Agreement, Section 7	One option of 10 years. To exercise the option, you must execute the renewal agreement within sixty (60) days of the end of the current Term and be in good

Provision	Section in Franchise or Other Agreement	Summary
		standing.
c. Requirements for Franchisee to Renew or Extend	Franchise Agreement, Section 7	You must not have committed a material breach during the final five years of the initial term. You may be asked to sign an agreement with materially different provisions from your initial Franchise Agreement, but the boundaries of the Territory will remain the same. The continuing royalty on renewal will not be greater than the continuing royalty that we then require of franchisees signing the then current franchise agreement. You must pay a renewal fee of \$2,500 upon renewal.
d. Termination by Franchisee	N/A	You do not have the right to unilaterally terminate this Agreement.
e. Termination by Franchisor Without Cause	N/A	We do not have the right to unilaterally terminate this Agreement without cause.
f. Termination by Franchisor With Cause	Franchise Agreement, Section 16	We can terminate the Franchise Agreement only if you default.
g. "Cause" Defined – Curable Defaults	Franchise Agreement, Section 15(C)	Unauthorized use of service marks or trademarks; operation under any name other than Musicologie; the use of food products or other supplies that do not meet the standards and specifications of Musicologie, or that were purchased from a supplier that was not approved by Musicologie; the unauthorized use or disclosure of confidential or proprietary information;

Provision	Section in Franchise or Other Agreement	Summary
		failure to pay any supplier or vendor; failure to comply with laws material to the operation of the Studio; entry of a judgment which is not satisfied or indemnified against; default under other agreements with us
h. "Cause" Defined – Non-Curable Defaults	Franchise Agreement, Section 15(B)	Abandonment of the Studio; material misrepresentation in connection with the acquisition of the franchise; conduct which reflects unfavorably on the reputation of Musicologie; conviction of or pleading guilty to a felony or other misconduct relevant to the operation of the Studio; conduct which constitutes an imminent danger to public health; dissolution, merger, or reorganization; insolvency or commencement of bankruptcy proceedings; failure to pay royalties; failure to furnish financial statements and/or financial information; failure to operate the Studio; violation of Section 14; failure to maintain insurance; and unauthorized transfer or assignment
i. Franchisee's Obligations on Termination/Non-Renewal	Franchise Agreement, Section 15(E)	Immediately cease operating the Studio; pay all sums owed to us; return all property belonging to us; cease using the Musicologie Marks or any variations thereof that could mislead the public into believing that you are still a Musicologie franchisee; cease use of the

Provision	Section in Franchise or Other Agreement	Summary
		telephone number or other numbers; cease use of any social media accounts; we may enter the Studio and remove any of our belongings or signage; acquire your assets based on the terms of Section 15(E)(vii); non-compete obligations (see r, below)
j. Assignment of Contract by Franchisor	Franchise Agreement, Section 20	No restriction on our right to assign
k. Transfer by Franchisee – Defined	Franchise Agreement, Section 15	Includes transfer of contract, assets, lease, or ownership change
l. Franchisor Approval of Transfer by Franchisee	Franchise Agreement, Section 15	You are not permitted to transfer any interest in the Franchise Agreement or in the proprietorship, partnership, corporation or LLC that owns any interest in the franchise, without our prior written consent. We will not unreasonably withhold such consent.
m. Conditions for Franchisor Approval of Transfer	Franchise Agreement, Section 15	New franchisee qualifies, completes training program, transfer fee paid, any outstanding royalties paid by you, transfer forms signed, release and subordination agreement signed by you, new franchisee will be required to sign our then current franchise agreement. Also, see r, below.
n. Franchisor's Right of First Refusal to Acquire Franchisee's Business	Franchise Agreement, Section 15	We may match any offer for your Studio or the ownership interest of any Owner
o. Franchisor's Option to Purchase	Franchise Agreement, Section 16(E)(vii)	Upon termination or expiration of the Franchise

Provision	Section in Franchise or Other Agreement	Summary
Franchisee's Business		Agreement, we have the option to acquire your Studio or the assets you used in your Studio
p. Death or Disability of Franchisee	Franchise Agreement, Section 15(E)(xii)	In the event of death, disability, or permanent incapacity of Franchisee, who is an individual, such individual or his personal representative shall have one (1) year in which to dispose of the Franchise, subject to the terms of this Agreement. If the Franchise is not disposed within one (1) year of the death, disability, or permanent incapacity of Franchisee, the Franchise shall automatically terminate. Subject to this Agreement, the Franchise may be transferred to the spouse or heirs of the deceased, disabled, or permanently incapacitated individual.
q. Non-Competition Covenants During the Term of the Franchise	Franchise Agreement, Section 14	No involvement whatsoever in competing business
r. Non-Competition Covenants After the Franchise is Terminated or Expires	Franchise Agreement, Section 14	No competing business for a consecutive 2 year period within 60 miles of your former Studio or any other Musicologie Studio.
s. Modification of Agreement	Franchise Agreement, Sections 2 and 18	No modifications except as caused by change in law, but the Operating Manual and the System is subject to change. The policies or quality control standards may be revised by us in our sole discretion concerning any aspect of the System.

Provision	Section in Franchise or Other Agreement	Summary
t. Integration/Merger Clause	Franchise Agreement, Section 28	The Franchise Agreement is the complete agreement between you and us and supersedes all prior agreements, understandings or representations. 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.
u. Dispute Resolution by Arbitration or Mediation	Franchise Agreement, Section 16(E)(vii)	Limited to determining the fair market value of your assets.
v. Choice of Forum	Franchise Agreement, Sections 23 and 24	All litigation, except for injunctive relief initiated by Musicologie, must be commenced and litigated exclusively in Franklin County, Ohio, whether in municipal court, common pleas, or the United States District Court for the Southern District of Ohio. If Musicologie seeks injunctive relief, it has the right to file suit in the jurisdiction and venue of your Musicologie Studio.
w. Choice of Law	Franchise Agreement, Section 23	The Franchise Agreement is governed by the laws of Ohio.

Some states have statutes which may supersede the franchise agreement in your relationship with us, including the areas of termination and renewal of your franchise. Some states may have court decisions which may supersede the Franchise Agreement in your relationship with us including the areas of termination and renewal of your franchise, venue for disputes and governing law.

The provision of the Franchise Agreement that provides for termination upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.)

See the state addenda to the Franchise Agreement and disclosure document for special state disclosures.

**Item 18:
Public Figures**

We currently do not use any public figure to promote our franchises.

**Item 19:
Financial Performance Representations**

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

Below, we provide a series of tables containing total sales and student enrollment information for 2023 for certain sets and subsets of Musicologie businesses that were operating during those years. All Musicologie businesses discussed below operate under the name "Musicologie" and conduct a business similar to the type of business that you will operate. "Company-owned" refers to the Musicologie businesses owned and operated by our affiliate, Musicologie Development, LLC, along with its respective community manager partners in each respective Studio.

There are no franchisee-owned studios because Musicologie does not have any franchisees as of the date of this Disclosure Document. Company-owned studios do not pay the royalty fee, which you will be required to pay as a franchisee owned studio.

This historic financial performance representation below relates to all 6 Musicologie Studios in operation between January 1, 2023 and December 31, 2023. Because there are only six (6) reporting Studios, each individual Studio's numbers are disclosed below.

TABLE 1

Actual Gross Sales For Company-Owned Studios (2023)

STUDIO	Annual Gross Sales
Grandview	\$891,630
Westerville	\$613,874
Dublin	\$629,657
Lewis Center	\$364,955
Cleveland Heights	\$488,758
Anderson	\$283,375

The Studios reported in Table 1 are all company-owned Studios that have been open for a period of at least twelve (12) months.

TABLE 2
Average Gross Sales For Company-Owned Studios (2023)

	Average Annual Gross Sales	Minimum Gross Sales	Maximum Gross Sales	# of Studios Above Average	% of Studios Above Average
All Studios	\$545,374	\$283,375	\$891,630	3	50%

The median Gross Sales for all company-owned Studios in 2022 was \$430,095.

TABLE 3
Actual Student Enrollment for Company-Owned Studios (2023)

STUDIO	2023 Student Enrollment
Grandview	455
Westerville	356
Dublin	338
Lewis Center	148
Cleveland Heights	284
Anderson	162

The number of students enrolled at a Studio includes only students actively enrolled in weekly lessons on December 31, 2023.

TABLE 4
Average Student Enrollment for Company-Owned Studios (2023)

	Average Student Enrollment	Minimum Student Enrollment	Maximum Student Enrollment	# of Studios Above Average	% of Studios Above Average
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All Company-Owned Studios	290.50	148	455	3	50%
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The median student enrollment was 311 in 2023.

TABLE 5
Actual Operating Costs and Profit Before Other Expenses for Company-Owned Studios (2023)

	Grandview	Westerville	Dublin	Lewis Center	Cleveland Heights	Anderson	Average	Median	# of Studios Above Average	% of Studios Above Average
Gross Sales	\$891,630	\$613,874	\$629,657	\$364,955	\$488,758	\$283,375	\$545,374	\$551,316	3	50%
Teacher Cost	\$418,564	\$301,850	\$336,614	\$201,740	\$238,868	\$142,195	\$273,305	\$270,359	3	50%
Teacher Cost % of Gross Sales	46.94%	49.17%	53.46%	55.28%	48.87%	50.18%	50.65%	49.68%	3	50%
Non-Teacher Payroll	\$46,994	\$42,468	\$36,351	\$26,826	\$47,040	\$0	\$33,280	\$39,409	3	50%
Non-Teacher Payroll % of Gross Sales	5.27%	6.92%	5.77%	7.35%	9.62%	0%	5.82%	6.35%	3	50%
Occupancy Cost	\$50,101	\$32,075	\$32,328	\$33,113	\$18,442	\$21,349	\$31,235	\$32,201	4	66%
Rent Cost % of Gross Sales	5.62%	5.23%	5.13%	9.07%	3.77%	7.53%	6.06%	5.42%	2	66%
Local Marketing Cost	\$11,241	\$6,763	\$7,456	\$10,029	\$6,555	\$9,055	\$8,517	\$8,256	3	50%
Local Marketing Cost % of Gross Sales	1.26%	1.1%	1.8%	2.75%	1.34%	3.2%	1.8%	1.3%	2	33%
Other Expenses	\$65,270	\$63,968	\$56,262	\$35,727	\$42,244	\$27,167	\$48,440	\$49,253	3	50%

	Grandview	Westerville	Dublin	Lewis Center	Cleveland Heights	Anderson	Average	Median	# of Studios Above Average	% of Studios Above Average
Other Expenses % of Gross Sales	7.32%	10.42%	8.94%	9.79%	8.64%	9.59%	9.12%	9.26%	3	50%
Imputed Royalties	\$62,414	\$42,971	\$44,075	\$25,546	\$34,213	\$19,836	\$38,176	\$38,592	3	50%
Brand Fund	\$17,832	\$12,277	\$12,593	\$7,299	\$9,775	\$5,667	\$10,907	\$11,026	3	50%
Profit Before Other Expenses	\$219,211	\$111,498	\$103,973	\$24,672	\$138,658	\$83,608	\$113,603	\$107,736	3	50%
Profit Before Other Expenses % of Gross Sales	24.59%	18.16%	16.51%	6.76%	28.37%	29.50%	20.65%	21.37%	3	50%

The Teacher Cost includes all payments made through payroll to music teachers who provide instruction to students. Non-Teacher Payroll includes all payments made through payroll to persons other than teachers, such as administrators or Community Managers.

Occupancy Cost includes all rent expenses, including common area maintenance and taxes if applicable, plus utilities and building maintenance.

Local Marketing Cost includes any local marketing expenditures. You are required to spend at least two percent (2%) of your Gross Sales or Five Hundred Dollars per month (whichever is greater) on local marketing. This table shows our actual percent of Gross Sales spent on local marketing efforts.

Other Expenses include any other expenditure that was necessary to operate the respective Studios that was not captured in any of the other published categories in this Item 19 Disclosure.

Imputed royalties are seven percent (7%) of Gross Sales. While the company-owned Studios did not actually pay royalties during this period, you will have to pay the seven percent (7%) royalty for the duration of your Franchise Agreement. The

company-owned stores are operated by Musicologie and accordingly are not required to pay a royalty to Musicologie.

The Imputed Brand Fund charge is two percent (2%) of Gross Sales. While the company-owned Studios did not actually pay the Brand Fund during this period, the company-owned Studios will be paying the Brand Fund beginning on the date of this Disclosure Document.

Profit Before Other Expenses is the earnings before interest, taxes, and depreciation of each respective company-owned Studio. The Profit Before Other Expenses subtracts the imputed royalties and imputed Brand Fund charge even though those expenses were not actually incurred in 2023 by the company-owned Studios.

TABLE 7
Operating Costs and Profit Before Other Expenses for Company-Owned Studios During First 12 Months of Operations

6 Total Studios Measured	Top Third Average	Middle Third Average	Bottom Third Average	Overall Average	Median	# of Studios Above Average	% of Studios Above Average
Gross Sales	\$205,961	\$118,131	\$91,005	\$138,366	\$118,131	2	33.33%
Teacher Cost	\$113,109	\$65,668	\$32,328	\$70,368	\$74,180	3	50.00%
Teacher Cost % of Gross Sales	62.37%	55.09%	24.85%	47.44%	55.09%	5	83.33%
Non-Teacher Payroll	\$610	\$0	\$0	\$244	\$0	1	16.67%
Non-Teacher Payroll % of Gross Sales	0.33%	0%	0%	0.11%	0%	1	16.67%
Rent Cost	\$24,542	\$20,572	\$15,471	\$20,195	\$20,572	3	50.00%
Rent Cost % of Gross Sales	22.39%	18.43%	8.69%	16.50%	18.43%	4	66.67%
Local Marketing Cost	\$5,204	\$2,105	\$573	\$3,153	\$2,105	1	16.67%
Local	2.69%	1.53%	0.56%	1.60%	1.53%	3	50.00%

Marketing Cost % of Gross Sales							
Other Expenses	\$22,882	\$19,542	\$4,923	\$18,939	\$19,541	4	66.67%
Other Expenses % of Gross Sales	20.24%	12.86%	2.61%	11.90%	12.86%	3	50.00%
Imputed Royalties	\$14,417	\$8,269	\$6,370	\$9,686	\$8,269	2	33.33%
Imputed Brand Fund	\$4,119	\$1,181	\$910	\$1,384	\$1,181	2	33.33%
Profit Before Other Expenses	\$36,628	(\$1,086)	(\$10,927)	\$9,845	(\$1,086)	2	33.33%
Profit Before Other Expenses % of Gross Sales	17.85%	(0.78%)	(10.75%)	2.53%	(0.78%)	2	33.33%

The above table reflects data from the first twelve months of operations of six corporate stores during their first twelve (12) months. These studios include four (4) newly started studios and two (2) acquired studios that were converted to Musicologie Studios.

The Teacher Cost includes all payments made through payroll to music teachers who provide instruction to students. Non-Teacher Payroll includes all payments made through payroll to persons other than teachers, such as administrators or community managers.

Rent Cost includes all rent expenses, including common area maintenance and taxes if applicable.

Local Marketing Cost includes any local marketing expenditures. You are required to spend two percent (2%) of your Gross Sales or Five Hundred Dollars (\$500) (whichever is greater) on local marketing. This table shows our actual percent of Gross Sales spent on local marketing efforts.

Other Expenses include any other expenditure that was necessary to operate the respective Studios that was not captured in any of the other published categories

in this Item 19 Disclosure.

Imputed royalties are seven percent (7%) of Gross Sales. While the company-owned Studios did not actually pay royalties during this period, you will have to pay the seven percent (7%) royalty for the duration of your Franchise Agreement. The company-owned stores are operated by Musicologie and accordingly are not required to pay a royalty to Musicologie.

The Imputed Brand Fund charge is two percent (2%) of Gross Sales. While the company-owned Studios did not actually pay the Brand Fund during this period, the company-owned Studios will be paying the Brand Fund beginning on the date of this Disclosure Document.

Profit Before Other Expenses is the earnings before interest, taxes, and depreciation of each respective company-owned Studio. The Profit Before Other Expenses subtracts the imputed royalties and imputed Brand Fund charge even though those expenses were not actually incurred in 2022 by the company-owned Studios.

Musicologie Franchising, LLC possesses written substantiation for all Reporting Studios.

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

**Item 20:
Outlets And Franchise Information**

**Table No. 1
Systemwide Outlet Summary for 2021-2023**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
Company Owned	2021	5	6	+1
	2022	6	6	0
	2023	6	6	0
Total Outlets	2021	5	6	+1
	2022	6	6	0
	2023	6	6	0

Table No. 2
Transfers of Outlets from Franchisees to New Owners
(Other than the Franchisor) for years 2021-2023

State	Year	Number of Transfers
TOTAL	2021	0
	2022	0
	2023	0

Table No. 3
Status of Franchise Outlets
for years 2021-2023

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-renewals	Re-acquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of Year
Totals	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0

Table No. 4
Status of Company Owned Outlets
for years 2021-2023

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
Ohio	2021	5	1	0	0	0	6
	2022	6	0	0	0	0	6
	2023	6	0	0	0	0	6
TOTALS	2021	5	1	0	0	0	6
	2022	6	0	0	0	0	6
	2023	6	0	0	0	0	6

Note: Of the six company owned outlets, four of the outlets are owned and operated by an affiliate of franchisor. Two of the outlets are operated as a joint venture between franchisor and various operating partners.

Table No. 5
Projected Openings as of December 31, 2023

State	Franchise Agreements Signed, but Outlet Not Opened	Projected New Franchise Outlet in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
TOTAL	0	2	1

Current Franchisee Contact Information

There are no current franchisees.

