

## FRANCHISE DISCLOSURE DOCUMENT



Sylvan Learning, LLC,  
a Delaware limited liability company  
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www.sylvanfranchise.com

**Sylvan Learning:** The franchisee will operate a Sylvan-branded learning center with a system designed for specialized assessment and teaching of individualized educational programs for children in the principal areas of reading, mathematics, writing, and test preparation.

**SylvanSync:** The franchisee will operate a portable SylvanSync and Sylvan-branded learning environment individualized for children, using proprietary SylvanSync computer systems and the Internet, alongside the Sylvan Learning Center business. In addition, the franchisee may carry the SylvanSync system outside of the Sylvan Learning Center to provide services at one or more additional approved short-term or permanent locations in the protected territory granted by Sylvan. The principal areas of instruction are reading, mathematics and writing.

The total investment necessary to begin operation of a Sylvan and SylvanSync business is \$100,752 to \$226,842. This includes \$36,900 that must be paid to us or an affiliate.

We may offer to enter into a multi-territory incentive plan agreement to establish and operate two to three Sylvan franchised businesses at specific locations under individual franchise agreements. The total initial investment necessary under the development agreement for two to three Sylvan centers ranges from \$201,504 to \$680,526. This includes \$56,900 to \$76,900 that must be paid to us or an 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 governmental 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 Sylvan Learning, LLC at 2350 Airport Freeway, Suite 505, Bedford, TX 76022, or call 877.958.9716.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "[A Consumer's Guide to Buying a Franchise](#)," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1.877.FTC.HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at [www.ftc.gov](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

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

## What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

### Some States Require Registration

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

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

## Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by arbitration and/or litigation only in Texas. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with the franchisor in Texas than in your own state.
2. **Mandatory Minimum Payment.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

Certain states may require other risks to be highlighted. Check the “State Specific Addenda” (if any) to see whether your state requires other risks to be highlighted.

## NOTICE REQUIRED BY THE STATE OF MICHIGAN

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

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) The term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
  - (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.
  - (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
  - (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

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

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

Any questions regarding this notice should be directed to: Department of the Attorney General, Consumer Protection Division, 670 Law Building, 525 West Ottawa Street, Lansing, Michigan 48933, 517-335-7622.

**\* NOTE: NOTWITHSTANDING PARAGRAPH (f) ABOVE, WE INTEND TO, AND YOU AGREE THAT WE AND YOU WILL, ENFORCE FULLY THE PROVISIONS OF THE ARBITRATION SECTION OF OUR AGREEMENTS. WE BELIEVE THAT PARAGRAPH (f) IS UNCONSTITUTIONAL AND CANNOT PRECLUDE US FROM ENFORCING THE ARBITRATION PROVISIONS.**

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#### **EXHIBITS**

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Exhibit C	ACE IT! Tutoring System License Agreement
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## **ITEM 1: THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES**

To simplify the language of this disclosure document, “Sylvan,” “us” or “we” means Sylvan Learning, LLC, the franchisor. “You” means the person, corporation, partnership, or other entity who buys the franchise. We use “corporation” to refer to any of a corporation, partnership or limited liability company, and “shareholder” to refer to any of a shareholder, partner, or member. We call our franchise agreement the “License Agreement” and we call our franchisees “licensees.” We use both the “franchisee” and “licensee” terms interchangeably throughout this disclosure document. Our Sylvan Learning License Agreement for the Sylvan System and the SylvanSync System is Exhibit A to this disclosure document.

This disclosure document describes the offer of franchises to operate using Sylvan’s proprietary Sylvan System and SylvanSync System at Sylvan Learning Centers (each a “Center” and collectively the “Centers”) and other approved locations. The SylvanSync System and Sylvan System are separate licenses (which are licensed under the same agreement) and systems, but products and services of both are offered alongside each other from the Centers and other approved locations. These terms and concepts are further described later in this disclosure document.

### **The Franchisor, Our Parents and Our Affiliates**

Sylvan is a Delaware limited liability company converted from Sylvan Learning, Inc. on June 18, 2015, and does business as Sylvan Learning Centers, Sylvan Learning, SylvanSync, and Sylvan. Our principal business address is 2350 Airport Freeway, Suite 505, Bedford, TX 76022. Our agents for service of process are disclosed in Exhibit F.

Our direct and indirect subsidiaries include Educate Corporate Centers Holdings, LLC (“ECCH”), Learning System of the Future, LLC (“LSF”), Learning Partnerships, LLC (“LP”), Maryland Learning Centers, LLC (“MLC”), and Sylvan In-Home, LLC (“SIH”). ECCH is MLC’s parent company. MLC operates the type of Sylvan System and SylvanSync System businesses that you will operate. LSF has invested in and is developing the Learning System of the Future platform (the “LSF Platform”) used in the SylvanSync System. LSF licenses the LSF Platform to Sylvan, which in turn licenses the SylvanSync System to franchisees. LP has invested in and is developing the Sylvan Edge Packages (the “EDGE Packages”) used in delivering Sylvan Edge robotics, computer programming, engineering and mathematics learning programs and other licensed intellectual property. LP licenses the EDGE Packages to Sylvan, which in turn licenses the EDGE Packages to franchisees. SIH operates an online marketplace (the “Marketplace Platform”) to enable parents to seek tutors specializing in fields of study where their students may need additional assistance. SIH has never operated a Center, and it has never offered franchises in any line of business. The principal business address of each of the entities above is 350 Airport Freeway, Suite 505, Bedford, TX 76022.