Former Franchisee Contact Information

There are no franchisees who have left the system or with whom we have not communicated with 10 weeks prior to 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.

Franchisees Who Have Signed Agreements, But Not Yet Opened for Business

There are no franchisees who have signed franchise agreements, but are not yet open for business.

Confidentiality Agreements

During the last three fiscal years, we have not signed any confidentiality clauses with a current or former franchisee in a Franchise Agreement, settlement agreement or any other contract restricting their ability to speak to you openly about their experience with us.

Franchisee Associations

There are no trademark-specific franchisee organizations associated with the franchise system. There are no trademark-specific franchisee organizations associated with the franchise system which are incorporated or otherwise organized under state law and have asked us to be included in the our disclosure document during the next fiscal year

Item 21: Financial Statements

We do not have annual audited financial statements for the past three years since we are a new entity and have not been in operation for that length of time. We

were formed on March 25, 2022. Exhibit E to this Disclosure Document contains our audited annual financial statements for fiscal years ended December 31, 2023 and December 31, 2022 and our unaudited opening balance sheet, which reflects the condition of the franchisor as of April 30, 2022 (since the Franchisor was not in existence on December 31, 2021). Franchisor's fiscal year ends on December 31.

Item 22: Contracts

The following agreements are attached to this Disclosure Document as Exhibits in the pages immediately following:

- Exhibit A State Addenda to Disclosure Document, Franchise Agreement
- Exhibit D Franchise Agreement
 - Attachment A: Assignment of Telephone Number(s)
 - Attachment B: Registered Trademarks
 - Attachment C: Personal Guaranty
 - Attachment D: ACH Authorization Form
 - Attachment E: Lease Addendum
 - Attachment F: Multi-Studio Development Agreement
- Exhibit F Receipts

Item 23: Receipts

Our and your copies of the Franchise Disclosure Document Receipt are located at the last 2 pages of this disclosure document.

Exhibit A
State Addenda to Disclosure Document

**ADDITIONAL DISCLOSURES FOR THE
MULTISTATE FRANCHISE DISCLOSURE DOCUMENT OF
MUSICOLOGIE FRANCHISING, LLC**

The following are additional disclosures for the Multistate Franchise Disclosure Document of Musicologie Franchising, LLC required by various state franchise laws. Each provision of these additional disclosures will not apply unless, with respect to that provision, the jurisdictional requirements of the applicable state franchise registration and disclosure law are met independently without reference to these additional disclosures.

ILLINOIS

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

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 acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

INDIANA

Nothing in the Disclosure Document or the Franchise Agreement is intended to be contrary to the provisions of the “Deceptive Franchise Practices” law of Indiana, which is contained in Indiana Code, Title 23, Article 2, Chapter 2.7, Sections 1 through 7 as amended (“Indiana Franchise Practices Law”). In the event of any conflict between any provision of the Franchise Agreement and the Indiana Franchise Practices Law, the Indiana law will control, but in that case, the provisions of the Franchise Agreement affected will be limited only to the extent necessary to bring it within the requirement of the law and, to that extent, that provision shall be deemed to have been omitted from the Franchise Agreement as of the date of execution of the Franchise Agreement. This will not affect the validity of any remaining portion of the Franchise Agreement.

MINNESOTA

No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

ITEM 6 of the Disclosure Document is amended to add the following:

Dishonored Check of ACH draft or EFT failure	\$30	On demand	You must pay us for each check returned, ACH draft refused by your financial institution, or EFT attempt that was unsuccessful for insufficient funds in your account.
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ITEM 13 of the Disclosure Document is amended to add the following:

As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12, Subd.1(g), Franchisor will reimburse the Franchisee for any costs incurred by the Franchisee in the defense of the Franchisee's right to use the Marks, so long as the Franchisee was using the Marks in the manner authorized by Franchisor, and so long as Franchisor is timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

ITEM 17(b) of the Disclosure Document is amended to add the following:

We will comply with Minn. Stat. §80C.14, which requires that we give you 180 days' notice for non-renewal of the franchise except in specified circumstances.

ITEM 17(c) and ITEM 17(m) of the Disclosure Document are amended to add the following:

Any general releases you sign as a condition of renewal and/or assignment/transfer will not apply to claims arising under Minn. Stat. §80C and we will not unreasonably withhold our consent to a transfer.

ITEM 17(f) of the Disclosure Document is amended to add the following:

We will comply with Minn. Stat. §80C.14, which requires that we give you 90 days' notice of termination and you will have 60 days to cure your default.

ITEM 17 of the Disclosure Document is amended to add the following:

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400(J) prohibit Franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Disclosure Document or the Franchise Agreement can abrogate or reduce (1) any of your rights as provided for in Minnesota Statutes, Chapter 80C, or (2) your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction. Further, Franchisee cannot consent to Franchisor obtaining injunctive relief; but, the Franchisor may seek injunctive relief.

RHODE ISLAND

1. ITEM 17(v) of the Disclosure Document is amended to add the following:

Subject to arbitration requirements, litigation generally must be where we have our principal business address at the time the action is commenced (it currently is in Canal Winchester, Ohio), except that, to the extent required by the Rhode Island Franchise Investment Act, you may bring an action in Rhode Island.

2. ITEM 17(w) of the Disclosure Document is amended to add the following:

Except for Federal Arbitration Act and other federal law, and except as otherwise required by the Rhode Island Franchise Investment Act, Ohio law applies.

WISCONSIN

ITEM 17 of the Disclosure Document is amended to add the following:

The Wisconsin Fair Dealership Law Title XIV-A Ch. 135, Section 135.01-135.07, may affect the termination provision of the Franchise Agreement.

**RIDER TO THE MUSICOLOGIE FRANCHISING, LLC
FRANCHISE AGREEMENT
FOR USE IN ILLINOIS**

This Rider (the "Rider") is made and entered as of _____, between Musicologie Franchising, LLC, an Ohio limited liability company ("we," "us," "our," or "Franchisor"), and _____ ("you," "your," or "Franchisee").

WHEREAS, Franchisor and Franchisee have contemporaneously herewith entered into a Franchise Agreement (the "Agreement") and the parties wish to amend the Agreement.

WHEREAS, this Rider is being signed because (a) any of the offer or sales activity relating to the Franchise Agreement occurred in Illinois and the Studio you will operate under the Franchise Agreement will be located in Illinois, and/or (b) you are a resident of Illinois.

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

1. The provisions of this Rider form an integral part of, and are incorporated into, the Agreement. Notwithstanding anything to the contrary in the Agreement, in the event of a conflict between the provisions of the Agreement and the provisions of this Rider, the provisions of this Rider shall control. The parties agree that the Agreement remains fully effective in all respects except as specifically modified herein, and all the respective rights and obligations of Franchisee and Franchisor remain as written unless modified herein.
2. Amendment. The following provisions are added as a new Section 30 of the Franchise Agreement:

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 acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. Capitalized Terms. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Franchise Agreement.

4. Effect of Rider. Each provision of this Rider shall be effective only to the extent that the jurisdictional requirements of the Illinois Franchise Disclosure Act applicable to the provision are met independent of this Rider. This Rider shall have no force or effect if such jurisdictional requirements are not met.

[Signatures appear on the following page]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider effective on the date first stated above.

**MUSICOLOGIE FRANCHISING,
LLC,**
an Ohio limited liability company

By: _____
Name: _____
Title: _____

FRANCHISE OWNER

[Name]

By: _____
Name: _____
Title: _____

**RIDER TO THE MUSICOLOGIE FRANCHISING, LLC
FRANCHISE AGREEMENT
FOR USE IN MINNESOTA**

This Rider (the "Rider") is made and entered as of _____,
between Musicologie Franchising, LLC, an Ohio limited liability company ("we," "us,"
"our," or "Franchisor"), and _____ ("you,"
"your," or "Franchisee").

WHEREAS, Franchisor and Franchisee have contemporaneously herewith entered into a Franchise Agreement (the "Agreement") and the parties wish to amend the Agreement.

WHEREAS, this Rider is being executed because (a) the Studio that Franchisee will operate under the Agreement will be located in Minnesota; and/or (b) any of the franchise offering or sales activity with respect to the Agreement occurred in Minnesota.

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

1. The provisions of this Rider form an integral part of, and are incorporated into, the Agreement. Notwithstanding anything to the contrary in the Agreement, in the event of a conflict between the provisions of the Agreement and the provisions of this Rider, the provisions of this Rider shall control. The parties agree that the Agreement remains fully effective in all respects except as specifically modified herein, and all the respective rights and obligations of Franchisee and Franchisor remain as written unless modified herein.

2. Section 7.B of the Agreement is amended to add the following:

Unless the failure to renew your license is for good cause as defined in Minnesota Statutes Section 80C.14, Subdivision 3, Paragraph (b), and you have failed to correct the reasons for termination as required by Subdivision 3, we may not fail to renew your license unless:

(a) You have been given written notice of the intention not to renew at least 180 days in advance of the expiration of this Agreement; and

(b) You have been given an opportunity to operate the Studio over a sufficient period of time to enable you to recover the fair market value of the Studio as a going concern, as determined and measured from the date of the failure to renew. We may not refuse to renew your license if our refusal is for the purpose of converting the Studio premises, or the franchise, to an operation that will be owned by us for our own account.

Any release required by us as a condition of renewal of the franchise will not apply to the extent that such release is specifically prohibited by the Minnesota Franchise Law.”

3. Section 10 of the Agreement is amended to add the following:

“Pursuant to Minnesota Rule 2860.4400J, the foregoing acknowledgments contained in this section shall not be construed as a waiver of your rights.”

4. Section 13 of the Agreement is amended to add the following:

Under Minn. Stat. §80c.12 Subd. 1(g), we must indemnify you against liability to third parties resulting from claims by third parties that your use of our trademark infringes the trademark rights of the third party. We do not indemnify against the consequences of your use of our trademark except in accordance with the requirements of this Agreement and, as a condition to indemnification, you must provide prompt notice to us of any such claim and immediately tender the defense of the claim to us. If we accept the tender of defense, we have the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

5. Sections 15.D and 15.E.i.7 of the Agreement are amended to add the following:

However, any release required by us as a condition of transfer of the franchise will not apply to the extent that such release is specifically prohibited by the Minnesota Franchise Law.

6. Section 16 of the Agreement is amended to add the following:

Pursuant to Minn. Stat. Sec. 80C.14, Subdivisions 4 & 5, no person may terminate or cancel a franchise unless (i) that person has given notice setting forth all the reasons for the termination or cancellation at least 90 days in advance of termination or cancellation, and (ii) the recipient of the notice fails to correct the reasons stated for termination or cancellation in the notice within 60 days of receipt of the notice; except that the notice is effective immediately upon receipt where the alleged grounds for termination or cancellation are:

- (a) voluntary abandonment of the franchise relationship by you;
- (b) the conviction of you of an offense that is directly related to the business conducted pursuant to the franchise; or
- (c) failure to cure a default under this Agreement which materially impairs the goodwill associated with our trade name, trademark, service mark, logotype or other commercial symbol after you have received written notice to cure at least twenty-four (24) hours in advance thereof.

7. Sections 16.E.vii.2 and 22 of the Agreement are amended to add the following:

Under Minnesota law, we may seek a restraining order, injunction and such other equitable relief as may be appropriate, but we are not automatically entitled to such relief and you have not automatically consented to such relief.

8. Sections 16.E.vii.2 and 22 of the Agreement are amended to add the following:

Pursuant to Minnesota Statutes Section 80C.21 and Minnesota Rule Part 2860.4400J, and subject to your arbitration obligations, this section shall not in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, including the right to submit matters to the jurisdiction of the courts of Minnesota and the right to bring a cause of action within three (3) years after the cause of action accrues. You cannot be required to consent to the waiver of a jury trial.

9. Section 24 of the Agreement is amended to add the following:

Regardless of the foregoing, pursuant to Minnesota Statutes Section 80C.17, Subd 5, any and all claims arising out of or relating to this Agreement or our relationship will be barred unless a legal proceeding is commenced within three (3) years from when the cause of action accrued.

10. The following language is added a new Section 30 to the Franchise Agreement:

“No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.”

11. Capitalized Terms. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Franchise Agreement.

12. Effect of Rider. Each provision of this Rider shall be effective only to the extent that the jurisdictional requirements of the Minnesota Franchise Act applicable to the provision are met independent of this Rider. This Rider shall have no force or effect if such jurisdictional requirements are not met.

[Signatures appear on the following page]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider effective on the date first stated above.

**MUSICOLOGIE FRANCHISING,
LLC,**
an Ohio limited liability company

FRANCHISE OWNER

By: _____
Name: _____
Title: _____

[Name]

By: _____
Name: _____
Title: _____

**RIDER TO THE MUSICOLOGIE FRANCHISING, LLC
FRANCHISE AGREEMENT
FOR USE IN RHODE ISLAND**

This Rider (the "Rider") is made and entered as of _____, between Musicologie Franchising, LLC, an Ohio limited liability company ("we," "us," "our," or "Franchisor"), and _____ ("you," "your," or "Franchisee").

WHEREAS, Franchisor and Franchisee have contemporaneously herewith entered into a Franchise Agreement (the "Agreement") and the parties wish to amend the Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the Studio that Franchisee will operate under the Agreement was made in the State of Rhode Island, and/or (b) Franchisee is a resident of Rhode Island and the Studio will be located in Rhode Island.

NOW, THEREFORE, for and in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Agreement is hereby amended as follows:

1. Notwithstanding anything to the contrary in the Agreement, in the event of a conflict between the provisions of the Agreement and the provisions of this Rider, the provisions of this Rider shall control. The parties agree that the Agreement remains fully effective in all respects except as specifically modified herein, and all the respective rights and obligations of Franchisee and Franchisor remain as written unless modified herein.

2. Sections 16.E.vii.2 and 22 of the Agreement are amended to add the following:

"Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that 'A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.' To the extent required by applicable law, Rhode Island law will apply to claims arising under the Rhode Island Franchise Investment Act."

3. Capitalized Terms. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Franchise Agreement.

4. Effect of Rider. Each provision of this Rider shall be effective only to the extent that the jurisdictional requirements of the Rhode Island Franchise Investment Act applicable to the provision are met independent of this Rider. This Rider shall have no force or effect if such jurisdictional requirements are not met.

[Signatures appear on the following page]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to the Franchise Agreement, to be effective on the Effective Date.

**MUSICOLOGIE FRANCHISING,
LLC,**
an Ohio limited liability company

FRANCHISEE

By: _____
Name:

Title:

[Name]

By: _____
Name:

Title:

**RIDER TO THE MUSICOLOGIE FRANCHISING, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF WISCONSIN**

This Rider (the "Rider") is made and entered as of _____, between Musicologie Franchising, LLC, an Ohio limited liability company ("we," "us," "our," or "Franchisor"), and _____ ("you," "your," or "Franchisee").

WHEREAS, the parties have contemporaneously herewith entered into a Franchise Agreement (the "Agreement") and the parties wish to amend the Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the Studio that you will operate under the Agreement was made in the State of Wisconsin, (b) you are a resident of Wisconsin, and/or (c) the Studio will be located or operated in the State of Wisconsin.

NOW, THEREFORE, for and in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Agreement is hereby amended as follows:

1. Notwithstanding anything to the contrary in the Agreement, in the event of a conflict between the provisions of the Agreement and the provisions of this Rider, the provisions of this Rider shall control. The parties agree that the Agreement remains fully effective in all respects except as specifically modified herein, and all the respective rights and obligations of you and us remain as written unless modified herein.

2. Notwithstanding anything that may be contained in the body of the Agreement to the contrary, Sections 7 and 16 of the Agreement are extended as follows:

"For all franchises sold in the State of Wisconsin, we will provide you at least 90 days' prior written notice of termination, cancellation, nonrenewal or substantial change in competitive circumstances. The notice will state all the reasons for termination, cancellation, nonrenewal or substantial change in competitive circumstances and will provide that you have 60 days in which to rectify any claimed deficiency. If the deficiency is rectified within 60 days, the notice will be void. These notice requirements shall not apply if the reason for termination, cancellation or nonrenewal is insolvency, the occurrence of an assignment for the benefit of creditors or bankruptcy. If the reason for termination, cancellation, nonrenewal or substantial change in competitive circumstances is nonpayment of sums due under the franchise, you will be entitled to written notice of such default, and will have not less than 10 days in which to remedy such default from the date of delivery or posting of such notice."

3. The Wisconsin Fair Dealership Law. The Wisconsin Fair Dealership Law Title XIV-A Ch. 135, Sec. 135.01-135.07, will supersede any conflicting terms of the Agreement.

4. Capitalized Terms. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Agreement.

5. Effect of Rider. Each provision of this Rider shall be effective only to the extent that the jurisdictional requirements of the Wisconsin Fair Dealership Law applicable to the provision are met independent of this Rider. This Rider shall have no force or effect if such jurisdictional requirements are not met.

[Signatures appear on the following page]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to the Franchise Agreement, to be effective on the Effective Date.

**MUSICOLOGIE FRANCHISING,
LLC,**
an Ohio limited liability company

FRANCHISEE

By: _____
Name:

Title:

[Name]

By: _____
Name:

Title:

Exhibit B
State Franchise Administrators/Agents for Service of Process

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for the franchising disclosure/registration laws. We might not be registered to sell franchises in any or all of these states.

State	State Agency	Agent for Service of Process
CALIFORNIA	Department of Financial Protection and Innovation 320 West 4 th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7500 Toll-free (866-275-2677)	Department of Financial Protection and Innovation
HAWAII	Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division 335 Merchant Street, Room 205 Honolulu, HI 96813 (808) 586-2744	Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722
ILLINOIS	Office of Attorney General Franchise Bureau 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General
INDIANA	Securities Commissioner Indiana Securities Division 302 West Washington St., Room E111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 200 West Washington Street, Room 201 Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner at the Office of the Attorney General 200 St. Paul Place Baltimore, MD 21202-2020

State	State Agency	Agent for Service of Process
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Attn: Franchise Section 525 W. Ottawa Street G. Mennen Williams Bldg. 1 st Floor Lansing, MI 48933 (517) 373-7117	Michigan Department of Attorney General Consumer Protection Division
MINNESOTA	Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198 (651)-539-1638	Minnesota Commissioner of Commerce
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21 st Floor New York, NY 10005 (212) 416-8222	Secretary of State 99 Washington Avenue, 6th Fl Albany, NY 12231
NORTH DAKOTA	Securities Commissioner North Dakota Securities Department 600 East Boulevard Avenue State Capitol, 5 th Floor Bismarck, ND 58505-0510 (701) 328-4712	Securities Commissioner North Dakota Securities Department
RHODE ISLAND	Rhode Island Department of Business Regulation Division of Securities 1511 Pontiac Avenue John O. Pastore Complex – Bldg. 69-1 Cranston, RI 02920 (401) 462-9500 x5	Director of Rhode Island Department of Business Regulation

State	State Agency	Agent for Service of Process
SOUTH DAKOTA	South Dakota Division of Insurance Securities Regulation 124 S Euclid, Suite 104 Pierre, SD 57501 (605) 773-4823	Director of the South Dakota Division of Securities
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising Tyler Building, 9 th Floor 1300 East Main Street Richmond, VA 23219 (804) 371-9051	Clerk, Virginia State Corporation Commission Tyler Building, 1st Floor 1300 E. Main Street Richmond, VA 23219
WASHINGTON	Securities Division Department of Financial Institutions P.O. Box 9033 Olympia, WA 98501 (360) 902-8760	Securities Division Department of Financial Institutions 150 Israel Rd S.W. Tumwater, WA 98501
WISCONSIN	Department of Financial Institutions 4822 Madison Yards Way, North Tower Madison, WI 53705 (608) 266-3364	Wisconsin Commissioner of Securities

Exhibit C
Musicologie Operating Manual Table of Contents

1391 Pages Total

Brand Standards Manual

Chapter Title	Number of Pages
Preface and Introduction	19
Offerings, Curricula and Membership	12
Financial Management	8
Customer Service Philosophy and Policies	26
Operations	37
Safety and Security	20
Labor Management	36
Marketing	33
Total Pages	191

Curriculum	Number of Pages
Musicologie Junior	500
Rock Band	650
Accelerated Piano Lab	50
Total Pages	1391

EXHIBIT D

**Musicologie Franchising, LLC
Franchise Agreement**

LOCATION: _____

TABLE OF ATTACHMENTS

- A. Assignment of Telephone Number(s)
- B. Registered Trademarks
- C. Personal Guaranty
- D. ACH Authorization Form
- E. Lease Addendum
- F. Multi-Studio Development Agreement

Musicologie Franchising, LLC Franchise Agreement

Location: _____

This Franchise Agreement ("Agreement") is made and entered into by and between Musicologie Franchising, LLC, an Ohio limited liability company ("Musicologie") and _____ ("Franchisee,") and is effective as of _____ ("Effective Date").

PREAMBLES

WHEREAS, Musicologie is engaged in the business of franchising unique music education studio System under the trade name "Musicologie®;"

WHEREAS, the distinguishing characteristics of the Musicologie System include, but are not limited to, the trade names and service mark, "Musicologie ®," together with any other marks and symbols used in the Musicologie System;

WHEREAS, Franchisee recognizes the benefits to be derived from being identified with and licensed by Musicologie and from utilizing the system, which it makes available to its franchisees;

WHEREAS, Franchisee desires to establish, own, and operate a "Musicologie ®" Studio at the location described in this Agreement, upon the terms and conditions of this Agreement, which are necessary to maintain Musicologie's standards of quality and service and to protect and enhance the goodwill and public image of our system;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties agree as follows:

1. Grant of Franchise. Subject to the provisions of this Agreement and for the term hereinafter specified, Musicologie hereby grants to Franchisee the right to establish, own, and operate a Musicologie® Studio (the "Studio"), but only at the location set forth in Section 6. Franchisee shall have the right to use the Musicologie System at the Studio and to be identified as a member of the Musicologie franchise, subject to the terms and conditions of this Agreement.

2. Quality Control And System.

A. The Musicologie System (the "System") is a unique style of providing music education services of uniform quality. The System is based on the tested and proven best practices of company-owned Musicologie Studios. The most fundamental aspect of the System is the adherence by Franchisee to the standards and policies of Musicologie for ensuring the uniform operation of all Studios using

the System, including, but not limited to, providing only the designated music education services, the utilization of only designated prescribed equipment, building layouts and design, and the emphasis upon prompt and courteous instruction provided in a clean and inviting atmosphere. The System is set forth in the Operating Manual, which is located on the Musicologie Intranet. Franchisee will receive access to the Musicologie Intranet upon the execution of this Agreement.

B. Musicologie may periodically revise the Operating Manual and the System by communicating any such revisions to Franchisee, whether by posting revisions to a password protected website for which Franchisee will be granted access (such as the Musicologie Intranet), electronic mail, regular mail, or otherwise. Franchisee shall regularly monitor the Musicologie Intranet for any revisions or updates to the Operating Manual and implement such revisions and updates pursuant to the timeline (which shall be commercially reasonable) provided by Musicologie.

C. Franchisee shall operate the Studio according to the System, including the Operating Manual and all standards, policies, and specifications periodically established or revised by Musicologie. This is a material term. In the event that Franchisee fails to strictly comply with any part of the System, Franchisee agrees to pay a one-time Two Hundred Fifty Dollars (\$250) fee for each non-complying aspect of the System ("Brand Standards Fee"). A Brand Standards Fee may be issued only after Musicologie has first provided Franchisee with written notice of the nature of the non-compliance and what Franchisee must do to be in compliance with the System. For the purpose of this Section, electronic mail notice shall constitute written notice. If Franchisee remains in non-compliance after five (5) days of receiving said written notice, Musicologie may collect the Brand Standards Fee through Electronic Payments. If Franchisee fails to remedy its non-compliance within five (5) business days of Musicologie charging the Brand Standards Fee to Franchisee, Musicologie may either: 1) charge an additional weekly royalty fee of two percent (2%) (in addition to the royalty set forth in Section 4(C)) ("Brand Standards Liquidated Damages") for the remainder of the duration of Franchisee's non-compliance, or 2) deem Franchisee to be in Default of this Agreement pursuant to Section 16. Actual damages likely to result from Franchisee's continued non-compliance that resulted in the Brand Standards Fee are difficult to estimate on the date of this Agreement and would be difficult for Musicologie to prove. The parties intend that Franchisee's payment of the Brand Standards Liquidated Damages would serve to compensate Musicologie for any continuing breach by Franchisee that resulted in the Brand Standards Fee under this Agreement, and/or the Brand Standards Liquidated Damages, do not intend to serve as punishment for any such breach by Franchisee. Musicologie may collect the Brand Standards Liquidated Damages through Electronic Payments.

D. Franchisee acknowledges that all standards and policies established by Musicologie and all information related to the System is confidential and

proprietary information belonging to Musicologie. Franchisee shall not use any such information or disclose any such information to any third party, either while this Agreement is in effect or following its termination or expiration, except as expressly permitted in this Agreement. Franchisee shall use its best efforts to protect the confidentiality of such information from appropriation by its employees.

E. The Operating Manual (including all online only content from the Musicologie Intranet) shall, at all times, remain the property of Musicologie and shall be returned to Musicologie immediately upon request or upon the termination of this Agreement. All physical copies and digital copies of the Operating Manual shall be immediately destroyed and/or deleted in the event of the termination of this Agreement.

F. Franchisee is hereby granted a license to use the System, including Musicologie's trademarks, service marks, goodwill, standard operating procedures and policies, and to benefit from the foregoing at the single location specified in Section 6 and subject to the terms of this Agreement. Nothing in this Agreement shall be construed to authorize Franchisee to use such trademarks, service marks, goodwill, standard operating procedures and policies at any other location or for any other purpose. Franchisee does not have the right to sub-license the use of the system, trademarks, service marks, goodwill, or standard operating procedures to any other party. Musicologie retains the exclusive ownership of all rights, title and interest in and to Musicologie's trademarks, service marks, goodwill, standard operating procedures and policies and the System.

3. Training and Obligations of Musicologie to Franchisee.

A. For any Franchisee's first Musicologie Studio, prior to the opening of the Studio, Musicologie will provide, and Franchisee must successfully complete, a training program consisting of forty (40) hours of classroom or web-based training and eighteen (18) hours of on-the-job training as further set forth in the System. Franchisee will not be compensated for training time. All expenses related to participation in the training program (including all individuals being trained on behalf of the Franchisee), including travel, meals, and lodging, shall be paid by Franchisee.

B. You are required to have identified individuals in the following roles: Studio Trainer, Community Manager, and Operating Principal. Musicologie will provide initial training to the Operating Principal, the Community Manager and Studio Trainer for Franchisee's initial Musicologie Studio without additional fee. Musicologie will also provide initial training for your Community Manager and Studio Trainer for Franchisee's second location without any additional fee. No additional initial training will be provided to Franchisee or its management or staff after the second location has opened. If additional training is requested by Franchisee, it will be provided by Musicologie at the then-current fee, which shall be paid by Franchisee.

C. All training materials developed by Musicologie will remain the property of Musicologie. Franchisee's Studio Trainer may use or modify the training material provided by Musicologie in the training of studio management and personnel as they deem necessary. All modifications made to Musicologie's training materials, will become the property of Musicologie as a work-for-hire and Musicologie may use that material, without compensation or attribution, for the Musicologie system.

D. Musicologie shall assist Franchisee with: site selection, layout of the Studio, selection of fixtures and equipment, training, opening, marketing, identifying approved suppliers and distributors, and providing the System for operations at the Studio. Musicologie shall periodically meet and consult with Franchisee concerning the operations of the Studio. Musicologie shall not, however, have any obligation to meet or consult with Franchisee at any specific times, rate, or frequency. Franchisee acknowledges that it would be impossible for Musicologie to meet and consult with each of its franchisees for an identical amount of time, and that the extent of Franchisee's meetings and consultations with Musicologie may be more or less than other franchisees. Musicologie will regularly provide best practices and procedures for Studio operations and quality control standards consistent with the Musicologie® System, as set forth in this Agreement. There is no relationship between the Initial Franchise Fee or the Royalty and the support to be provided by Musicologie.

E. Musicologie shall provide five (5) days of on-site assistance at no additional cost for Franchisee's first two (2) Studios. In the event that Franchisee elects to have the assistance of Musicologie beyond five (5) days, or for Studios beyond Franchisee's first two (2) Studios, Franchisee shall pay the then-current rate for providing on-site opening assistance. Musicologie shall have no obligation to provide more than five (5) days of training, unless Franchisee has requested additional on-site opening assistance, which will be charged at the then-current rate. Franchisee shall pay for any on-site opening assistance that requires payment in advance of Musicologie scheduled the travel to the Studio.

F. Musicologie reserves the right to require ongoing and remedial training provided at Franchisee's Studio for franchisees who fail to follow the System. The cost for such training is a rate of Five Hundred Dollars (\$500) per day, plus the actual cost of travel expenses for the Musicologie trainer, including airfare, mileage, parking, rental cars, fuel, food, and hotels. Franchisee shall pay the invoice for such ongoing and remedial training within ten (10) days of receiving notice of the same.

4. Franchise Fees, Royalty Fees, Financial Reporting, Audit.

A. You are required to pay us an initial franchise fee in connection with the franchise granted under this Franchise Agreement (the “Initial Franchise Fee”). The amount of the Initial Franchise Fee shall be Sixty Thousand Dollars (\$60,000). The Initial Franchise Fee is not refundable under any circumstances. There shall be no reduced Initial Franchise Fee for any additional franchise that Franchisee (or its owners) may acquire, unless Franchisee has signed a Multi-Studio Development Agreement, in the form substantially similar to Attachment F (the “MSDA”) attached hereto. The Initial Franchise Fee shall be due and payable to Musicologie upon the execution of this Agreement, provided Franchisee has not executed a MSDA. In the event Franchisee has executed a MSDA with Musicologie, either in connection with the execution of this Agreement or previously as indicated below in Subsection 4.A(i) below, for the right to develop more than one Musicologie Studio, you are required to pay us a fee to reserve the development territory granted thereunder (a “Market Reservation Fee”) at the time of execution of the MSDA. The Market Reservation Fee will be an amount calculated on the number of Studios you agree to develop and open thereunder. The Market Reservation Fee will be calculated as follows: (i) \$110,000 for the right to develop two (2) Musicologie Studios under the MSDA; (ii) \$45,000 per Musicologie Studio if you agree to develop between three (3) and five (5) Musicologie Studios under the MSDA; (iii) \$40,000 per Musicologie Studio if you agree to develop between six (6) and nine (9) Musicologie Studios under the MSDA; and (iv) \$35,000 per Musicologie Studio if you agree to develop ten (10) or more Musicologie Studios thereunder. You will be required to enter into our then-current form of franchise agreement for each Musicologie Studio you wish to develop under your MSDA, but you will not be required to pay any additional initial franchise fee at the time you execute such subsequent franchise agreements. The Market Reservation Fee is due and payable to Musicologie upon execution of your MSDA (if applicable). Once you have paid the Market Reservation Fee applicable to the number of Studios to be opened under such agreement, you will not be required to pay the Initial Franchise Fees upon execution of any franchise agreement for such Studios.

i. Applicable MSDA (if any) with Franchisee: _____

ii. In the event Franchisee requires bank financing to obtain Opening Funds, Franchisee receiving said bank financing is a prerequisite to Musicologie providing any assistance or offering any services to Franchisee. **Franchisee shall not execute a lease prior to securing the Opening Funds to the satisfaction of Musicologie.** Other than reserving the Protected Area for Franchisee consistent with this Agreement, Musicologie will take no action to further opening Franchisee’s Studio or preparing Franchisee to open the Studio until the Opening Funds have been secured.

B. If the Studio is not open for business to the public, pursuant to this Agreement, within three hundred sixty-five (365) days of the Effective Date, this Agreement may be terminated at the option of either Musicologie or Franchisee. Franchisee's Studio shall be permitted to open only after Franchisee has completed all of the requirements for opening a Studio as set forth in the Operating Manual and System.

C. Franchisee shall pay Musicologie a continuing royalty fee equal to **seven percent (7%)** of Gross Sales as defined below (the "Royalty Fee"). In no event shall the Royalty Fee for any given week be less than Two Hundred Dollars (\$200) (the "Minimum Royalty"). The term "Gross Sales" shall include sales of any nature made from the Studio or online, regardless of the nature of the products or services sold, including off-site and online services and all fees and charges received in connection with the operation of the Studio, less any applicable sales tax or discounts. Gross Sales shall also include amounts received by Franchisee for gift cards redeemed by Franchisee.

D. Franchisee shall pay Musicologie a monthly software and technology fee for use of Musicologie's required proprietary studio management software, as well as third party software for email, phone, applicant tracking system, website, internal communication, and learning management system (the "Software Fee"). The amount of the Software Fee in place from time to time throughout the term of this Agreement shall be set forth in the Operating Manual. At the time of execution of this Agreement, the Software Fee is \$500 per month, but Musicologie reserves the right to increase such Software Fee as technology changes, provided, however, in no event will the Software Fee be more than \$800 a month. Franchisee shall pay the Software Fee via ACH electronic collection.

E. Musicologie collects the Royalty Fee immediately with each transaction through the approved software, MyMusicologie, which is exclusively provided by Musicologie's affiliate, Soli Studio, LLC. Musicologie reserves the right to collect the Royalty Fee from Franchisee via ACH electronic collection in the future. In such an event, notice of the new collection period shall be provided in writing to Franchisee prior to the first collection under the new collection period. The amount to be paid is calculated from Franchisee's software.

F. If the ACH electronic collection of the Royalty Fee fails for any reason (i.e. there are not enough funds in the account), such that the Royalty Fee is not immediately paid (due to the failure of Franchisee to keep funds in its operating account), Franchisee shall pay, in addition to the Royalty Fee, an amount equal to five percent (5%) of the unpaid Royalty Fee (the "Late Fee"). In the event that Franchisee fails to timely pay the Royalty Fee and the Late Fee, Musicologie shall have the right to charge an additional interest fee of one percent (1%) of the late Royalty Fee and the Late Fee per month (the "Interest Fee") until the Royalty Fee, the Late Fee, and the Interest Fee are paid in full. Under no circumstance shall the Interest Fee exceed the rate allowed by law.

G. Musicologie may incur miscellaneous charges on Franchisee's behalf in connection with items required by the System that Franchisee failed to purchase. Items required by the System that Franchisee fails to timely purchase may be purchased on Franchisee's behalf by Musicologie. (Musicologie has no obligation to make any such purchases.) Musicologie will invoice Franchisee in writing with itemized expenses for any such charges ("Miscellaneous Opening Expenses"). In no event shall Musicologie incur more than Three Thousand Dollars (\$3,000) in Miscellaneous Opening Expenses on Franchisee's behalf. Musicologie may collect Miscellaneous Opening Expenses via Electronic Payments after providing Franchisee with written notice of the nature of the Miscellaneous Opening Expenses.