On February 16, 2024, we became a wholly owned subsidiary of Unleashed Brands, LLC (“Unleashed Brands”). Unleashed Brands’ parent company is Leviathan Intermediate Holdco, LLC, which is owned by UA Holdings, LLC (“UA Holdings”). Unleashed Brands Foundation, the charitable affiliate of Unleashed Brands, is a Texas based nonprofit corporation which conducts certain charitable activities. Unleashed Brands, Leviathan Intermediate Holdco, LLC, Unleashed Brands Foundation, and UA Holdings share a principal business address at 2350 Airport Freeway, Suite 505, Bedford, Texas 76022.

Neither Sylvan nor its affiliates or predecessors have offered or offer franchises in other lines of business. However, we have affiliates that offer franchises in other lines of business. All of the affiliates listed below share a principal business address at 2350 Airport Freeway, Suite 505, Bedford, Texas 76022:

- UATP Management, LLC (“UATP”) offers URBAN AIR ADVENTURE PARK franchises, which are venues for recreational activities, birthday parties, and other group events featuring the Adventure Park Attraction package. UATP began offering franchises in May 2013 and had 183 franchises as of December 31, 2023. UATP Canada Franchising, Ltd., a British Columbia corporation, offers

these franchises in Canada.

- TLGI, LLC (formerly The Little Gym International, Inc., “TLGI”) offers THE LITTLE GYM franchises which provide physical fitness, recreational gymnastics, motor skills development, and other programs for children under The Little Gym name and trademarks. TLGI began offering franchises in September 1992 and had 187 franchises as of December 31, 2023.
- Snapology, LLC (“Snapology”) offers SNAPOLOGY franchises, which provide curriculum-based courses, events and hands-on learning experiences using LEGO® brand bricks, K’Nex® brand toys, and other building toys, robotics, animation, coding and engineering techniques. Snapology began offering franchises in March 2015 and had 106 franchises as of December 31, 2023. Snapology International, LLC, a Pennsylvania limited liability company, offers these franchises outside of the USA. Our affiliate Snapology IP, LLC is the owner of certain trademarks and intellectual property associated with the SNAPOLOGY franchises.
- Premier Franchising Group, LLC (“PMA”) offers PREMIER MARTIAL ARTS franchises, which are martial arts studios for self-defense and character development. PMA began offering franchises in April 2018 and had 213 franchises as of December 31, 2023. Our affiliate PMA IP, LLC is the owner of certain trademarks and intellectual property associated with the PREMIER MARTIAL ARTS franchises.
- Class 101 Franchise, LLC (“Class 101”) offers CLASS 101 franchises, which provide advice, guidance and training to high school students and their parents in preparing for, selecting, applying to, and paying for college. On April 11, 2022, Class 101 acquired the assets of Class 101, Inc., which began offering franchising in June 2007 and had 60 franchises as of December 31, 2023. Our affiliate Class 101 Franchise IP, LLC is the owner of certain trademarks and intellectual property associated with CLASS 101 franchises.
- XP League Franchise, LLC (“XPL”) offers XP LEAGUE franchises which follow traditional youth sports formats delivering values and life skills learned in coach-led athletics in an esports format, for elementary and middle school aged children. On April 21, 2022, XPL acquired certain assets of XP League, LLC, which began offering franchises in August 2020, and had 45 franchises as of December 31, 2023. XP League Franchise, LLC is the owner of certain trademarks and intellectual property associated with XP League franchises.
- Our affiliate, Unleashed Services, LLC (“Unleashed Services”), provides executive management services to us, UATP, TLG, Snapology, PMA, Class 101, and XPL, but Unleashed Services does not offer franchises in any line of business.

You will not conduct business directly with UATP, TLG, Snapology, PMA, Class 101, or XPL (each an “Affiliated Brand”), unless you decide to co-brand with an Affiliate Brand. If you decide to co-brand the premises of your Sylvan franchise with an Affiliated Brand, you will be offered a separate franchise disclosure document of your desired Affiliate Brand and will be required to sign a separate franchise agreement for that Affiliate Brand. Other than the above, we do not have any affiliates which offer or sell goods or services to our franchisees, and no other parent, predecessor, and affiliates offer franchises in this or any other lines of business.

### **The Sylvan System: Franchise History**

Sylvan began offering Sylvan franchises in June 2003 as Sylvan Learning, Inc. Sylvan’s predecessors operated or offered licenses under the Sylvan System from February 1979 to June 2003, as follows: Sylvan Learning Corporation, an Oregon corporation (February 1979 until March 1984), which merged into Sylvan Learning Corporation, a Washington corporation (March 1984 until May 1985), which merged into Sylvan Learning Corporation, a Delaware corporation (May 1985 to February 1991), which entered into a general partnership with KEE Incorporated to form Sylvan KEE Systems (February 1991 to January 1993). KEE

Incorporated acquired Sylvan KEE Systems in January 1993 after the partnership dissolved, and changed its name to Sylvan KEE Systems, Inc. On September 2, 1993, Sylvan KEE Systems, Inc. changed its name to the more descriptive Sylvan Learning Systems, Inc. Sylvan Learning, LLC acquired substantially all of our assets from Sylvan Learning Systems, Inc., which later changed its name and line of business, on June 30, 2003. From June 30, 2003 to June 18, 2015, we were a Delaware corporation known as Sylvan Learning, Inc. On June 18, 2015, we converted our entity from a Delaware corporation to a Delaware limited liability company, and accordingly changed our name from Sylvan Learning, Inc. to Sylvan Learning, LLC.

### **The Sylvan System and SylvanSync System Franchise Program**

The Sylvan System and SylvanSync System franchise opportunity is comprised of two separate licenses that Sylvan currently offers together in a joint License Agreement for convenience:

- (1) a license to use certain of Sylvan’s proprietary programs, systems, teaching and management techniques, individualized diagnostic tests, and academic and prescriptive educational courses or programs which are designed to be personally taught, supervised or administered by trained instructors (the “Sylvan System”) and to be delivered in Sylvan-branded learning centers (“Sylvan Learning Centers” or “Centers”) under the Sylvan brand name; and
- (2) a license to use certain of Sylvan’s owned and licensed proprietary technology, digital assets, systems, business methods, techniques and methodologies that are designed to be used in connection with portable proprietary computer systems and the Internet to provide a digital learning environment incorporating assessment results, instruction, and the management of student educational programs (the “SylvanSync System”), to be delivered at locations within a defined geographical area.

Your right to operate a Sylvan Learning Center, use the Sylvan System and the SylvanSync System, and deliver products, services and programs to customers and students using Sylvan’s trademarks and service marks (“Licensed Marks”) is governed by the License Agreement.

Sylvan began offering Sylvan System franchises in June 2003. In March 2012, we began offering the SylvanSync System as an optional license alongside a Sylvan Learning Center License Agreement. We first began offering the Sylvan System and the SylvanSync System jointly in one License Agreement for convenience in March 2016. Effective January 1, 2019, Sylvan updated its required operational standards and specifications to make the use of the SylvanSync System mandatory.

We refer to a franchisee’s Sylvan System and SylvanSync System business in a territory as the “Licensed Business.”

Each franchisee delivers the Sylvan System and the SylvanSync System within a primary Sylvan-branded brick-and-mortar Center in its territory. In addition, if approved by Sylvan, each franchisee may carry the SylvanSync System, and other programs and services that Sylvan approves, outside of the Center to provide services at one or more additional approved short-term or permanent locations in its territory, such as community centers, libraries, schools, and short-term and/or small retail locations. We refer to these locations as “Satellites.” Further, franchisees may open additional Centers in their territories after their first Center (the “Primary Center”) is fully and continuously operating, subject to Sylvan’s approval.

Commencing in March of 2020, Sylvan granted franchisees the temporary right to deliver Sylvan and SylvanSync System programs to students virtually, through live, online platforms (the “Temporary Virtual License”). In January of 2022, Sylvan elected to offer franchisees the right to deliver Sylvan and SylvanSync System programs on a longer-term basis through the expiration of the term of their License Agreements, pursuant to an amendment to the License Agreement (the “Virtual License Amendment”). As of the date of this disclosure document, the right to deliver virtual services is set forth by the License Agreement and included within the Licensed Business; hence, it is also a part of Sylvan’s 2024 franchise

offering that is described in this disclosure document (so there will no longer be a separate “Virtual License Amendment”).

The principal areas of instruction are reading, mathematics and writing; study skills instruction and test preparation are also available. The Sylvan System is operated, and provided to students, under the Sylvan brand name. The SylvanSync System is operated, and provided to students, under the SylvanSync and Sylvan brand names.

The Sylvan System and SylvanSync System are licensed to franchisees under our Sylvan License Agreement. A copy of our current License Agreement as of the issuance date of this disclosure document is attached as Exhibit A.

Sylvan’s affiliate, Educate Corporate Centers Holdings, LLC, operates Centers and Satellites in the United States directly and as a member of subsidiary limited liability companies. This entity may operate the type of Sylvan System and SylvanSync System business offered to you.

Sylvan developed the SylvanSync System under rights Sylvan received from LSF, which is a related company, and from third parties and in cooperation with third parties. You must operate the SylvanSync System in your Licensed Business in compliance with Sylvan’s standards and specifications.

### **Optional Additional Product Licenses**

#### **Sylvan Edge Program and Product License**

In September 2014, Sylvan began offering licensees the option to purchase Sylvan Edge Packages so that they may offer Sylvan Edge robotics, computer programming, engineering, and mathematics learning programs (the “Sylvan Edge Program”) to students at their Centers and at other approved locations in their territories. The Sylvan Edge Packages consist of teaching materials and guidelines; specifications for the technology needed to provide instruction in robotics, computer programming, engineering, and mathematics; a license to use certain Sylvan and third-party marks and trade dress; and other methods, techniques and knowhow related to teaching the basic principles of robotics, computer programming, engineering, and mathematics to students. Courses offered under Sylvan Edge Program are personally taught by trained instructors and may be delivered at locations we approve in your Territory (which is further described in Item 12), such as Centers and Satellites, as well as un-branded locations, such as schools and community centers, under the Sylvan Edge brand name.

Licensees have the option to offer the Sylvan Edge Program, which is not part of the Sylvan System or the SylvanSync System. If you wish to offer the Sylvan Edge Program, you must sign the Sylvan Edge Package License Agreement, successfully complete the required training program, and deliver the Sylvan Edge Program in accordance with the Sylvan Edge Package License Agreement, a copy of which is attached to this disclosure document as Exhibit B and amends the License Agreement.

#### **ACE IT! Program and Product License**

Sylvan also offers licensees the option to offer the ACE IT! Program, as defined in this paragraph, in accordance with the ACE IT! Tutoring System License Agreement. The “ACE IT! Program” uses certain proprietary programs, systems, teaching and management techniques to provide academic programs to students under contracts funded by third parties, such as school districts, other government entities and not-for-profit organizations, (“Third-Party Contracts”). In addition, with Sylvan’s separate approval, you may provide the ACE IT! Program via retail services that you offer directly to consumers. These programs, systems, teaching and management techniques are personally taught by trained instructors and may be delivered at locations we approve in your Territory, such as Centers and Satellites, as well as in un-branded locations, such as schools and community centers, under the ACE IT! TUTORING® brand name (the “ACE IT! System”).