H. Franchisee consents to and authorizes Musicologie to automatically transfer to Musicologie the Royalty Fee (if not collected through MyMusicologie), the Late Fee (if applicable), the Interest Fee (if applicable), the Miscellaneous Opening Expenses, Software Fee, the Brand Standards Fee, the Brand Standards Liquidated Damages, and all other fees or amounts Franchisee owes or is obligated to pay Musicologie under this Agreement from Franchisee's bank account by electronic payment, including electronic funds transfer ("EFT") and automated clearing house transfer ("ACH") ("Electronic Payments"). Franchisee shall execute and deliver to Musicologie such documents and instruments as may be necessary to establish and maintain Electronic Payments pursuant to this Agreement. Franchisee irrevocably and unconditionally appoints Musicologie its attorney-in-fact for purposes of implementing and effectuating the Electronic Payments, including the right to execute all necessary wire instructions and authorizations relative thereto. Any bank charges relative to Electronic Payments attributable to Franchisee shall be borne solely by Franchisee.

I. Franchisee shall use Quickbooks Online or other accounting software approved by Musicologie ("Approved Accounting Software"). Franchisee may be required to link its Approved Accounting Software to the account of Musicologie so that Musicologie will have a view of the finances of Franchisee at all times. Franchisee shall be diligent in keeping all of its financial records up to date in the Approved Accounting Software. In the event that Franchisee fails to utilize the Approved Accounting Software or fails to link Musicologie on the Approved Accounting Software, Musicologie shall have the right to inspect at any time upon ten (10) days prior notice all books, records, tax returns, and other financial information of Franchisee, and of Franchisee's stockholders, officers, directors, members, or partners (collectively, "Franchisee's Principals") as such information relates to the business operations of the Studio, if applicable (the "Financial Information"). Within ten (10) days after written notice is sent by Musicologie, Franchisee (and Franchisee's Principals if applicable) shall furnish the Financial Information to Musicologie at such location as Musicologie designates and shall certify the accuracy of the Financial Information on a form provided by Musicologie. If Franchisee fails to furnish the Financial Information as

required by this Agreement, Franchisee shall pay Musicologie a late fee (the "Financial Information Late Fee") of one hundred dollars (\$100) per week or the pro-rata fraction thereof until Franchisee has furnished all Financial Information.

J. Franchisee must maintain financial and other records for a period of seven (7) years, or longer if required by government regulations. Franchisee will provide to Musicologie, monthly, by the 10th day of the following month, for each Studio, a detailed statement of operating performance including total revenue, total sales per day part, and other revenue and information as specified in the Operations Manual. Franchisee will provide a balance sheet, income statement, cash flow statement, comparison of each statement to the prior quarter, narrative description of Franchisee's studio, operating results, and other information as required in the Operations Manual. Franchisee will provide annually a copy of Franchisee's tax return for the Musicologie Studio when filed with the federal government.

K. Franchisee authorizes Musicologie to obtain information regarding purchases made by Franchisee for goods or services from any vendor. If requested by Musicologie, Franchisee shall sign an authorization directing any such vendor to furnish Musicologie with any information regarding purchases by Franchisee from such vendor, payments from Franchisee to the vendor, and the outstanding balance due to the vendor. Franchisee shall provide all passcodes related to the Musicologie Studio to Musicologie, except for passwords related to employee information.

L. Musicologie may audit Franchisee's books and records at any time, upon five (5) days notice in writing. If such audit discloses any underpayment of Royalty Fees by Franchisee, Franchisee shall immediately pay the deficiency to Musicologie, and if the deficiency exceeds two percent (2%) of the amount of the Royalty Fee as represented by Franchisee, Franchisee shall reimburse Musicologie for the cost of the audit. If such amounts are not paid when due, the same shall be subject to the Interest Fee. Franchisee authorizes Musicologie to utilize Electronic Payments to collect all amounts owed, including the Interest Fee.

M. Franchisee shall pay all reasonable attorney's fees, court costs, and related costs incurred by Musicologie to collect any fees due it pursuant to the terms of this Agreement or to enforce any of its rights under the terms of this Agreement, to the full extent allowed by law.

N. Musicologie shall have access to Franchisee's sales and financial information as maintained in Franchisee's point of sale system, regardless of the brand or nature of the point of sale system. Franchisee expressly authorizes Musicologie to access all information, regardless of the nature of the information, contained in Franchisee's required software.

5. Security Agreement.

A. As security for the payment of Royalty Fees and other charges under this Agreement, Franchisee hereby grants Musicologie a security interest in all (i) accounts, documents, instruments, contract rights, general intangibles, choses in action; (ii) inventory and goods now owned or hereafter acquired; (iii) all equipment, fixtures, machinery, furniture, furnishings and vehicles, together with all accessions, parts and all substitutions, improvements and replacements thereof and additions thereto now owned or hereafter acquired; and (iv) proceeds of hazard insurance and eminent domain or condemnation awards. The properties and interest in properties described in this Section are hereinafter individually and collectively referred to as the “Collateral.”

B. Franchisee hereby authorizes Musicologie to file and record such UCC financing statements and related documents (the “Financing Statements”) in such locations, and with such persons and governmental offices as Musicologie deems appropriate, desirable, or necessary to perfect, effectuate, complete, preserve, and/or continue the security interest of Musicologie in the Collateral. Franchisee hereby irrevocably appoints Musicologie, its agents and employees, as Franchisee’s lawful attorney-in-fact and agent with full power, authority, and right to execute and file the Financing Statements, upon written notice to Franchisee, in the name and on behalf of Franchisee. Except as specifically provided herein, this power of attorney is irrevocable, continuing and coupled with an interest.

C. Musicologie expressly agrees to subordinate its Security Interest in the Collateral to a lender in connection with Franchisee obtaining the Opening Funds. Musicologie may elect to authorize subordination of its Security Interest in the Collateral for funds other than the Opening Funds at its own discretion and on a case-by-case basis.

6. Location.

A. The physical address of the Studio shall be within the following zip codes: _____. Musicologie will assist Franchisee in finding a suitable brick and mortar location for the Studio within the applicable zip codes (such physical site for the Studio, the “Location”). The Location shall be selected by Franchisee, but is subject to the written consent of Musicologie, which shall not be unreasonably withheld. Musicologie shall not establish any traditional Studio within a ten (10) minute drive time of your Studio’s Location as determined by Musicologie’s geographic mapping software. (“the Protected Area”). Musicologie takes into account local competition, parking, whether there is an unobstructed view of the Studio from the street, the age of the population within the geographic area of the proposed site, the density of the population within the geographic area, the average income of such residents, the size of the Location.

B. As long as this Agreement is in effect, and Franchisee is fully in compliance with this Agreement and not in default, Musicologie shall not establish, operate or enfranchise any other traditional Musicologie Studio within the Protected Area (also known as the “Territory”). However, this does not mean that Franchisee will have an exclusive territory. Students may take classes at any Musicologie location regardless of where they physically reside. This includes both in-person and online classes. Musicologie and its affiliates may conduct marketing, without limitation, anywhere; provided, however, that Musicologie reserves the right to restrict franchisees from advertising in the Territories that abut other franchisee territories and protected areas. Musicologie and its affiliates may develop alternative distribution channels for Musicologie services, programs, and proprietary products, including at schools, community centers, and other alternative venues, and those alternative distribution channels may compete with Franchisee within Franchisee’s Protected Area. Musicologie provides no assurances that those alternative distribution channels will be offered as franchises or, if offered as franchises, that they will be offered to Musicologie franchisees in those market areas. Musicologie retains all rights that are not expressly granted to Franchisee to establish and operate a franchised or company-owned Musicologie studio business. Musicologie reserves the right to expand through other distribution methods. Musicologie also reserves the right to merge with, acquire or become associated with any business including other music education businesses, of any kind under other system and/or other marks, which businesses may convert to or operate under the Musicologie Marks and offer or sell music lessons and education or other services or products that are the same as, similar to, or different than the music education or other services and products offered at or from Franchisee’s Studio.

C. Franchisee shall not change the Location of the Studio without the prior written consent of Musicologie. If Musicologie elects to travel to the proposed new location, Franchisee agrees to pay to Musicologie the actual travel costs incurred by Musicologie to visit the proposed location, including, but not limited to airfare, hotel, gas, rental vehicles, and meals of Musicologie representatives (“Relocation Approval Expenses”). Said amount shall not exceed one thousand five hundred thousand dollars (\$1,500). If Musicologie in its sole discretion deems travel necessary, at the same time that Franchisee submits the written request for relocation, Franchisee shall pay a deposit of one thousand five hundred dollars (\$1,500) to Musicologie to be applied by Musicologie to the Relocation Approval Expenses. The remaining Relocation Approval Expenses due, if any, will be collected by Musicologie via Electronic Transfer within thirty (30) days of the Relocation Approval Travel.

D. Musicologie will not unreasonably withhold consent for relocation; provided, however, that Musicologie may withhold consent based on Franchisee’s failure to demonstrate appropriate relocation funds sufficient to complete construction and buildout of the new Studio based on the required expenses for construction and buildout in Item 7 of the then-current Franchise Disclosure

Document. In the event of such a relocation, the new location must follow the same interior design and construction standards as are required in the then-current Franchise Agreement.

7. Term.

A. This Agreement shall remain in effect for a period of ten (10) years which shall begin on a date that is the earlier of the date the Musicologie Studio opens or one hundred eighty (180) days following the Effective Date of this Agreement, except that this Agreement may terminate sooner upon Default by Franchisee as provided in Section 16, or Musicologie's acquisition of the Studio pursuant to a right of first refusal as provided in Section 15.

B. If Franchisee requests in writing during the last year of the initial ten (10) year term of the Agreement, Musicologie will renew the Franchise for a term of ten (10) years; provided that the Franchisee has not committed a material breach of this Agreement during the final five (5) years of the initial ten (10) year term of this Agreement. In the event of any extension or renewal, Franchisee shall execute the then-current form of Musicologie's Franchise Agreement (the "New Agreement") no later than sixty (60) days prior to the end of the Term of this Agreement. Franchisee shall pay to Musicologie a renewal fee of \$5,000 ("the Renewal Fee"). The Renewal Fee shall be paid at the time the new Agreement is signed. Failure to immediately pay the Renewal Fee shall void the new Agreement.

8. Studio Appearance And Equipment.

A. Franchisee shall install and erect at the Studio such signs, emblems, and caricatures, as are prescribed by Musicologie from time to time, subject to local ordinances. Franchisee shall not display any signs, emblems, or caricatures at the Studio other than those approved by Musicologie. Signs shall be purchased from Musicologie or from a vendor approved by Musicologie.

B. Franchisee shall maintain the Studio and all equipment and signs in good repair, sound operating condition, and in a clean and attractive appearance according to the standards of cleanliness, neatness, and sanitation established by Musicologie through the System.

C. Except with the prior written consent of Musicologie, Franchisee shall not sell any services or products of any kind from its Studio that are not approved as part of the Musicologie System. Franchisee shall not share its Studio with any other business, nor shall Franchisee engage in co-branding without the prior written approval of Musicologie. Only Musicologie's franchised business may be conducted in the Studio.

D. Musicologie may require Franchisee to periodically remodel the Studio offering, including but not limited to, décor, types and styles of music or

musical instruments in which lessons are offered, changes to the curriculum, required attire, hardware, and software, maximum and minimum pricing and membership strategies, products, studio technology, etc. Franchisee shall promptly take action and make all required payments to vendors or others to update the Studio offering as follows: (1) Franchisee shall complete and implement the requested Studio update within thirty (30) days of receiving written notice and instructions from Musicologie if the cost of the changes is Five Thousand Dollars (\$5,000) or less, and 2) Franchisee shall complete and implement the requested Studio update within six (6) months of receiving written notice and instructions from Musicologie if the cost of the changes is more than Five Thousand Dollars (\$5,000). The maximum amount of any single Studio update or remodel expense shall be Fifteen Thousand Dollars (\$15,000). Musicologie shall not require Studio updates or remodel expenses more frequently than once every five (5) years.

E. Franchisee shall purchase and utilize computer equipment and associated Musicologie software provided by the approved software vendor, which is currently Musicologie's affiliate, Soli Studio, LLC ("the Software"). Musicologie may require Franchisee to replace computer equipment to the then-current computer equipment being used by new franchisees every five (5) years.

F. Musicologie shall have access to all data produced by the Software, except for data related to employee's schedules or other human resources information. Musicologie shall own all data created by and contained within the Software, including, but not limited to, names, phone numbers, email addresses, and historical information. Franchisee acknowledges that it has no ownership interest in the data produced by the Studio's customers.

G. Franchisee is required to provide Musicologie with an email address that Franchisee shall regularly review Musicologie will send correspondence and communications to Franchisee through email or through the Musicologie Intranet.

H. Franchisee is required to purchase and utilize a video surveillance system with online access. Musicologie shall be granted access to the online video surveillance system within five (5) days after providing a written request to Franchisee. Musicologie will remotely monitor the activity of Franchisee's Studio only after providing a written request for access. Musicologie may designate the manufacturer, model number, and other similar requirements for the video surveillance system. Musicologie may require Franchisee to replace the video surveillance equipment every four (4) years.

I. Franchisee shall promptly pay all suppliers and vendors for all purchases made by Franchisee.

9. Obligations of Franchisee.

A. Franchisee agrees to fully and completely comply with the Operating Manual, the System, and all updates to it, as set forth in Section 2. Franchisee acknowledges that its permission to use the Musicologie® marks and System are expressly conditioned upon Franchisee's strict compliance with the Operating Manual, and the System. Musicologie, through its System, shall control the maximum and minimum prices of services and products, days of operation, hours of operation, list of approved services (and products, if applicable) to be provided for sale, advertising, marketing, vendors, suppliers, décor, signage, and any other item that is addressed by the System or this Agreement. Franchisee and Musicologie shall mutually agree on the Location.

B. Franchisee shall not open the Studio for business without the prior express consent of Musicologie. Musicologie shall designate the date on which Franchisee may open the Studio for business ("Grand Opening").

C. Franchisee must acquire equipment and fixtures as specified by Musicologie. The cost of such acquisitions are solely the responsibility of Franchisee. The current opening costs are listed in Item 7 of the current Franchise Disclosure Document.

D. Franchisee shall not purchase, utilize, dispense, or sell any service or product that does not conform to the standards and specifications required by Musicologie. Musicologie shall prescribe these standards and specifications after the Agreement is signed, and periodically thereafter as the standards and specifications are changed, consistent with the System.

E. Franchisee shall purchase all of its supplies and inventory (if applicable) from a vendor approved by Musicologie.

F. Franchisee shall indemnify, defend, and hold harmless Musicologie from any such claims, losses, or damages, including exemplary and punitive damages, attorney's fees and other costs or expenses incurred by Musicologie that are in connection with Franchisee's Studio except to the extent that such claims, losses, or damages result from the intentional acts of Musicologie or its employees. In the event of such indemnity, Musicologie shall provide a written notice to Franchisee of the nature of the claim, losses, or damages and the extent and amount of the indemnity required by Franchisee ("Indemnity Notice"). Franchisee shall make said payment to Musicologie within thirty (30) days of the Indemnity Notice. Matters that Franchisee shall indemnify Musicologie for include, but are not limited to: breach of representations, warranties, covenants of Franchisee in the Agreement; taxes arising from payments, other than Musicologie's income taxes; Operation of Franchisee's Musicologie Studio, including injury, illness, or death to person or property; breach of lease or contract by Franchisee; negligent act or omission or willful misconduct in connection with Franchisee's performance of the Agreement; and any claims related to user data.

G. Franchisee shall at all times maintain the following policies of insurance, each of which shall name Musicologie as an additional insured:

i. Workers' compensation and occupational disease insurance with minimum limits as required by law;

ii. General liability insurance, including products liability coverage, with a limit of not less than One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) in the aggregate. Specifically, Franchisee shall provide a minimum of One Million Dollars (\$1,000,000) of coverage for each of the following instances: personal injury, fire damage, stop gap employer's liability, sexual misconduct or molestation, professional liability, hired & non-owned auto liability. Franchisee shall provide a minimum of One Hundred Thousand Dollars (\$100,000) of coverage for employment practices liability.

iii. Business personal property insurance with a minimum of Sixty-Five Thousand Dollars (\$65,000) of coverage;

iv. Data defender insurance coverage in the minimum amount of One Hundred Thousand Dollars (\$100,000) for response expenses and defense and liability, and in the minimum amount of Twenty-Five Thousand Dollars (\$25,000) for identity recovery;

v. Network defender coverage in the minimum amount of One Hundred Thousand Dollars (\$100,000) for computer attacks and network security liability and electronic media liability; and

vi. An umbrella insurance policy in the minimum amount of One Million Dollars (\$1,000,000).

(Collectively, "the Insurance").

All premiums for the Insurance shall be paid by Franchisee. Each insurance policy shall list Musicologie as an additional insured, shall provide for thirty (30) days notice to Musicologie prior to cancellation of such insurance policy, and shall give Musicologie the right to pay any premium due to avoid cancellation of such insurance. Franchisee expressly authorizes Musicologie to pay premiums on behalf of Franchisee in the event that Franchisee fails to obtain the Insurance (whether such failure is to renew the Insurance or to obtain the Insurance initially) within five (5) days of written notice provided by Musicologie. Franchisee shall reimburse Musicologie immediately upon demand for any amount paid by Musicologie on behalf of Franchisee to maintain an insurance policy. Musicologie may collect any amounts paid on Franchisee's behalf through Electronic Payments. Upon demand, Franchisee shall furnish Musicologie with certificates of

insurance, proof of payment of premiums, and copies of insurance policies, which evidence Franchisee's compliance with this Agreement.

H. Franchisee shall comply with all state, federal, or local laws and regulations. Franchisee shall timely pay all taxes assessed by any taxing authority, federal, state, or local, against the Studio or the personal property used in the operation of the Studio.