Licensees have the option to offer the ACE IT! Program, which is not a part of the Sylvan System or the SylvanSync System. If you wish to offer the ACE IT! Program, you must sign the ACE IT! Tutoring System License Agreement, successfully complete the required training program, and use the ACE IT! System in accordance with the ACE IT! Tutoring System License Agreement, a copy of which is attached to this disclosure document as Exhibit C and amends the License Agreement.

Sylvan offered the ACE IT! Program as a separate franchise opportunity, with a separate Franchise disclosure document, from January 2006 until January 2016. As of the date of this disclosure document, Sylvan offers the ACE IT! Program as an optional product license under the ACE IT! Tutoring System License Agreement, and only as an add-on or adjunct tutoring service for an existing Sylvan and SylvanSync license. Sylvan does not offer the ACE IT! Program as a separate franchise opportunity with a separate franchise disclosure document.

### **Sylvan In-Home and mySylvan Marketplace+**

SIH operates an online Marketplace Platform that enables parents to seek in-person or virtual tutors in a designated geographic area who specialize in fields of study where their students may need additional assistance. At its inception in 2017, the Marketplace Platform was referred to as the Sylvan In-Home Tutoring Marketplace; as of the issuance date of this disclosure document, Sylvan has changed the name of the Marketplace Platform to “mySylvan Marketplace+”. Once a parent finds a tutor that fits the needs of his or her student, the Marketplace Platform allows the tutor and parent to schedule tutoring sessions at a mutually convenient location, whether in-person or online, and facilitates online payment processing. As of the issuance date of this disclosure document, tutors visible to parents on the Marketplace Platform are independent contractors of SIH and they pay a fee to SIH for the ability to be featured on the Marketplace Platform. SIH tutors have the option to offer and deliver SylvanSync programs to students, though they are not required to do so. SIH reserves the right to modify elements of its business model, service terms, or terms of engagement with tutors from time to time. As of the issuance date of this disclosure document, SIH is advertising the Marketplace Platform across the United States, as the Marketplace tutors are permitted to deliver virtual tutoring to any student who does not live within fifty (50) miles of a Sylvan Learning Center that is not participating in the Marketplace Platform offerings. SIH reserves the right to advertise the Marketplace Platform and allow affiliated tutors to deliver services in licensed territories. As of the date of this disclosure document, new licensees will be required to enroll their territories in the Marketplace Platform, subject to the terms and conditions of the mySylvan Marketplace+ Franchisee Participation Pilot Agreement, attached as Attachment L to the License Agreement. Sylvan does not guarantee that it will continue to allow franchisee participation in the Marketplace Platform beyond the pilot phase. Sylvan aims to roll out the Marketplace Platform across the United States, and Sylvan anticipates making certain portions of the Marketplace Platform available to all franchisees, pursuant to certain fees, training, and other requirements, as determined by SIH and Sylvan at their discretion. In particular, Sylvan contemplates enabling the customer self-service booking feature of the Marketplace Platform for franchisees who choose to opt in, and providing those franchisees access to the tutors who provide services through the Marketplace Platform. The in-person and online tutoring business which takes place through the Marketplace Platform is not currently part of a franchisee’s Licensed Business.

As of the date of this disclosure document, new licensees are required to enroll their territories in the Marketplace Platform, subject to the terms and conditions of the mySylvan Marketplace+ Franchisee Participation Pilot Program Agreement attached as Attachment L to the License Agreement.

### **Bright Horizons**

Sylvan entered into an agreement with Bright Horizons Family Solutions, LLC (“Bright Horizons”) whereby Sylvan and its franchisees may deliver services to Bright Horizons’ Clients’ employees as part of the Bright Horizons Back-Up Care Program. As of the date of this disclosure document, new licensees are required to participate in the Bright Horizons Program. The Bright Horizons Participation Agreement is attached to this disclosure document as Attachment K to the License Agreement.

## **Industry-Specific Laws and Regulations; Marketplace and Competition**

The general market for the Sylvan System and SylvanSync System franchise opportunities offered to you consists primarily of parents who wish to enhance their school-age children's academic performance.

Some states may have laws or regulations that permit only a state-certified teacher to perform certain activities in your Licensed Business, or that may require a license for operating a Center or a Satellite. You must also operate your Licensed Business in compliance with Sylvan's standards and specifications.

In some states, a Sylvan Learning Center may be subject to licensing requirements or may be required to have a state-certified instructor as a director or on the premises when instruction is being offered. For instance, in Pennsylvania a Sylvan Learning Center is subject to regulations issued by the State Board of Private Academic Schools. These require private schools to apply to the Board for a license to operate. A school applying for a license must include with its application evidence that it has financial resources or forms of surety adequate to reimburse any unearned tuition in case it ceases to operate. Only teachers holding a valid Pennsylvania professional teacher certification may teach in a licensed private school. A Pennsylvania certified specialist in each subject must oversee the instructional process of that specialty area (Reading-certified for Reading programs, Math-certified for Math programs). Similar requirements may apply in your state.

Sylvan and SylvanSync franchisees compete with other supplemental instruction programs offered to school-age children and adults, through a variety of media as well as in association with public and private schools. Your ability to compete will depend on various factors, including the geographical area of your facility, your specific site location, general economic conditions, accessibility of your facility, and your particular capabilities.

## **ITEM 2: BUSINESS EXPERIENCE**

### **SYLVAN LEARNING, LLC**

John McAuliffe - Director and Chief Executive Officer: Mr. McAuliffe has been with Sylvan since January 2010, and since February 2016, has served as our Chief Executive Officer in Towson, Maryland.