I. Franchisee is not required to be personally involved in the conduct and operation of the Studio. However, Franchisee must provide designated individuals for the following roles at all times: Operating Principal (this is the contact point of Musicologie on behalf of Franchisee), Community Manager (this is the person who oversees the day to day operations of the Studio) and Studio Trainer (a person who is certified in the Musicologie System who is responsible for training Franchisee's employees). The Operating Principal is _____. The Community Manager is _____. The same person may have the roles of Operating Principal, Community Manager, and Studio Trainer.

J. Either the Community Manager or a Studio Trainer who has been trained in the System ("the Manager(s)") shall be present at the Studio when the Studio is open for business. Musicologie may require the Manager(s) to successfully complete additional training beyond the initial training as specified by Musicologie. Musicologie may adopt a program by which Managers must be "certified" by Musicologie. Such certification may require successfully completing training, passing tests, and a minimum amount of on the job experience. Manager(s) must be able to adequately communicate (oral and written) with customers, employees, representatives of relevant government agencies, and others. **Musicologie SHALL NOT have ANY control, whether direct or indirect, over the hiring and firing of employees, the scheduling of individual employees, the compensation of employees, or any human resources issue within Franchisee's business. Franchisee shall have sole control and liability for all such issues.**

K. Franchisee shall notify Musicologie in writing within ten (10) days of the commencement of any action, suit, or proceeding or of the issuance of any order, writ, injunction, award or decree, of any court, agency, or other governmental instrumentality that may adversely affect the financial condition of Franchisee or its ability to meet its obligations under this Agreement.

L. Franchisee's Operating Principal and Community Manager shall diligently devote their best efforts to the operation of the Studio.

M. The telephone number or numbers of the Studio shall be listed under the name "Musicologie" or "Musicologie [City Name]". Franchisee shall pay all telephone charges, costs, and deposits when due. Franchisee shall execute an Assignment of Telephone Number(s) in the form set forth on Attachment A. In the

event that Franchisee fails to execute said Attachment A, Franchisee appoints Musicologie as its lawful power of attorney for the limited purpose of executing Attachment A and any future documents required to be executed by the telephone company.

N. Franchisee's Operating Principal, Community Manager, or Studio Trainer shall attend the Musicologie Conference periodically held by Musicologie. Musicologie shall provide Franchisee with adequate notice of the time, date, and location of each franchise meeting. Franchisee shall bear all expenses related to attendance at such meetings, including, but not limited to, travel, meals, and lodging. Musicologie shall charge a reasonable fee to pay for the actual costs of any franchise meeting. Franchisee shall pay to Musicologie Five Hundred Dollars (\$500) for each Musicologie Conference that Franchisee (through its Operating Principal, Community Manager, or Studio Trainer), fails to attend ("the Meeting Fee"). Franchisee shall pay the Meeting Fee within ten (10) days after the meeting was not attended. The Meeting Fee shall be subject to the Interest Fee if the same is not paid when due. Musicologie shall have the right to collect the Meeting Fee and Interest Fee through Electronic Payments.

10. Representations of Franchisee. In connection with its execution of this Agreement, Franchisee warrants and represents as follows:

A. That, except as provided in the Franchise Disclosure Document provided to Franchisee prior to execution of this Agreement, Musicologie has not, either orally or in writing, represented, estimated or projected any specified level of sales, costs, or profits for this Franchise, nor represented the sales, costs, or profits of any other Musicologie Studio.

B. Franchisee has consulted with or has had ample opportunity to consult with professional advisors, including attorneys, and accountants, in connection with Franchisee's decision to enter this Agreement. Franchisee on the basis of such consultation represents that it is financially and otherwise able to accept the risks associated with this franchised business.

C. Franchisee acknowledges that Musicologie may have entered into Franchise Agreements with provisions different from those in this Agreement and may enter into Franchise Agreements in the future with provisions different from those in this Agreement.

D. Franchisee acknowledges that the business it will operate under this Agreement involves risk and that any success or failure will be substantially influenced by the ability and efforts of Franchisee, the Operating Principal, the Community Manager, and the Studio Trainer, the Studio's location, and the number and strength of competitors, among other risks.

E. Franchisee warrants that it has sufficient Opening Funds or it has sufficient liquid capital and credit history to obtain Opening Funds from a lender. Franchisee warrants and represents that all proof of funds documentation, personal financial statements, and any other information submitted by Franchisee to Musicologie are true and accurate.

F. Franchisee has conducted its own independent investigation of Musicologie, the System, the risks, burdens, and nature of the business Franchisee will operate under this Agreement.

11. Advertising.

A. Franchisee shall be obligated to pay two percent (2%) of Gross Sales to Musicologie for the advertising, marketing, brand development, public relations programs and materials for the System, as Musicologie may deem appropriate from time to time (“the Brand Fund Fee” or the “Brand Fund”). The Brand Fund Fee shall not exceed two percent (2%). The Brand Fund Fee will be drawn from Franchisee’s account through Electronic Payments at the same time and in the same manner as the Royalty Fee. The Brand Fund Fee may be drawn at the time the transaction is charged through the Software. If the Brand Fund Fee is not paid by the Payment Date, Franchisee shall pay, in addition to the Brand Fund Fee, the Late Fee. The funds from the Brand Fund Fee will be used for a variety of uses that are in furtherance of the Musicologie brand, including, but not limited to: agency fees, radio, tv, cable, celebrity endorsements, production and media, creative for local ads, door hangers and mailers, brochures, promotional materials, logo wear, labeling, market research, sponsorships, sweepstakes, competitions, battle of the bands, public relations, list acquisition and development, mystery shoppers, social media, association dues, music education related trade associations, signage, Brand Fund accounting costs, website development and enhancement, labor associated with the Brand Fund Fee. Studios owned by Musicologie or its affiliates shall also be required to participate in the Brand Fund Fee.

B. Musicologie is not required to spend any specific amount of money in Franchisee’s geographic area or Territory. Brand Fund Fee receipts shall not be spent on franchise sales efforts. However, if the expenditure includes some costs related to franchisee recruitment, so long as the main purpose of the expenditure is for other purposes, it is an allowed expenditure.

C. Franchisee may participate in an advisory capacity in the Brand Fund management and decisions through a Franchisee Advisory Council once it is established. While members of the Franchisee Advisory Council will provide advice to Musicologie, Musicologie will have sole discretion over the operation of the funds received from the Brand Fund Fee and all use and expenditure decisions. There will be no requirement for Musicologie to expend the Brand Fund in

proportion to the contributions made by franchisees, in any specific geographic area or during any period of time.

D. In addition to the Brand Fund Fee, Franchisee is required to spend two percent (2%) of its Gross Sales or \$500 per month, whichever is greater, on Local Advertising. Local Advertising includes flyers, print costs, marketing and promotional event costs, paid digital advertising, and other similar expenses permitted to be made by Franchisee. Franchisee shall maintain for inspection by Musicologie all bills, invoices, canceled checks, and other proof of expenditures for Local Advertising. (Digital payment records and emails are sufficient.) All Local Advertising and marketing materials (including coupons) that Franchisee desires to use shall be subject to the prior written approval of Musicologie. Samples of said Local Advertising shall be sent by Franchisee to Musicologie. Franchisee will be provided with Musicologie pre-approved advertising and marketing materials that can be used without further approval. All marketing material, not previously approved by Musicologie, must be presented to Musicologie for approval in advance of its use, without exception. If Franchisee does not receive written approval within ten (10) business days, then that material is deemed not approved. Musicologie reserves the right to require franchisees to discontinue the use of any advertising or marketing material that was previously approved upon notice. Musicologie reserves the right to establish marketing and other affinity type programs that franchisees will be required to participate in. In the event that Musicologie disapproves of Local Advertising or marketing materials in writing, Franchisee shall immediately cease the use of the same, even if after five (5) business days. In the event that Franchisee uses unapproved Local Advertising or marketing materials, Franchisee may be charged a fee of \$250 per occurrence as a Brand Standards Fee subject to the notice provisions in Section 2(C) of this Agreement.

E. Franchisee is required to expend its Local Advertising based on an annual plan developed by Musicologie. Franchisee will propose local market changes to the plan to Musicologie for approval. The annual plan shall provide details for approved marketing expenditures by Franchisee pursuant to Franchisee's local marketing budget. Franchisees may be required to submit proof of promotion and advertising expenditures from time to time as required by Musicologie. Musicologie may elect to require franchisee to contribute to the Brand Fund any Local Advertising not spent per the approved plan and to use unexpended Market Introduction Funds to Local Advertising.

F. Franchisee is not currently required to participate in a cooperative program. However, Musicologie reserves the right to alter this policy in the future by providing written notice to Franchisee. Musicologie reserves the right to reallocate the percentage Brand Fund, Local Advertising and Regional Co-op expenditures at its sole discretion and upon 90 days' written notice to Franchisee.

G. Unexpended sums in the Brand Fund may be carried forward from year to year at Musicologie's determination and if it chooses, any money loaned to the Brand Fund by Musicologie or its affiliates may earn interest at a rate to be reasonably determined by Musicologie's management.

H. Franchisee shall spend a minimum of Twenty Thousand Dollars (\$20,000.00) for Local Advertising before the Studio opens for business as directed by Musicologie (the "Market Introduction Fund") for the purpose of local advertising and introducing the Studio to the area (the "Market Introduction Program"). Musicologie will provide the franchisees with a written plan for the Market Introduction Program. Franchisee will review and modify the guidelines provided to them and submit to Musicologie, in writing, their modified opening program and detailed budget. Musicologie will review, approve or further modify Franchisee's proposed Market Introduction Program within ten (10) business days of receipt. The failure of Musicologie to timely approve the franchisee's written plan will signify disapproval by Musicologie. Franchisee should follow up with Musicologie if they have not received any communications about the plan at the end of the ten (10) business day period. The Market Introduction Fund will be funded by Franchisee, without any contribution by Musicologie or the Brand Fund. Franchisee shall conduct the Market Introduction Program within sixty (60) to ninety (90) days before the Grand Opening of the Studio and continue therefore under your Studio reaches membership enrollment capacity.

I. If Studio (i) relocates or (ii) closes for any reason and then reopens, Franchisee shall spend a minimum of Three Thousand Dollars (\$3,000.00) for Local Advertising at the time the Studio relocates or reopens. Musicologie may require Franchisee to deposit such amount with Musicologie to be held in escrow with Musicologie as a condition of approving relocation or re-opening of the Studio in the new Location.

J. The System will establish rules and guidelines for use by Franchisee of any social media. Such rules may be changed from time to time by Musicologie through the System.

K. Musicologie reserves the right to dissolve the Brand Fund at any time and for any reason. Musicologie's only obligation at that time will be to either spend the balance in the Brand Fund on eligible expenditures or, to rebate the balance in the Brand Fund to the then-current franchisees, that are not in default, based on a formula that allows for the pro-rata rebate based on contributions to the Brand Fund in the Brand Fund's last completed fiscal year. Musicologie and affiliate owned Musicologie Studios will be included and will be paid based on the above rebate formula. Franchisees in default will not be eligible for any Brand Fund rebate.

12. Inspection. To ensure compliance with the terms and conditions of this Agreement and to verify compliance with the System and standards and policies

of Musicologie, Musicologie's representatives may, at any time the Studio is open for business, inspect the Studio and test Franchisee's equipment, products, supplies, methods of providing services, merchandising, and may confer with the employees and customers of Franchisee. Any such interaction with Franchisee's employees in the nature of an inspection shall not be deemed to be indirect control of Franchisee's employees.

13. Trademarks and Service Marks.

A. Franchisee acknowledges that the name Musicologie®, as well as all of the trademarks and service marks listed on Attachment B to this Agreement are exclusively licensed to Musicologie by our affiliate, Musicologie Limited ("the Marks"). Musicologie and its franchisees have the right to use the Musicologie Marks, as well as any other trade names, service marks, or trademarks, owned by Musicologie or developed or acquired in the future. For purposes of this Agreement, all such trade names, service marks and trademarks, whether currently existing or developed or acquired in the future shall be referred to as the Marks, and shall include the Marks on Attachment B, as well as any other trademark or service mark used in connection with any Musicologie® Studio, including Marks that have not yet been registered with the United States Patent and Trademark Office. Franchisee shall use the Marks only in the manner and to the extent specifically permitted by this Agreement and the System. Franchisee does not acquire any ownership interest in the Marks as a result of this Agreement, as a result of Franchisee's use of the Marks, or otherwise.

B. Franchisee acknowledges and agrees that its right to use the Marks is non-exclusive and that Musicologie, in its sole discretion, has the right to grant similar rights to others under such terms and conditions as Musicologie deems fit, and to operate Studios itself under the Marks.

C. Franchisee expressly covenants that during and after the term of this Agreement, Franchisee shall not directly or indirectly contest or aid in contesting the validity or ownership of the Marks.

D. Franchisee shall promptly notify Musicologie of any claim, demand, or suit against it, based upon or arising from the use of any of the Marks and/or any variation of the Marks by any other person or entity. Musicologie, through its License Agreement with Musicologie Limited, shall have the exclusive right and sole discretion regarding actions to be taken to protect against infringement of the Marks, including, but not limited to decisions to defend against or prosecute any lawsuits.

E. In no event shall Franchisee use, cause to be used, or attempt to use the words "Musicologie" as part of its business name or assumed name. Franchisee may file an assumed or fictitious name statement with the relevant authority to clarify that it is operating under the name "Musicologie."

F. Franchisee shall not purchase or acquire any property or incur any obligation or debt under the name of “Musicologie” or any name other than Franchisee’s entity name or individual name (if not an entity).

G. Franchisee shall not create or cause to be created any website or mobile application on behalf of the Studio or the franchised business.

14. Covenants.

A. Franchisee shall not, without the prior written consent of Musicologie, directly or indirectly (each of the following obligations is also secured by the Personal Guaranty, if applicable, as attached as Attachment C and fully incorporated herein):

i. During the term of this Agreement, (a) engage in any activity in competition with the System, including, but not limited to, involvement, whether as an owner, officer, director, employee, lender, or otherwise, of any business engaged in providing educational instruction for music instrumental and/or vocal performance, whether in-person, online, through virtual reality or augmented reality (collectively, a “Competing Business”), other than at the franchised Musicologie Studio, or (b) employ any person or furnish or permit any person who is engaged or who has arranged to become engaged in any activity in competition with the System, including, but not limited to, involvement, either as an owner, officer, director, employee, lender, or otherwise, of any Competing Business;

ii. For a period of twenty-four (24) months following the expiration, termination, or transfer of this Agreement, regardless of the cause of such expiration, termination or transfer, engage in the operation of a Competing Business within sixty (60) miles of (a) the Musicologie Studio authorized by this Agreement, (b) any Musicologie Studio (including both Musicologie Studios that are currently open and any new Musicologie Studio that may open in the future, even if the opening of such Musicologie Studio is after Franchisee first opened a Competing Business in the market).

iii. During the term of this Agreement and for a period of twenty-four (24) months after its expiration, termination, or transfer, regardless of the cause of such expiration, termination, or transfer, divert or attempt to divert any business or customer from any Musicologie Studio.

iv. During the term of this Agreement and for a period of twenty-four (24) months after its expiration, termination, or transfer, regardless of the cause of such expiration, termination, or transfer, employ or seek to employ any person who within the immediately preceding year was employed by any Musicologie Studio or with Musicologie. If Franchisee is not an individual, then the

owners, shareholders, partners, or members of Franchisee shall be bound by this Section, and shall sign the guaranty attached hereto as Attachment C.

v. Franchisee acknowledges that under the terms set out above, Musicologie is entitled to a period of twenty-four (24) months immediately following the termination of the Agreement during which Franchisee will not violate the covenants set forth in this Paragraph 14(A) above. Franchisee agrees that if Franchisee breaches any such obligation to Musicologie during the twenty-four (24) month period immediately following termination of the Agreement, then the time period of the restrictive covenants shall be extended for the length of time that Franchisee fails to fulfill its obligations. This tolling provision shall not limit Musicologie's right to other legal or equitable relief.

B. If any court determines that this agreement not to compete is too broad, the scope of this agreement not to compete shall be deemed to be automatically restricted to the extent necessary to be enforceable by such court.

C. Franchisee shall not cancel, terminate, or assign the lease governing its occupation of the Studio or sublet the Studio or attempt to take any such action, without providing Musicologie with at least thirty (30) days notice prior to taking or attempting such action. Such notification shall not diminish any other rights or remedies available to Musicologie under this Agreement.

D. Franchisee shall provide written notice to Musicologie within fifteen (15) days *prior to* the time that it exercises any option to extend its lease for the Studio or becomes a party to any action, either as a defendant or a plaintiff, which in any way relates to the Studio or Franchisee's lease for the Studio.

15. Transfer of Franchise.

A. Musicologie shall have a right of first refusal (the "Option") to acquire any or all of the following assets upon the terms and conditions set forth below:

i. From the Franchisee: the Franchise, the Studio, the Franchisee's interest in or rights to the premises occupied by the Studio, and any or all of the equipment, fixtures, equipment leases, and/or inventory used in connection with or located at the Studio (the "Option Assets"), and

ii. From an Owner: the stock, partnership, or membership interest of such Owner (the "Ownership Interest").

B. If Franchisee or any Owner (the "Seller") desires to sell or transfer any or all of the Option Assets or Ownership Interest to a third party, the Seller shall first obtain from the third party a written offer (the "Offer") setting forth all material terms and conditions of the proposed sale or transfer. The Seller shall forward a copy of the offer to Musicologie. In addition, Franchisee shall forward to

Musicologie whatever information pertinent to the business and operations of the Studio that Musicologie requests, including, but not limited to, a financial statement as of the end of Franchisee's most recent fiscal year, in order to enable Musicologie to evaluate the Offer. Franchisee and Seller shall warrant the accuracy of all such information concerning the business and operation of the Studio. Musicologie shall then have the Option to purchase the Option Assets or Ownership Interest listed in the Offer. In order to accept the Offer, Musicologie must notify the Seller in writing of its exercise of the Option within thirty (30) days following the receipt by Musicologie of a copy of the Offer together with the requested financial information.