Amy Przywara - Chief Marketing Officer: Ms. Przywara has been with Sylvan since January 2009, and since June 2015, has served as our Chief Marketing Officer in Towson, Maryland.

Susan Valverde - Chief Franchise Operations Officer: Ms. Valverde has been with Sylvan since August 2016, and since March 2017, has served as our Chief Franchise Operations Officer in Towson, Maryland.

Jacob Jones - Chief Financial Officer: Mr. Jones has been with Sylvan since December 2011, and since January 2022, became Sylvan's Chief Financial Officer in Towson, Maryland.

Jeff Stephenson - Vice President, Franchise Development: Mr. Stephenson became Sylvan's Vice President of Franchise Development in June of 2022 in Bedford, Texas. Prior to that, Mr. Stephenson served as Vice President of Franchise Development at Liberty Tax in Hurst, Texas from April 2021 through June 2022. He served as Vice President of Franchise Development at G6 Hospitality in Carrollton, Texas from August 2015 through February 2021.

### **UNLEASHED SERVICES**

Michael Browning, Jr. – Chief Executive Officer: Michael Browning, Jr. has been the Chief Executive Officer of both Unleashed Brands and Unleashed Services since July 2021 in Bedford, Texas. He is one of co-founders of UATP and has served as UATP's Chief Executive Officer from its inception in May 2013 to June 2021 in Bedford, Texas. Michael also served as the Chief Executive Officer of UA Attractions, LLC from May 2018 to October 2021 in Bedford, Texas. Previously, he served as the Manager of Southlake Urban Air, LLC from March 2011 to December 2018 in Southlake, Texas; Mansfield Urban Air, LLC from January 2013 to September 2020 in Mansfield, Texas; Frisco Urban Air, LLC from May 2013 to February 2019 in Frisco, Texas; Garland Urban Air, LLC from March 2015 to July 2020 in Garland, Texas; Coppell

Urban Air, LLC from March 2015 to July 2020 in Coppell, Texas; and Fort Worth Urban Air, LLC since August 2016 in Bedford, Texas. Michael has been a Manager of UATP Holdings, LLC since 2015, and served in both positions in Bedford, Texas.

Stephen Polozola – Chief Legal Officer: Stephen Polozola has served as the Chief Legal Officer of Unleashed Services since July 2021 in Bedford, Texas. Stephen is one of the co-founders and has served as the Executive Vice President and General Counsel of UATP since its inception in May 2013 to June 2021 in Bedford, Texas. He has served as a Manager of UATP Holdings, LLC since July 2015 and has served as a Vice President of UATP IP, LLC since October 2013 in Bedford, Texas. Stephen has served as President of Adventis Insurance, Inc. since March 2020.

Joe Luongo – Chief Operating Officer: Joe Luongo has served as the Chief Operating Officer of Unleashed Services since April 2022 in Bedford, Texas. Since June 2019, he also serves as Chairman of the Board for WellBiz Brands and previously served as Executive Chairman from October 2017 to June 2019 in Englewood, Colorado.

Scott Perry – Chief Financial Officer: Scott Perry has served as the Chief Financial Officer at Unleashed Services since July 2021 in Bedford, Texas. Before this position, he served as the Chief Financial Officer and Executive Vice President of UATP from March 2019 to June 2021. Previously, he was a Member of Laguna Woods Consulting, LLC from September 2018 to March 2019 in Austin, Texas.

Jessica Correa – Chief Marketing Officer: Jessica Correa has served as Unleashed Services' Chief Marketing Officer since July 2021 in Bedford, Texas. Previously, she served as the Chief Marketing Officer from August 2019 to June 2021. Prior to joining UATP, Jessica served as Head of Marketing for Planet Fitness in Hampton, New Hampshire from November 2014 to May 2018.

Josh Wall, CFE – Chief Growth Officer: Josh Wall has been the Chief Growth Officer of Unleashed Services since July 2021 in Bedford, Texas. From June 2019 to June 2021, Josh Wall served as UATP's Executive Vice President and Chief Franchise Officer. Previously, Josh served as the Chief Development Officer for Christian Brothers Automotive Corporation in Houston, Texas from January 2018 to June 2019.

Chris Andrews – Chief Information Officer: Chris Andrews has been the Chief Information Officer of Unleashed Services since May 2022 in Bedford, Texas. Previously, from May 2019 to May 2022, he was the Chief Information Officer of Smoothie King in Coppell, Texas. From November 2018 to May 2019, he served as the Chief Information Officer at Pei Wei in Dallas, Texas.

Diane Sanford, SHRM-SCP – Chief People Officer: Diane Sanford has served as the Chief People Officer at Unleashed Services since March 2023 in Bedford, Texas. Previously, she was the Chief People Officer at Local Favorite Restaurants in Dallas, Texas from May 2022 to March 2023. Before this role, she served as the Chief People Officer at On the Border Mexican Grill & Cantina from December 2014 to April 2022 in Irving, Texas.

Ryan Slemmons – Chief Development Officer: Ryan Slemmons has served as our Chief Development Officer since April 2023 in Bedford, Texas. From July 2021 to April 2023, he served as Vice President, Global Real Estate and Development at Game Stop in Dallas, Texas. Previously, from September 2014 to July 2021, he held various positions with Amazon, most recently serving as Head of Real Estate – Amazon Go, Amazon Style, and New Concepts in Dallas, Texas.

Eric Schechterman, CFE – Vice President of Franchise Finance: Eric Schechterman has served as our Vice President of Franchise Finance since April 2023 in Bedford, Texas. Previously, from April 2011 to February 2023, he held several positions with Benetrends Financial, most recently serving as Chief Development Officer from April 2017 to February 2023 in Philadelphia, Pennsylvania. He currently also serves as Senior Advisor to Lander Analytics, and has held that position since January 2014 in New York, New York.

**Josh Barker – Vice President of Franchise Recruitment:** Josh Barker has served as Unleashed Services’ Vice President of Franchise Recruitment since August 2021 in Bedford, Texas. Previously, he served as the Vice President of Franchise Development at Neighborly in Waco, Texas from October 2020 to August 2021. At Christian Brothers Automotive in Houston, Texas, he served as the Franchise Development Manager from June 2017 to April 2018 and Director of Franchise Development from April 2018 to October 2020. From June 2015 to June 2017, he was the General Manager at Air Power Services Inc. in Houston, Texas. Josh serves in his present capacities in Bedford, Texas.

### **ITEM 3: LITIGATION**

#### **PENDING LITIGATION AGAINST FRANCHISEES TO COLLECT ROYALTY PAYMENTS**

**Sylvan Learning, LLC v. Renryder, LLC and Federico Sandoval** (Cause No. 4248-21-C, District Court for Hidalgo County, Texas).

#### **LITIGATION AGAINST FRANCHISOR AFFILIATES**

**In the Matter of Snapology Community Programs, L.P. and its successor Snapology, LLC, Administrative Proceeding Before the Securities Commissioner of Maryland, Case No. 2015-0429.** As a result of an investigation into the franchise related activities of Snapology Community Programs, L.P. and its successor Snapology, LLC, the Maryland Securities Commissioner (“Commissioner”) concluded that grounds existed to allege that Snapology violated the registration and disclosure provisions of the Maryland Franchise Law in relation to the offer and sale of a Snapology franchise. In responding to inquiries from the Maryland Securities Division, Snapology acknowledged that, during the time it was not registered to offer and sell franchises in Maryland, it entered into two separate License and Training Service Agreements in Maryland that the Commissioner concluded constituted the sale of two franchises. Snapology represented that it has offered rescission to one of those franchisees. On January 15, 2016, the Commissioner and Snapology entered into a consent order whereby Snapology, without admitting or denying any violations of the law, agreed to: immediately and permanently cease from the offer and sale of franchises in violation of the Maryland franchise law; complete registration of its franchise offering in Maryland; and, offer rescission to the remaining franchisee who was sold a franchise in Maryland while Snapology was not registered with the State.

**The Commissioner of Financial Protection and Innovation v. Premier Franchising Group, LLC doing business as Premier Martial Arts International and/or Premier Martial Arts.** On November 18, 2021, we entered into a consent order with the California Commissioner of Financial Protection and Innovation related to four licensees of PMAI. The Commissioner found that PMAI offered and sold at least four franchises in California without being registered with the Commissioner or exempt, in violation of Section 31110 of the California Franchise Investment Law. The Commissioner further found that we and PMAI willfully omitted to state in subsequent franchise registration applications the material fact that PMAI had at least four California studios, in violation of Section 31200 of the California Franchise Investment Law. Pursuant to the consent order, we agreed to (1) refrain from violating Sections 31110 and 31200, (2) pay a \$10,000 administrative penalty, (3) file a post-effective Amendment updating our current registration to include the consent order, and (4) disclose the existence of each and every California studio in Item 20 and in the exhibit list of current and former franchisees in any PMA disclosure document filed with the Commissioner moving forward.

**Unleashed Services, LLC vs. Tom Pabin vs. Josh Wall, pending in the 48<sup>th</sup> Judicial District of Tarrant County, Texas, bearing Cause No. 48-346174-23.** On September 18, 2023, Unleashed Services, LLC (“Unleashed”) filed its Original Petition against Thomas Pabin (“Pabin”) requesting the issuance of a Declaratory Judgment to construe the terms of Mr. Pabin’s employment agreement and the rights, duties, status, and legal relations of Unleashed and Pabin under such employment agreement. On February 22, 2024, Pabin, in response to Unleashed’s Motion to Dismiss the claims asserted in Pabin’s Counterclaim and Third-Party Petition, filed his First Amended Counterclaim against Unleashed and Third-Party Petition

against Josh Wall. Within this Counterclaim and Third-Party Petition, Pabin has alleged (1) Unleashed breached the employment agreement and Pabin is entitled to a severance payment; (2) breach of contract/promissory estoppel against Unleashed and Wall related to the subject asset purchase agreement (“APA”) and payment of a potential earnout; (3) fraud as against Unleashed and Wall related to the calculation of the earnout set forth in the APA; (4) indemnification as against Unleashed and (5) requested a declaratory judgment interpreting the rights, duties, status, and legal relations of the parties under the APA and employment agreement. Unleashed strongly denies all allegations asserted against it and Wall and believes no sums are due Pabin under the applicable agreements.