C. If Musicologie does not exercise its Option, and Musicologie does not prohibit the transfer, the Seller may accept the Offer and consummate the sale or transfer to the third party upon the same terms and conditions as set forth in the Offer. The consummation of said sale or transfer shall include the execution of the appropriate assignment forms containing terms satisfactory to Musicologie. At the option of Musicologie, the proposed transferee shall be required to execute the then-current Agreement.

D. Following the sale or transfer of the Franchise to a third party, the third party shall succeed to all of the Franchisee's rights, obligations, and liabilities under this Agreement, and the Franchisee shall be released from further liability under this Agreement. The purchaser or transferee, if not a person, the stockholders, members, or partners of such purchaser or transferee, of any Option Assets or Ownership Interest, must execute the guaranty attached hereto as Attachment C.

E. In addition to the right of first refusal described in Sections 15(A)-(D), a transfer of any Option Assets or Ownership Interest shall be subject to the following conditions:

i. The proposed transferee must meet Musicologie's then-current qualifications or standards (which may be updated at anytime), including, but not limited to the following:

1. The proposed transferee must have sufficient financial resources to operate a Musicologie Studio.

2. The proposed transferee must have a satisfactory credit rating and business reputation, sufficient business experience, and proper moral integrity to successfully operate a Musicologie Studio.

3. The proposed transferee must execute appropriate transfer or assignment forms containing terms and conditions satisfactory to Musicologie. Such assignment forms may include a new then-current Franchise Agreement.

4. The proposed transferee must not be a competitor of Musicologie or any Musicologie Studio, as decided by Musicologie in its commercially reasonable discretion.

5. The Seller or the proposed transferee must pay all amounts due to Musicologie, distributors, suppliers, and vendors through the date of transfer, and cure any other default under this Agreement existing prior to the time of the proposed transfer.

6. The Seller or the proposed transferee must pay all federal, state, and local income, service, sales, payroll, or other taxes due as a result of the Studio's operations.

7. The Seller must execute a release of all claims and causes of action that it has or may have against Musicologie on a form containing terms and conditions satisfactory to Musicologie.

8. If the transfer of the Franchise involves installment payments or other owner financing by the proposed transferee to the Seller, the Seller must execute a subordination agreement under which the Seller subordinates its right to receive any installment from the proposed transferee to Musicologie's right to receive any and all amounts due it from Franchisee under this Agreement through the due date of such installment and any and all amounts due to Musicologie which are accrued by the proposed transferee during its operation of the Studio. The subordination agreement shall be in a format and contain such additional terms and conditions as are satisfactory to Musicologie.

9. If the Seller/Franchisee transfers the Franchise to a transferee other than Musicologie, the Seller/Franchisee must pay, in addition to any other amounts that Seller/Franchisee may owe Musicologie, \$10,000 (the "Transfer Fee").

10. The proposed transferee shall successfully complete any and all training that Musicologie deems necessary for the proposed transferee. The proposed transferee shall pay the then-current fee for Initial Training as set forth in Musicologie's Franchise Disclosure Document, which is currently Five Thousand Dollars (\$5,000) prior to Musicologie scheduling the Initial Training for the proposed transferee. The proposed transferee must also pay for any and all out of pocket training expenses incurred by the proposed transferee during the Initial Training.

ii. Neither the Franchisee, nor an Owner, shall have the power to transfer the Franchise or an Ownership Interest unless the Studio is conducting business in complete and absolute compliance with this Agreement. Musicologie shall not unreasonably refuse to approve a proposed transferee. No transfer of the

Option Assets or an Ownership Interest shall be effective without the prior written consent of Musicologie.

iii. If Franchisee is an individual, after the execution of this Agreement, Franchisee may sell, assign, or transfer his or her rights under this Agreement to a corporation or limited liability company of which Franchisee is the sole member or shareholder. In the event of any such sale, transfer, or assignment, the assignee shall become liable for the performance of all the obligations of this Agreement and Franchisee shall personally guaranty all such obligations by executing a form satisfactory to Musicologie.

iv. In the event of death, disability, or permanent incapacity of Franchisee or its Operating Principal, such individual or his personal representative shall have one (1) year in which to dispose of the Franchise, subject to the terms of this Agreement. If the Franchise is not disposed within one (1) year of the death, disability, or permanent incapacity of Franchisee, the Franchise shall automatically terminate. Subject to this Agreement, the Franchise may be transferred to the spouse or heirs of the deceased, disabled, or permanently incapacitated individual. In the event of the death, disability, or incapacity of Franchisee or Operating Principal, Musicologie may take over the operations of the Studio in the event that there is not a replacement Operating Principal and Community Manager within one (1) week of the death, disability, or incapacity of the Franchisee or Operating Principal.

v. Within five (5) business days of written request by Musicologie, Franchisee shall furnish Musicologie with an affidavit under penalties of perjury that sets forth (a) the name of each Owner, (b) the number of shares and class of shares owned by each Owner if Franchisee is a corporation, (c) the percentage of ownership and class of interest if Franchisee is a limited liability company or partnership, (d) the officers and directors of Franchisee, and (e) such other information necessary to identify ownership and control of Franchisee.

16. Default and Termination.

A. Franchisee shall be in default under this Agreement upon the occurrence of any of the following:

i. Any breach of any of the terms of this Agreement by Franchisee or any guarantor; provided, however, that if such breach is not expressly listed under any other provision in this Section 16 that Musicologie shall first charge a Brand Standards Fee to Franchisee and provide Franchisee with notice and an opportunity to cure as set forth in Section 2(C) of this Agreement;

ii. Franchisee makes a material misrepresentation in connection with its acquisition of the Franchise;

iii. Franchisee or any guarantor engages in conduct which reflects materially and unfavorably upon the operation or reputation of the System;

iv. Franchisee is convicted of or pleads guilty to a felony or other criminal misconduct relevant to the operation of the Franchise;

v. Franchisee engages in conduct that Musicologie reasonably determines to constitute an imminent danger to public health or safety;

vi. The dissolution, merger, or reorganization of Franchisee;

vii. The insolvency of Franchisee, the commencement of any proceedings under any federal bankruptcy or state insolvency law, the assignment of assets for the benefit of creditors, or the appointment of a receiver, trustee or similar person to oversee the business affairs of the Franchisee or any of its assets;

viii. The failure of Franchisee to strictly follow the System as set forth by Musicologie; and

ix. The entry of any judgment against Franchisee, or any judgment which affects any of the assets of Franchisee or the operation of the Studio, that is not satisfied or indemnified against to the satisfaction of Musicologie within ten (10) days of its entry.

For the purpose of this Section 16(A), the conduct of Franchisee's Operating Principal and Franchisee's guarantors shall be the conduct of Franchisee.

B. Musicologie may terminate this Agreement immediately upon written notice to Franchisee, without an opportunity to cure, following any of the following defaults by Franchisee:

i. The abandonment of the Franchise by Franchisee, which shall be deemed to have occurred if Franchisee fails to operate the Studio for any consecutive three (3) day period during which it is required to operate the Studio under the terms of this Agreement, or a combination of any five (5) days (regardless of whether the days are consecutive) during a calendar year that it was required to operate the Studio. The failure to operate the Studio due to fire, flood, earthquake, or similar cause beyond Franchisee's control shall not be deemed abandonment of the Studio, nor shall the failure to operate the Studio during any holiday recognized by the federal government be deemed abandonment.

ii. Any default under Section 16(A)(ii), (iii), (iv), (v), (vi), or (vii).

iii. Franchisee, after curing any default during the prescribed cure period under Section 16(C), again defaults in the same manner, without regard to whether the subsequent default is cured following notice by Musicologie.

iv. Franchisee defaults under this Agreement three (3) times, without regard to whether Franchisee's conduct constitutes the same type of default or whether the default is corrected after notice by Musicologie.

v. The failure to pay Royalty Fees or any other amounts due to Musicologie.

vi. Any violation of Section 14.

vii. The failure to furnish Financial Information as required by Section 4(F).

viii. The failure to maintain sufficient insurance as required by Section 9(F).

ix. The unauthorized (attempted or actual) transfer or assignment of any Option Assets or Ownership Interests as defined in Section 15.

x. Any instance of harm to a child caused by Franchisee's action or inaction, including but not limited to the failure to conduct background checks of its employees, or failure to provide a safe studio.

xi. The failure of a substantial number of Franchisee's management, employees, or sub-contractors to successfully complete training conducted by Franchisee.

xii. The franchisee interferes with Musicologie's relations with others, Musicologie's ability to franchise the Musicologie System, or Musicologie's ability to license the Marks or intellectual property to a third party.

C. Musicologie may terminate this Agreement at any time if Franchisee defaults in any manner listed in this Section 16(C) and, following written notice of such default from Musicologie, fails to cure such default, within the following applicable periods of time:

i. Five (5) business days for any of the following defaults:

1. The unauthorized use of the Marks;

2. The operation of the Studio under any name other than "Musicologie";

3. The use of products or other supplies that do not meet the standards and specifications of Musicologie, or that were purchased from a supplier that was not approved by Musicologie; or

4. The unauthorized use or disclosure of confidential or proprietary information.

ii. Ten (10) business days in all other cases. However, notwithstanding the foregoing provisions of this Section 16(C), if a default is curable, but cannot be cured within the period of time specified above, Musicologie may not terminate this Agreement if Franchisee begins to cure such default within such period of time and continues thereafter to take such remedial action as is necessary to cure the default at the earliest feasible date.

D. The termination of this Agreement by Musicologie shall not in any way limit its right to recover damages or obtain other legal or equitable relief.

E. Upon the termination or expiration of this Agreement:

i. The Franchise shall terminate and Franchisee shall immediately cease being a franchisee of Musicologie.

ii. Franchisee shall promptly pay all sums owed to Musicologie.

iii. All property of Musicologie in the possession of Franchisee shall be promptly returned to Musicologie, including, but not limited to, the operating manuals and any other documents manifesting any part of the System.

iv. Franchisee must cease using the Marks and any variations thereof by which the public could be confused, deceived, or misled.

v. Franchisee shall immediately cease using the telephone or facsimile number or numbers identified with or assigned to the Studio and shall assign such telephone or facsimile numbers to Musicologie. Musicologie shall have the power to use the Assignment of Telephone Numbers (Attachment A) for any purpose Musicologie deems appropriate in its sole discretion.

vi. Musicologie or its agents may enter the Studio and remove or permanently cover all signs or advertising identifiable in any way with the Musicologie image or System.

vii. In the case of the termination of this Agreement following the default of Franchisee, Musicologie shall have the option to acquire any or all of the following assets upon the terms and conditions of this paragraph: Franchisee's interest in or rights to the Studio premises or any or all of Franchisee's assets used in the operation of the Studio.

1. The purchase price for the assets and equipment of Franchisee shall be their fair market value, assuming use in a music education

business similar to the business conducted prior to the termination of this Agreement. There shall be no allowance for goodwill or other similar intangible asset. If Franchisee's interest in the Studio premises is a leasehold interest, the consideration for the assignment of the lease shall be limited to the assumption by Musicologie of Franchisee's obligations under the lease with respect to the period of time commencing on the date of the lease assignment.

2. If Musicologie desires to exercise this option, it shall notify Franchisee in writing of its intent to exercise this option within thirty (30) days following the termination of this Agreement. In such notice, Musicologie shall set forth its estimate for the fair market value of the assets it desires to purchase. If Franchisee and Musicologie cannot agree upon the fair market value of the assets, that Musicologie desires to purchase, either Musicologie or Franchisee may request the American Arbitration Association to select a sole arbitrator, who in turn shall appoint an independent appraiser to determine the fair market value of such assets. This determination shall be binding upon the parties, except that Musicologie shall have ten (10) days to decline to purchase such assets for the value determined by the appraiser, by written notice to Franchisee. The manner of determining the fair market value of such assets shall be determined without regard to Franchisee's desire to continue to operate the Studio or occupy the premises. Musicologie and Franchisee shall each bear fifty percent (50%) of the cost of such arbitration and shall each pay their own costs to the arbitrator.

3. In connection with the purchase of any assets pursuant to this Section 16(E), Musicologie may audit the books and records of Franchisee concerning the Studio, and solicit all known creditors and suppliers to determine the balance due and owing to Musicologie, if any, from Franchisee. Musicologie may then advise Franchisee as to any amounts due and owing to creditors and suppliers. If it is determined that there are such creditors, Franchisee shall promptly furnish adequate evidence that such creditors have been paid in full. If any such amounts remain unpaid, Musicologie may pay the amounts due to such creditors and deduct such amounts from the purchase price for the assets otherwise due to Franchisee under this Section 16(E). The balance of the purchase price, if any, shall be paid to Franchisee at the closing. The closing shall take place within ten (10) days following the agreement of Musicologie and Franchisee regarding the fair market value of the assets to be purchased, or, if the fair market value of the assets is determined by an independent appraiser, within ten (10) days following the expiration of the ten (10) day period during which Musicologie may decline to purchase the assets as the appraised value (i.e., within twenty (20) days after the independent appraiser determines the fair market value of the assets).

viii. In the event of the termination of this Agreement following Franchisee's default, Franchisee shall be liable to Musicologie for damages suffered by Musicologie. The parties acknowledge that the amount of actual damages suffered by Musicologie includes Royalty Fees due under Section 4 of this Agreement during the remaining term of this Agreement, which may be difficult

or impossible to measure. Therefore, the parties agree that, as to future Royalty Fees due under Section 4 of this Agreement but not for any other damages suffered by Musicologie, Franchisee shall pay an amount equal to the Minimum Royalty, as set forth in Section 4, for each week for the remainder of the term of this Agreement. In the event that any court or arbitration tribunal interprets the payment required in this Section as liquidated damages and determines the same to be invalid or unenforceable because it is found to be either a penalty or not a reasonable estimate of actual damages, the amount of such payment shall be automatically amended to the extent necessary to be found to be valid and enforceable by such court or arbitration tribunal.

ix. This list of consequences of termination of this Agreement set forth in this Section is not intended to limit, exclude, or act as a waiver of any other rights or remedies available to Musicologie, including the recovery of damages or equitable relief.

17. Personal Guaranty. If Franchisee is not an individual, each Owner must execute a personal guaranty identical to that attached as Attachment C at the time this Agreement is signed. If the Franchise is assigned to a corporation, limited liability company, or partnership, the individuals having an Ownership Interest in the assignee must execute personal guaranties identical to that attached as Attachment C at the time of the assignment. Any individual who acquires an ownership interest in Franchisee after this Agreement is signed must execute the personal guaranty at the time he or she acquires such Ownership Interest. Only Musicologie may release any individual from his or her obligations under a personal guaranty.

18. Remedies/Attorney's Fees. The provisions of this Agreement may be enforced by either party, by actions at law or in equity, or by any other judicial remedy which may be available. If any suit or action is instituted by Musicologie for the recovery of royalties or any other amount due under this Agreement, or because of the breach of any other covenant contained herein on the part of Franchisee to be kept or performed, Franchisee shall pay to Musicologie all reasonable expenses incurred by Musicologie, including actual attorney's fees and court costs. All rights and remedies of Musicologie shall be cumulative and none shall be exclusive of any other rights allowed by law.

19. Successors/Assigns. This Agreement shall inure to the benefit of the successors and assigns of Musicologie. The Franchise may not be transferred or assigned by Franchisee, in whole or in part, except as specifically permitted in this Agreement. All or any part of Musicologie's rights under this Agreement are fully assignable. This Agreement shall not be construed to have any third party beneficiaries.

20. Notice. Any notice required or permitted under this Agreement to be given to Franchisee and/or the Guarantor(s) shall be written and shall be either delivered

personally or mailed via registered or certified mail to the person at the address designated on Attachment C, which may be changed by Franchisee and/or Guarantor(s) by written notice to Musicologie signed by the Franchisee and/or Guarantor(s) as is applicable. In the event that Musicologie is unable, after a good faith attempt, to reach Franchisee by certified mail, Musicologie shall be deemed to have provided notice to Franchisee by sending an electronic mail communication to the electronic mail address that was most recently used by Franchisee. Franchisee and all Owners of Franchisee agree that notice to any individual Owner shall be deemed notice to all of them and that Musicologie shall have no obligation to send notices to any address other than the address set forth in Attachment C. Any notice required under this Agreement to be given to Musicologie shall be written and shall be either personally delivered or mailed via registered or certified mail to Musicologie registered address in the state of Ohio.

21. Waiver. The failure of Musicologie to take any action in response to any default of Franchisee in the performance of any of the terms, covenants, and conditions of this Agreement shall not constitute a waiver of any rights of Musicologie to insist upon the full performance of all such terms, covenants, and conditions, and a waiver by Musicologie of a breach or a series of breaches of this Agreement by Franchisee shall not constitute a waiver of any subsequent breach.

22. Jurisdiction and Venue. This Agreement and any other issue arising out of to the relationship between Franchisee and Musicologie shall be governed by Ohio law. Franchisee irrevocably and unconditionally (i) agrees that it will only bring any action or proceeding against Musicologie arising out of or relating in any way to the terms of this Agreement, in the courts of Ohio and not in any other state or federal court in the United States of America or any court in any other country; (ii) subject to the injunctive relief provisions of Section 24, consents to the exclusive jurisdiction and venue of state and federal courts located in Franklin County, Ohio for the purpose of any action or proceeding arising out of or relating in any way to this Agreement, including, without limitation, actions challenging the legal validity or enforceability thereof; and (iii) waives and agrees not to plead or to make any claim that the Ohio courts lack personal jurisdiction to over him, her, or Franchisee, or that any such action or proceeding brought in any Ohio court has been brought an improper or otherwise inconvenient forum.

23. Injunctive Relief. Musicologie may file suit in the jurisdiction and venue of Franchisee's Location in the event that Musicologie deems it appropriate to seek the entry of a temporary or preliminary injunction. Franchisee acknowledges that the Studio is one of a number of studios identified by the Marks and similarly situated and selling to the public similar products, and the failure on the part of a single franchisee to comply with the terms of its agreement will cause irreparable damage to Musicologie or to some or all other Franchisees for which there is no adequate remedy available at law. It is mutually agreed that in the event of a breach or threatened breach of any of the terms of this Agreement by Franchisee, Musicologie will be entitled to an injunction restraining such breach or to a decree

of specific performance, without showing or proving any actual damage, together with recovery of reasonable attorneys' fees and other costs incurred in obtaining said equitable relief, without any obligation to post a bond or other security. The foregoing equitable remedies are in addition to, and not in lieu of, all other remedies or rights that the parties might otherwise have by virtue of any breach of this Agreement by the other party.

24. Statute of Limitations. Except for payments owed by Franchisee to Musicologie and unless prohibited by applicable law, any and all claims and actions arising out of or relating to this Agreement shall be commenced within one (1) year from the discovery of facts giving rise to any such claim or action. If such claim or action is not brought within one (1) year from the discovery of facts giving rise to any such claim or action, such claim or action shall be barred.

25. Class Action Lawsuits. Franchisee waives, to the fullest extent permitted by law, the right to bring or be a class member in, any class action suit relating to any dispute, controversy or claim arising out of or related to this Agreement or arising out of any breach or alleged breach of this Agreement.

26. Invalidity. If any portion of this Agreement is for any reason declared invalid or unenforceable, the validity of the remaining portions of this Agreement shall not be affected, and such remaining portions shall remain in full force and effect as if this Agreement had been executed without the invalid portion.

27. Relationship of the Parties. Franchisee understands and agrees that, under this Agreement Franchisee is and shall be an independent contractor. No employee of Franchisee shall be deemed to be an employee of Musicologie. Nothing in this Agreement shall be construed so as to create a partnership, joint venture, or agency relationship between Franchisee and Musicologie.

28. Entire Agreement/Survival. This Agreement, the Operating Manual, and the System contain all of the covenants and agreements of the parties with respect to this subject matter, and supersede any and all prior or contemporaneous agreements, whether oral, written, express, or implied, between the parties with respect to this subject matter. Nothing in this Agreement or any related agreement is intended to disclaim the representations of Musicologie in the Franchise Disclosure Document. The attached Addendums are hereby incorporated in and made a part of this Agreement. The continuing obligations of Franchisee and Owner(s) shall survive the termination of this Agreement.

29. Execution By Electronic Means. Musicologie and Franchisee agree that this Agreement may be executed by electronic means, including, but not limited to DocuSign. Such an execution shall have the same binding authority as if the document was executed by hand.

[Signatures appear on the following page]

IN WITNESS WHEREOF, the parties have signed this Franchise Agreement as of the Effective Date.

FRANCHISOR:
MUSICOLOGIE FRANCHISING, LLC

FRANCHISEE
[_____]

By: _____

By: _____

Name:

Name: _____

Title: _____

Title: _____

Attachment A – Assignment of Telephone Number(s)

I hereby assign to Musicologie Franchising, LLC the telephone number or numbers and fax numbers which are and shall be used in connection with the operation of the Musicologie Studio located at _____.

Those telephone number is: _____ (“the Number”).

In addition, I hereby authorize and direct the telephone company that issued and services the Numbers to transfer the Numbers to Musicologie Franchising, LLC or as directed by Musicologie Franchising, LLC. I agree to sign any further documentation or requested by Musicologie Franchising, LLC or the telephone company that issued the Numbers to implement the above.

FRANCHISEE

By: _____

Name: _____

Title: _____

Attachment B – Registered Trademarks

Mark	Registration No.	Registration Date
MUSICOLOGIE (& Design) 	5446248	Apr 17, 2018
SIMPLY DELIGHTFUL MUSIC LESSONS	7065168	May 30, 2023
MUSIC MAKES US HUMAN	6901278	Nov 15, 2022

Attachment C
PERSONAL GUARANTY

WHEREAS, the undersigned individuals (the “Owner(s)”) are the [shareholders] [partners] [members] of **(company name)** _____, a [corporation] [limited liability company] [partnership] located at **(address)** _____ (“Franchisee”).

WHEREAS, Franchisee has entered into a Franchise Agreement with Musicologie Franchising, LLC (“Musicologie”), an Ohio limited liability company, dated the same date as this Guaranty.

WHEREAS, to induce Musicologie to enter into the Franchise Agreement and as security for Franchisee’s performance of the Franchise Agreement, the Owner(s) are executing this Guaranty.

NOW, THEREFORE, the Owner(s) hereby agree(s) as follows:

1. For value received, the Owner(s) hereby jointly and severally guaranty the payment of any and all amounts, and the performance of any and all other actions, which Franchisee is or may become liable to pay or perform under the Franchise Agreement (the “Obligations”). If Franchisee fails to pay or perform any Obligation when due, the Owners, jointly and severally, shall pay or perform such Obligation immediately upon demand by Musicologie.

2. Musicologie shall not be required to pursue or exhaust any of its rights or remedies against Franchisee or any other person for the collection or performance of any Obligation prior to demanding payment or performance from the Owners under this Guaranty.

3. The Owners acknowledge and agree that any of the following events shall not affect or discharge any of the Owner(s)’s Obligations under this Guaranty:

- a. The extension of time for payment or performance of any Obligation.
- b. The change in any term of the Franchise Agreement.
- c. The acceptance by Musicologie of any Promissory Note or security of any kind with respect to any Obligation.
- d. The surrender, release, exchange, or alteration of any collateral or other security held by Musicologie with respect to any Obligation.

4. The Owner(s) hereby waive notice of the following:

- a. Acceptance of this Guaranty by Musicologie.

b. The sale and delivery of any portion of any collateral held by Musicologie with respect to any Obligation, to the extent allowed by law.

c. The amount of the Obligations.

d. Any extension of time for the payment or performance of any Obligation.

e. Demand for payment, default, non-payment, presentment, and protest as to any Obligation.

5. This Guaranty shall continue in effect until all Obligations are paid or performed in full, and shall be binding upon the heirs, personal representatives, successors, and assigns of Owner(s).

6. The Owner(s) shall pay or reimburse Musicologie for any and all expenses incurred by Musicologie in enforcing this Guaranty, including reasonable attorney fees.

7. The Owner(s) shall be personally bound by, and personally liable for the breach of, each and every provision in the Franchise Agreement, including, but not limited to, the terms of Sections 14, 15, 16, and 19.

8. The Owner(s) acknowledge that notices will be sent only as set forth in Section 21 of the Franchise Agreement and to the address listed at the top of this Guaranty.

9. This Guaranty shall be deemed to have been entered into in the state of Ohio and shall be construed according to the laws of the state of Ohio. Any action involving this Guaranty or any of the terms or obligations hereof shall be commenced in the state of Ohio.

10. Except for payments owed to the Owner(s) by Musicologie and unless prohibited by applicable law, any and all claims or actions arising out of or relating to this Guaranty shall be commenced within one (1) year from the discovery of facts giving rise to any such claim or action, or such claim or action will be barred.

11. Owner(s) waive, to the fullest extent permitted by law, the right to bring, or be a class member in, any class action suit relating to any dispute, controversy, or claim arising out of or related to this Guaranty or arising out of any alleged breach of this Guaranty.

12. If any portion of this Guaranty is for any reason declared invalid or unenforceable, the validity of the remaining portions of this Guaranty shall not be

affected, and such remaining portions shall remain in full force and effect as if this Guaranty had been executed without the invalid portion.

OWNER(S)

Signed: _____ Date: _____

Print: _____

Signed: _____ Date: _____

Print: _____

Signed: _____ Date: _____

Print: _____

Signed: _____ Date: _____

Print: _____

Attachment D
ACH Authorization

I hereby authorize Musicologie Franchising, LLC to initiate automatic withdrawals from my account at the financial institution set forth below. Specifically, Musicologie Franchising, LLC is authorized to make any such automatic withdrawals as are authorized in the Franchise Agreement, which is incorporated into this Authorization as if fully restated. This authorization shall remain in effect until all payments that I am obligated to make pursuant to the Franchise Agreement have been made in full to Musicologie Franchising, LLC.

I agree not to hold Musicologie Franchising, LLC responsible or liable for any delay or loss of funds due to incorrect or incomplete information supplied by me or by my financial institution or due to an error on the part of my financial institution in depositing the funds into my account.

Name of Financial Institution: _____

Routing Number: _____

Account Number: _____

Authorized Signature: _____

Print Name: _____ Date: _____

Please attach a voided check or deposit slip and promptly return this signed form to Musicologie Franchising, LLC.

Attachment E
LEASE ADDENDUM

WHEREAS, _____ (“Franchisee”) has entered into, or will soon be entering into, a Franchise Agreement with Musicologie Franchising, LLC (“Musicologie Franchising”). _____ (“Landlord”) owns the property located at _____ (“the Property”).

WHEREAS, Franchisee wishes to enter into a lease with Landlord for the Property (“the Lease”).

WHEREAS, Musicologie Franchising, for the protection of itself, Franchisee, and the Musicologie brand, requires certain terms to be included in the Lease Agreement between Franchisee and Landlord.

NOW, THEREFORE, Landlord, Musicologie Franchising, and Franchisee agree as follows:

1. Pre-Approval of Assignment. Musicologie Franchising shall have the right to receive an assignment of the Lease upon termination or expiration of the Franchise Agreement between Musicologie Franchising and Franchisee.
2. Opportunity for Musicologie Franchising to Cure. Landlord agrees to send to Musicologie Franchising a copy of any written notice of Lease default sent to Franchisee by Landlord. Landlord grants Musicologie Franchising the right (without any obligation) to cure any Lease default within fifteen (15) business days after expiration of the applicable cure period (if Franchisee fails to cure).
3. Pre-Approval of Usage. Landlord agrees that the Premises may be used solely for the operation of a Musicologie Studio, and shall be used for no other purpose during the term of the Lease.
4. Franchisor Entrance Upon Termination. Upon expiration or termination of the Franchise Agreement, Landlord grants Musicologie Franchising permission to enter the Premises to remove signage (including outdoor signage) and other items bearing the Marks of Musicologie Franchising.
5. No Similar Businesses in Shopping Center. If the Premises is part of a shopping center, plaza or mall with other commercial tenants, Landlord agrees that it will not lease space to any music education or music lessons business.
6. Market Introduction Signage. Landlord shall temporarily permit Franchisee to place additional temporary signage in or around the Property, including, but not limited to balloons, banners, roadside flags, and other signage for a

period of not less than ten (10) days, which shall occur after the business has opened; provided, however, that said signage shall not cause a business disruption to other tenants (if any) and shall not violate any local ordinance or regulation.

7. No Modifications without Franchisor Consent. Landlord and Franchisee agree to not make any modifications to the Lease without the written consent of Musicologie Franchising.
8. Conflict Between Addendum and Lease. In the event of a conflict between the Lease and this Addendum, this Addendum shall control.

MUSICOLOGIE FRANCHISING, LLC FRANCHISEE

[_____]

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

LANDLORD

By: _____

Its: _____

Date: _____

Attachment F
MULTI-STUDIO DEVELOPMENT AGREEMENT

1. **Background.** This Multi-Studio Development Agreement (“MSDA”) is made between Musicologie Franchising, LLC (“we,” “us,” or “our”) and _____, individually, and _____ (collectively “Franchisee” or “you” or “your”) as of _____ (the “Effective Date”). This MSDA is intended to be part of the Franchise Agreement that we and you have signed concurrently with signing this MSDA for the development and operation of a specific Musicologie Studio (the “Franchise Agreement”). We and you are signing this MSDA because you want the right to develop additional Musicologie Studios within a certain geographic area over a certain period of time as set forth below. We will grant you those development rights if you comply with this MSDA.

2. **Grant of Multi-Studio Development Rights.** Subject to your strict compliance with this MSDA, we grant you the right to develop _____ additional Musicologie Studios, according to the mandatory development schedule set forth in **Exhibit A** to this MSDA.

The total number of additional Musicologie Studios to be developed under this MSDA is _____. If you, (and to the extent applicable, your affiliated entities as described in Section 3 below) are fully complying with all of your obligations under this MSDA, the Franchise Agreement, and all other franchise agreements then in effect between us and you (and, to the extent applicable, your affiliated entities) for the development and operation of Musicologie Studios, then during this MSDA’s term only, we (and our affiliates) will not establish or grant to others the right to establish Musicologie Studios in the Territories set forth in **Exhibit A**.

After this MSDA expires or is terminated, regardless of the reason for termination, we have the right, without any restrictions whatsoever, to establish and grant to others the right to establish Musicologie Studios in the Territories set forth in Exhibit A.

3. **Development Obligations.** To maintain your rights under this MSDA, you (and/or affiliated entities we approve) must sign franchise agreements for, and then construct or lease, develop, and have open and operating each respective Studio by the dates specified in Exhibit A for the respective Territories. If you establish a new legal entity to operate one or more of the Musicologie Studios to be developed pursuant to this MSDA and the new legal entity is one in which you have at least eighty percent (80%) ownership, that legal entity will automatically be considered an “approved affiliated entity.” Otherwise, however, you must first seek our approval to allow a new entity to operate the proposed Musicologie Studio if you are not an approved affiliated entity.

You (and/or your approved affiliated entity) will operate each Musicologie Studio under a separate franchise agreement with us. The franchise agreement

and related documents (including assignment of telephone number and personal guaranty) that you and your owners (or your affiliated entity and its owners) must sign for each Studio developed pursuant to this MSDA will be our then-current form of franchise agreement (including assignment of telephone number and personal guaranty), any or all of the terms of which may differ materially from any or all of the terms contained in the Franchise Agreement. Despite any contrary provisions in the newly-signed franchise agreements, your additional Musicologie Studios pursuant to this MSDA must be open and operating by the dates specified in Exhibit A. To retain your rights under this MSDA, each Musicologie Studio opened pursuant to this MSDA must operate continuously throughout this MSDA's term in substantial compliance with its franchise agreement.

4. **Subfranchising Rights.** This MSDA does not give you any right to franchise, license, subfranchise, or sublicense others to operate Musicologie Studios. Only you (and/or approved affiliated entities) may construct or lease, develop, open, and operate Musicologie Studios pursuant to this MSDA. This MSDA also does not give you (or your affiliated entities) any independent right to use our trademarks and commercial symbols. The right to use our trademarks and commercial symbols is granted only under a franchise agreement signed directly with us. This MSDA only grants you potential development rights if you comply with its terms.

5. **Market Reservation Fee.** As consideration for the development rights we grant you in this MSDA, you must pay us a deposit to hold the respective territories listed in Exhibit A open for development by you, at the same time you sign this MSDA (the "Market Reservation Fee"). The Market Reservation Fee shall be an amount based upon the number of Studios you agree to develop and open hereunder. The Market Reservation Fee will be calculated as follows: (i) \$110,000 for the right to develop two (2) Musicologie Studios hereunder; (ii) \$45,000 per Musicologie Studio if you agree to develop between three (3) and five (5) Musicologie Studios hereunder; (iii) \$40,000 per Musicologie Studio if you agree to develop between six (6) and nine (9) Musicologie Studios hereunder; and (iv) \$35,000 per Musicologie Studio if you agree to develop ten (10) or more Musicologie Studios hereunder. The amount of Studios to be developed under this MSDA shall be set forth in Section 2 below. Based upon the number of Studios to be developed pursuant to Section 2 and Exhibit A, the total Market Reservation Fee for this MSDA shall be _____. Once you have paid the Market Reservation Fee required hereunder, you will not be required to pay the Initial Franchise Fees upon execution of any franchise agreement for such Studios. The Market Reservation Fee is non-refundable and you shall forfeit the balance of the Market Reservation Fee in the event that you fail to open a Musicologie Studio in any or all of the Territories set forth in Exhibit A by the respective deadline in Exhibit A. You are not entitled to a refund of the Market Reservation Fee under any circumstances. Once you have provided written notice of your intention to not move forward in the Territory or when the deadline for

opening the Studio in Exhibit A has passed, you will no longer have the rights to open a new Musicologie Studio in the Territories set forth in Exhibit A.

6. **Grant of Franchises**. You must submit to us a separate application for each Musicologie Studio you wish to develop in the Territories set forth in Exhibit A. You agree to give us all information and materials we request to assess each proposed Musicologie Studio site. We will not unreasonably withhold acceptance of any proposed site if that site meets our then current site criteria. However, we have the absolute right not to accept any site not meeting these criteria. We agree to use reasonable efforts to review and accept (or not accept) sites you propose within thirty (30) days after we receive all requested information and material.

If we accept the proposed site, you agree to sign a separate franchise agreement (and related documents, including the personal guaranty and assignment of telephone number) for that Studio. If you fail to do so, or cannot obtain lawful possession of the proposed site, we may withdraw our acceptance of the proposed site. After you (or your affiliated entity and its owners) sign the franchise agreement (and related documents, including the personal guaranty and the assignment of telephone number), its terms and conditions will control your leasing, construction, development, and operation of the Musicologie Studio (except that the required opening dates and Territories reserved are governed exclusively by this MSDA).

7. **Term**. This MSDA's term begins on the date we and you sign it and ends on the date when the final Musicologie Studio to be developed under the schedule in Exhibit A has been opened or this MSDA is otherwise terminated.