UATP Management, LLC v. Leap of Faith Adventures, LLC, District Court of Tarrant County, Texas Case No. 017-300796-18. On July 9, 2018, UATP filed this lawsuit (“Petition”) against the defendant Leap of Faith Adventures, LLC (“LOFA”), that, at the time of filing, was a distributor and installer of attractions used in Urban Air Adventure Parks. UATP claimed that LOFA had stopped paying UATP rebates on revenue LOFA received from selling attractions to UATP franchisees, alleging breach of contract and tortious interference and have since added a fraud and fraudulent inducement claims. UATP is seeking compensatory damages in excess of \$6.5 million on our various claims, attorneys’ fees, and costs. LOFA answered UATP’s Petition on August 13, 2018 and filed a counterclaim on October 31, 2018. LOFA alleged, among other things, conversion, breach of contract, interference with business relationships, violation of the Texas Theft Liability Act, and theft of trade secrets arising primarily from UATP’s alleged interference with LOFA’s contracts with our franchisees and relationships with other entities, all for the supposed purpose of bringing in house, to the exclusion of LOFA, the installation of attractions at Urban Air Adventure Parks. LOFA seeks unspecified compensatory and exemplary damages, equitable relief, and attorneys’ fees. On March 29, 2019, the Court granted UATP’s motion to dismiss certain of LOFA’s counterclaims, in particular the trade secrets claim. After UATP appealed the Court’s order, the Court of Appeals on May 4, 2021, dismissed additional claims asserted by LOFA, leaving only claims for, among other things, interference with contracts and business relationships with our franchisees, conversion, breach of contract, and violation of the Texas Theft Liability Act. Before the Appellate Court’s ruling, LOFA filed its own new petition on September 10, 2020, against certain of UATP’s affiliates and principals, including Michael Browning, Jr. and Stephen Polozola, which was consolidated with the lawsuit described in this paragraph. In an effort to resolve the matter and bring it to a final conclusion, the case was dismissed with prejudice following the execution of a confidential settlement agreement, wherein UATP Management, LLC and Leap of Faith Adventures, LLC released all claims against each other without admission of any liability in exchange for a one-time payment of five million dollars to Leap of Faith Adventures, LLC.

Other than these actions, no litigation is required to be described in this Item.

#### **ITEM 4: BANKRUPTCY**

No bankruptcies are required to be disclosed in this Item.

#### **ITEM 5: INITIAL FEES**

##### **License Agreement**

The initial license fee is \$36,900, which includes the licenses for the optional Sylvan Edge Package and ACE IT! Program. All initial license fees are non-refundable and payable in full when you sign the Sylvan License Agreement, EDGE Package License Agreement, and the ACE IT! Tutoring System License Agreement.

##### **Multi-Territory Incentive Plan**

If we award you multi-unit development rights, you must sign our “Multi-Territory Incentive Plan,” which is an amendment to the License Agreement and attached to this disclosure document as Exhibit D, and pay a development fee (the “Development Fee”) for the respective number of territories:

Number of Territories	Total Development Fees
One Territory	\$36,900
Two Territories	\$56,900
Three Territories	\$76,900

The Development Fee you must pay under the Multi-Territory Incentive Plan (a) includes the initial license fees payable by you for the license agreements to be developed, (b) will be due in a lump sum payment upon the signing of the Multi-Territory Incentive Plan, and (c) is fully earned and non-refundable in consideration of administrative and other expenses we incur in entering into the Multi-Territory Incentive Plan, and for our lost or deferred opportunities to enter into the Multi-Territory Incentive Plan with others. The Development Fee is uniform for all developers.

### Incentives

Sylvan offers a 5% reduction of the Initial License Fee for existing Sylvan franchisees seeking to expand their Sylvan Learning Center businesses by acquiring and developing additional territories. Sylvan also offers a 5% reduction of the Initial License Fee for current franchisees of Affiliated Brands in good standing when they purchase a Sylvan franchise.

Sylvan may also reduce the Initial License Fee by 5% for qualified veterans of the United States military, first responders, or social workers seeking to become new franchisees.

Sylvan may offer certain additional incentives to franchise candidates with educational experience, such as a reduction of the Initial License Fee by 5%. A “Qualified Educator” is a person with teaching and/or school administrative experience who owns or controls 50% or more of the franchisee entity.

Sylvan may modify or discontinue incentive programs at any time. In 2023, Sylvan charged initial license fees ranging from \$12,500 to \$36,900 for the License Agreement, including the EDGE Package License Agreement and the ACE IT! Tutoring System License Agreement. Unless otherwise stated, all fees listed above in this Item 5 are uniformly imposed.

### ITEM 6: OTHER FEES

TYPE OF FEE <sup>1</sup>	AMOUNT	DUE DATE <sup>4</sup>	REMARKS
Royalty	16% of monthly gross revenues, with a total Minimum Annual Royalty of not less than \$32,000, derived from the License Agreement. <sup>2, 3, 4</sup>  Optional programs to License Agreement:  12% of monthly gross revenues derived from the Sylvan Edge Program amendment, subject to a minimum annual royalty of \$2,100 assessed in the first calendar year and \$4,200 assessed in the remaining	Payable by the 15th day of each month.	A portion of the royalty may be directed by Sylvan toward Sylvan Advertising under the License Agreement. For each calendar year, your monthly royalties paid to us must total at least the Minimum Annual Royalty. Non-refundable. <sup>3</sup>