8. **Termination**. As further set forth below, we may terminate this MSDA and your right under this MSDA to develop Musicologie Studios pursuant to Exhibit A. The termination shall be effective upon delivery to you of written notice of termination:

- a. if you fail to satisfy either your development obligations under the schedule set forth in Exhibit A, or any other obligation under this MSDA, which defaults you have no right to cure; or
- b. if the Franchise Agreement is terminated by us in compliance with its terms or by you for any (or no) reason; or
- c. if any other franchise agreement between us and you (or your affiliated entity) for a Musicologie Studio is terminated by us in compliance with its terms or by you for any (or no) reason, even if that other franchise agreement was not signed pursuant to your rights under this MSDA; or

- d. if we have delivered a formal written notice of default to you under the Franchise Agreement, or any other franchise agreement between us (or our predecessor) (even if that other franchise agreement was not signed pursuant to your rights under this MSDA) whether or not you (or your affiliated entity) cure that default and whether or not we subsequently terminate the other franchise agreement.

A termination of this MSDA is not deemed to be the termination of any franchise rights because the MSDA grants you no separate franchise rights. Franchise rights arise only under the franchise agreements signed directly with us. A termination of this MSDA does not affect any franchise rights granted under any then-effective individual franchise agreements. You are not eligible for a refund for any Market Reservation Fees paid to us in the event of the termination of this MSDA.

9. **Assignment**. You may not assign or transfer your development rights under this MSDA, unless provided with express written permission in writing. We reserve the right to deny an assignment of this MSDA for any (or no) reason. A transfer of the development rights is deemed to occur if there is an assignment of the Franchise Agreement, a transfer of a controlling ownership interest in you, a transfer of this MSDA separate and apart from the Franchise Agreement, or any other event attempting to assign the development rights. We may transfer this agreement to our successors, if applicable.

10. **MSDA to Control**. Except as provided in this MSDA, the Franchise Agreement remains in full force and effect as originally written. If there is any inconsistency between the Franchise Agreement and this MSDA, the terms of this MSDA will control.

11. **Entire Agreement/Survival**. This MSDA, the Franchise Agreement, the Operating Manual, and the System contain all of the covenants and agreements of the parties with respect to this subject matter, and supersede any and all prior or contemporaneous agreements, whether oral, written, express, or implied, between the parties with respect to this subject matter. Nothing in this Agreement or any related agreement, however, is intended to disclaim the representations we made to you in the Musicologie in the Franchise Disclosure Document that we furnished to you.

[Signature Page appears on the following page]

In Witness Whereof, the parties hereto set their hands and execute this Multi-Studio Development Agreement as of the Effective Date.

MUSICOLOGIE FRANCHISING LLC

FRANCHISEE

[_____]

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

INDIVIDUALLY

By: _____

Date: _____

Multi-Studio Development Schedule
Exhibit A – DEVELOPMENT SCHEDULE

Studio Number to be Developed	Territory/Zip Codes	Market (City/State)	Market Reservation Fee	Studio Opening Deadline (Date)
1				
2				
3				

MUSICOLOGIE FRANCHISING LLC

FRANCHISEE

[_____]

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

INDIVIDUALLY

By: _____

Date: _____

Exhibit E
Financial Statements

See attached.

**MUSICOLOGIE FRANCHISING, LLC
AND SUBSIDIARY**

FINANCIAL REPORT

December 31, 2023 and 2022

MUSICOLOGIE FRANCHISING, LLC AND SUBSIDIARY

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INDEPENDENT AUDITORS' REPORT

To the Members
Musicologie Franchising, LLC and Subsidiary
Columbus, Ohio

Opinion

We have audited the consolidated financial statements of Musicologie Franchising, LLC and Subsidiary, (the "Company") (Ohio limited liability companies), which comprise the consolidated balance sheets as of December 31, 2023 and 2022 and the related consolidated statements of income and changes in members' equity and cash flows for the year ended December 31, 2023 and the period March 25, 2022 (inception) through December 31, 2022, and the related notes to the consolidated financial statements (collectively, the "consolidated financial statements").

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Musicologie Franchising, LLC and Subsidiary as of December 31, 2023 and 2022, and the results of their operations and their cash flows for the year ended December 31, 2023 and the period March 25, 2022 (inception) through December 31, 2022 in accordance with accounting principles generally accepted in the United States of America ("GAAP").

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 Auditors' Responsibilities for the Audits of the Consolidated 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audits of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but it 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 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 audits, significant audit findings, and certain internal control related matters that we identified during the audits.



Columbus, Ohio
April 24, 2024

MUSICOLOGIE FRANCHISING, LLC AND SUBSIDIARY**CONSOLIDATED BALANCE SHEETS**

December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Current Assets		
Cash	\$ 50,221	\$ -
Accounts receivable - franchisees	5,805	-
Accounts receivable - member contributions	-	40,000
Prepaid expenses	4,642	-
Total current assets	<u>\$ 60,668</u>	<u>\$ 40,000</u>
LIABILITIES AND MEMBERS' EQUITY		
Current Liabilities		
Accounts payable	\$ 4,569	\$ -
Members' Equity	<u>56,099</u>	<u>40,000</u>
Total liabilities and members' equity	<u>\$ 60,668</u>	<u>\$ 40,000</u>

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

MUSICOLOGIE FRANCHISING, LLC AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF INCOME AND CHANGES IN MEMBERS' EQUITY

Year ended December 31, 2023 and the period March 25, 2022 (Inception) through
December 31, 2022

	<u>2023</u>	<u>2022</u>
Revenues		
Royalty fees	\$ 40,949	\$ -
Software fees	<u>12,600</u>	<u>-</u>
Total revenue	53,549	-
Operating Expenses		
Advertising and promotion	6,899	-
Franchise support	2,877	-
Other	301	-
Professional fees	25,150	-
Software	6,851	-
Travel	<u>2,150</u>	<u>-</u>
Total operating expenses	<u>44,228</u>	<u>-</u>
Net income	9,321	-
Members' Equity		
Beginning of period	40,000	-
Member contributions	<u>6,778</u>	<u>40,000</u>
End of period	<u>\$ 56,099</u>	<u>\$ 40,000</u>

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

MUSICOLOGIE FRANCHISING, LLC AND SUBSIDIARY**CONSOLIDATED STATEMENTS OF CASH FLOWS**

Year ended December 31, 2023 and the period March 25, 2022 (Inception) through
December 31, 2022

	2023	2022
Cash Flows from Operating Activities		
Net income	\$ 9,321	\$ -
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
(Increase) decrease in operating assets:		
Accounts receivable - franchisees	(5,805)	-
Accounts receivable - member contributions	40,000	(40,000)
Prepaid expenses	(4,642)	-
Increase (decrease) in operating liabilities:		
Accounts payable	4,569	-
Net cash provided by (used in) operating activities	43,443	(40,000)
Cash Flows from Financing Activities		
Member contributions	6,778	40,000
Net change in cash	50,221	-
Cash		
Beginning of period	-	-
End of period	\$ 50,221	\$ -

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

MUSICOLOGIE FRANCHISING, LLC AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE A - NATURE OF OPERATIONS

Musicologie Franchising, LLC and Subsidiary (the “Company”) is engaged in the business of licensing certain trademarks and franchise systems to franchisees of the Musicologie studios. The Company markets these franchises throughout Ohio. The franchisees offer private lessons, group classes, school presentations, summer camps, and workshops for both instrument and voice lessons. Lessons are offered to both children and adults.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the Company’s significant accounting policies consistently applied in the preparation of the accompanying consolidated financial statements follows.

1. *Basis of Accounting*

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

2. *Basis of Consolidation*

The consolidated financial statements include those accounts of Musicologie Franchising, LLC and its wholly owned subsidiary, Soli Studio, LLC. All significant intercompany transactions have been eliminated.

3. *Cash*

Cash includes all of the Company’s checking accounts with financial institutions. The Company’s cash accounts are insured by the Federal Deposit Insurance Corporation up to specified limits. As of December 31, 2023, the Company’s cash balances were fully insured. The Company believes it is not exposed to any significant credit risk on its cash balances and has not experienced any loss in such accounts.

4. *Accounts Receivable*

Accounts receivable consists of royalty and software fees from franchisees which are typically received monthly. The Company performs ongoing credit evaluations of its franchisees and generally does not require collateral. In evaluating the collectability of accounts receivable, the Company evaluates recent collection history, the current economic environment, and expectations of future economic conditions that would impact the ability of franchisees to pay amounts owed to the Company. The Company considers accounts receivable to be fully collectible; accordingly, no allowance for credit losses has been recorded.

MUSICOLOGIE FRANCHISING, LLC AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

December 31, 2023 and 2022

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. *Revenue Recognition*

Royalty Fees

Ongoing royalty fee revenues are based on a percentage of a franchisee's sales and are due at the beginning of the following month. Royalty fee revenue is recognized when the sales occur and is recorded monthly.

Software Fees

The Company charges monthly fees to franchisees for use of the Company's proprietary software and amounts are due at the beginning of each month. Software fee revenue is recognized and recorded monthly as the franchisees use the proprietary software.

Franchise Start-Up Fees

The Company's performance obligations for new franchises include assisting with site selection, franchisee studio layout, selection of inventory, supplies, and equipment, and training of franchisee personnel. The Company considers all of these activities as one performance obligation. The revenue from franchise start-up fees is recognized when the new franchise location is opened. Any fees received prior to opening are reported as deferred revenue on the consolidated balance sheet. The Company had no franchise start-up fee revenues for the year ended December 31, 2023 or the period May 25, 2022 (inception) through December 31, 2022.

6. *Income Taxes*

Musicologie Franchising, LLC and Soli Studio, LLC, Ohio limited liability companies, are treated as partnerships for federal, state, and local income tax purposes. Soli Studio, LLC is a single member LLC and its tax attributes are included along with Musicologie Franchising, LLC's tax return. The income of the Company is included in the federal, state, and local income tax returns of the members. Accordingly, no provision for federal, state, or local income taxes is included in the consolidated financial statements.

The Company evaluates tax positions taken, or expected to be taken, in their tax return. The Company's evaluation on December 31, 2023 and 2022, revealed no uncertain tax positions that would have a material impact on the consolidated financial statements. The Company does not believe that any reasonably possible changes in income tax positions will occur within the next twelve months that will have a material impact on the consolidated financial statements.

MUSICOLOGIE FRANCHISING, LLC AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

December 31, 2023 and 2022

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

7. *Use of Management's Estimates*

The preparation of the consolidated financial statements in conformity with GAAP 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. Accordingly, actual results could differ from those estimates.

8. *New Accounting Pronouncement*

As of January 1, 2023, the Company adopted Accounting Standards Update No. 2016-13, *Financial Instruments – Credit Losses (Topic 326)* (“ASC 326”). ASC 326 replaced the incurred loss model for measuring the allowance for credit losses with a new model that reflects current expected credit losses (“CECL”) that are expected to occur over the lifetime of the underlying asset. The CECL methodology is applicable to financial assets that are measured at amortized cost, including accounts receivable. The Company adopted ASC 326 using a modified retrospective approach, which did not have a material impact to the financial statements.

NOTE C - RELATED PARTY TRANSACTIONS

During 2023, the Company had 6 franchisees, all of which were owned by an entity that has similar ownership as the Company. These franchisees pay reduced fees and royalties to the Company. The Company's royalty fees and software fees for the year ended December 31, 2023 as reported on the consolidated statement of income and changes in members' equity, were from the related franchises. The accounts receivable – franchisees balance on the balance sheet as of December 31, 2023 is due from the related franchises.

NOTE D - SUBSEQUENT EVENTS

During 2024, one franchise owned by the related party described in Note C was transferred to an unrelated party.

The Company has evaluated subsequent events through the date of the independent auditors' report, the date on which the consolidated financial statements were available to be issued.

MUSICOLOGIE FRANCHISING, LLC

FINANCIAL REPORT

December 31, 2022

MUSICOLOGIE FRANCHISING, LLC

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INDEPENDENT AUDITORS' REPORT

To the Members
Musicologie Franchising, LLC
Columbus, Ohio

Opinion

We have audited the accompanying financial statements of Musicologie Franchising, LLC, (the "Company") (an Ohio limited liability company), which comprise the balance sheet as of December 31, 2022 and the related statements of income and changes in members' equity and cash flows for the period March 25, 2022 (inception) through December 31, 2022, and the related notes to the financial statements (collectively the "financial statements").

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Musicologie Franchising, LLC as of December 31, 2022, and the results of its operations and its cash flows for the period March 25, 2022 (inception) through December 31, 2022 in accordance with accounting principles generally accepted in the United States of America ("GAAP").

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 Auditors' Responsibilities for the Audits 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 GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audits 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but it 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 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 audits, significant audit findings, and certain internal control related matters that we identified during the audits.



Columbus, Ohio
July 18, 2023

MUSICOLOGIE FRANCHISING, LLC

BALANCE SHEET

December 31, 2022

ASSETS	
Current Assets	
Accounts receivable - member contributions	<u>\$ 40,000</u>
LIABILITIES AND MEMBERS' EQUITY	
Liabilities	\$ -
Members' Equity	<u>40,000</u>
Total liabilities and members' equity	<u>\$ 40,000</u>

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

MUSICOLOGIE FRANCHISING, LLC

STATEMENT OF INCOME AND CHANGES IN MEMBERS' EQUITY

For the Period March 25, 2022 (Inception) through December 31, 2022

Revenues	\$ -
Operating Expenses	<u>-</u>
Net income	-
Members' Equity	
Beginning of period	-
Member contributions	<u>40,000</u>
End of period	<u><u>\$ 40,000</u></u>

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

MUSICOLOGIE FRANCHISING, LLC

STATEMENT OF CASH FLOWS

For the Period March 25, 2022 (Inception) through December 31, 2022

Cash Flows from Operating Activities

Net income	\$ -
Adjustments to reconcile net income to net cash used in operating activities	
Increase in Accounts receivable - member contributions	<u>(40,000)</u>
Net cash used in operating activities	(40,000)

Cash Flows from Financing Activities

Member contributions	<u>40,000</u>
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Net change in cash	-
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Cash

Beginning of year	<u>-</u>
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End of year	<u><u>\$ -</u></u>
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The accompanying notes are an integral part of these financial statements.

MUSICOLOGIE FRANCHISING, LLC

NOTES TO FINANCIAL STATEMENT

December 31, 2022

NOTE A - NATURE OF OPERATIONS

Musicologie Franchising, LLC (the "Company") is engaged in the business of licensing certain trademarks and franchise systems to franchisees of the Musicologie studios. The Company markets these franchises by offering music lessons. They offer private lessons, group classes, school presentations, summer camps, and workshops for both instrument and voice lessons. Lessons are offered to both children and adults.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the Company's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

1. *Basis of Accounting*

The accompanying financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America ("GAAP").

2. *Income Taxes*

The Company, a limited liability company, is treated as a partnership for federal, state, and local income tax purposes. Therefore, the income of the Company is included in the federal, state, and local income tax returns of the members. Accordingly, no provision for federal, state, or local income taxes is included in the financial statements.

The Company evaluates tax positions taken, or expected to be taken, in their tax return. The Company's evaluation on December 31, 2022, revealed no uncertain tax positions that would have a material impact on the financial statements. The Company does not believe that any reasonably possible changes in income tax positions will occur within the next twelve months that will have a material impact on the financial statements.

3. *Use of Management's Estimates*

The preparation of the financial statements in conformity with GAAP 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

NOTE C - SUBSEQUENT EVENTS

The Company has evaluated subsequent events through the date of the independent auditors' report, the date on which the financial statements were available to be issued.

Exhibit E
Unaudited Opening Balance Sheet

The Franchisor did not exist as of December 31, 2021. Thus, it has published an unaudited opening balance sheet for April 30, 2022.

Musicologie Franchising, LLC Balance Sheet

Year Ending April 30, 2022

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$40,000
Accounts Receivable	\$0.00

TOTAL CURRENT ASSETS	\$40,000
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PROPERTY AND EQUIPMENT	0
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NET PROPERTY AND EQUIPMENT	0
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TOTAL ASSETS	\$40,000
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LIABILITIES AND MEMBERS EQUITY

CURRENT LIABILITIES

TOTAL CURRENT LIABILITIES	\$0
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LONG TERM LIABILITIES

TOTAL LONG TERM LIABILITIES	\$0
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TOTAL LIABILITIES	\$0
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MEMBERS' EQUITY	\$40,000
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TOTAL LIABILITIES AND MEMBERS' EQUITY	\$40,000
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State Effective Dates

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This 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
Indiana	October 28, 2024
Michigan	October 22, 2024
Wisconsin	October 15, 2024
Illinois	Pending
Minnesota	Pending
Rhode Island	October 25, 2024

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 F
RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Musicologie Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If Musicologie Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and any applicable state agency.

The Musicologie Franchising, LLC sales agent for this offering is Joseph Barker: 1400 W. Third Ave, Columbus, OH 43212; (614) 407-8740. Additionally, the following persons (if applicable) _____, located at _____ were involved in offering this franchise.

Issuance Date: April 25, 2024, amended as of August 14, 2024

I received a disclosure document dated April 25, 2024, amended as of August 14, 2024, that included the following exhibits:

Exhibit A	State Addenda to Disclosure Document
Exhibit B	State Franchise Administrators/Agents for Service of Process
Exhibit C	Table of Contents of Operating Manual
Exhibit D	Franchise Agreement
Exhibit E	Financial Statements
Exhibit F	Receipts

Date: _____ Your name (Please print): _____

Your signature: _____

You should return one copy of the signed receipt either by signing, dating, and mailing it to Musicologie Franchising LLC, 1400 W. Third Ave, Columbus, OH 43212; (614) 407-8740 or by emailing a scanned copy of the signed receipt to joseph@musicologie.com. You may keep the second copy for your records.

[Receipts Page – Franchisee Copy]

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[Receipts Page – Franchisor Copy]