TYPE OF FEE <sup>1</sup>	AMOUNT	DUE DATE <sup>4</sup>	REMARKS
	calendar years <sup>3</sup> 12% of monthly gross revenues derived from the Ace It! Program amendment, subject to \$1,200 minimum annual royalty <sup>3</sup>		
Territory Advertising Minimum for Local Advertising and Co-op Expenditures <sup>5</sup>	8% of monthly gross revenues, capped at a maximum of \$40,000 per territory per calendar year. <sup>2,3</sup> Optional programs: 3% of monthly gross revenues derived from the Sylvan Edge Program 12% of monthly gross revenues derived from the Ace It! Program	Payment liability accrues monthly, up to the cap.	Paid to third-party vendors you select and/or your co-op. Local advertising expenditures are always required, and you will incur them either through advertising activities you undertake directly and/or through a local or regional advertising co-op. We can request that you contribute 100% of your required local advertising expenditure to an advertising co-op. Non-refundable.
1-800-Educate or Other Toll-Free Number	Currently \$0.20/minute	Payable by the 25th day of each month.	Invoicing for these fees commences after 30 seconds have elapsed, and fees accrue in six-minute increments. These fees are billed on franchisees' monthly billing statement following the month that the charges are incurred. Non-refundable.
Hub Technology Platform	Currently \$114/Center per month	Payable by the 25th day of each month.	Sylvan requires full utilization of the Hub Technology Platform in all Centers. Hub fees are included on franchisees' monthly billing statements for each Center. Non-refundable.
Audit <sup>6</sup>	Cost of audit, plus late fee on deficiency. <sup>6</sup>	Upon billing.	This charge applies only if the audit discloses that you failed to pay 3% or more of the fees actually due to us during the period covered by the audit. Non-refundable.
Contact Center Program Fee <sup>7</sup>	\$700 flat fee per month plus \$10/inquiry (Model A) or \$350 flat fee per month plus \$30/inquiry (Model B).	Payable by the 25th day of each month.	Payable for call center services that are provided in connection with Sylvan's "Contact Center Program." Participating franchisees select their payment

TYPE OF FEE <sup>1</sup>	AMOUNT	DUE DATE <sup>4</sup>	REMARKS
			model based upon their anticipated call volume. This charge does not apply until you commence operations and utilize the Contact Center Program services. Monthly required payment will be billed by Sylvan and based upon the prior month's inquiries received. Non-refundable.
Transfer Fee <sup>8</sup>	50% of our then-current initial license fee if the Center transferred to a new approved franchisee; or  25% of our then-current initial franchise fee Center is transferred to an approved existing franchisee.	Before transfer.	Payable before transfer of your Center if you request and we consent to transfer. There is no charge if you transfer your franchise to a corporation that you wholly control. Non-refundable.
Initial Training Fee	\$1,000	Upon invoice.	Payable only if you or your Managing Principal does not complete Sylvan's initial training program within 180 days of the effective date of the license agreement. Non-refundable
Additional Training Fee	Currently \$500 per day, plus reimbursement of our out-of-pocket costs	Upon invoice	Payable if Sylvan requires you or your employees to attend additional training or if you request Sylvan to provide additional training. Non-refundable.
Taxes and Income Taxes	Varies.	Upon billing.	You will be responsible for paying Sylvan for all taxes that Sylvan must pay on the amounts you pay to Sylvan, unless the tax is credited against Sylvan's payment. Taxes vary and cannot be estimated in advance.
National Conference Fee	Currently \$900 to \$1,100 per attendee	Upon invoice	In addition to payment of the National Conference Fee, you are responsible for wages, travel, lodging, and other fees and costs for you, your employees, or other personnel to attend such conferences. Non-refundable

TYPE OF FEE <sup>1</sup>	AMOUNT	DUE DATE <sup>4</sup>	REMARKS
Renewal Fee	\$6,000	Before renewal.	Non-refundable.
Additional Center Fee	\$1,000 for each additional Center opened in existing territory.	Upon invoice	Non-refundable.
Dashboard Access License Fee	\$10 per month per license	Monthly upon invoice	This fee is payable to us and may be increased by Microsoft from time-to-time, which is a pass-through fee and does not include any markup or rebate.
Territory Split Fee <sup>9</sup>	\$5,000 per territory split.	Upon invoice.	Payable if you desire to split your current territory into two or more territories, pursuant to a separate then-current franchise agreement. For example, if you split your Territory into three total territories, the total Territory Split Fee is \$10,000. Non-refundable.
Resale Assistance Program	Up to 5% of the purchase price, and may include a \$500 administrative fee payable upon enrollment.	Before transfer.	Voluntary program and fees are payable only if you elect to participate in our optional Resale Assistance Program in connection with the sale of the Licensed Business to an approved transferee of the License Agreement. Non-refundable.
Liquidated Damages	Average monthly royalty over preceding 36 months multiplied by the number of months until the injunction issues, or by 24 or such lower number of months remaining of the License Agreement term.	Upon demand by, or notice from, Sylvan.	Applies to the period from breach until injunction issues for breach of Sections 3, 12.1 or 12.5 of the License Agreement; applies to lost future profits if you cease operation of the Center prior to expiration or renewal of the License Agreement; applies for two years from the date of Center closure if closure occurs prior to the expiration of the then-current term of the License Agreement, or such shorter period remaining on the term. Non-refundable.

**NOTE 1:** Unless otherwise stated, all fees are non-refundable and are imposed by and payable to Sylvan (unless we direct you to pay another person). These fees are uniformly imposed by Sylvan.

**NOTE 2:** “Gross revenues” means the total gross amount of all revenues that you (or anyone else) actually receive in operating your Licensed Business or otherwise at your Center, or using Sylvan’s Licensed Marks, including any amounts that you receive if you are in violation of the terms of the License Agreement. Gross revenues do not include sales tax or other tax receipts or documented credits or refunds you make in good faith to your customers. We may require you to pay your royalty fees by electronic funds transfer, pre-authorized auto-draft arrangement or other method we specify.

**NOTE 3:** Beginning in the sixth year of the initial term of your License Agreement, we may increase the Minimum Annual Royalty and the cap on Local Territory Advertising for a Cost-of-Living Adjustment based on changes in the Revised Consumer Price Index for Urban Wage Earners and Clerical Workers: All items (1982-1984 = 100) (“Consumer Price Index”) published by the Bureau of Labor Statistics, United States Department of Labor. The base index (“Base Index”) shall be the Consumer Price Index for January 1 of the calendar year of the Effective Date. Sylvan may adjust the Minimum Annual Royalty and the cap on Local Territory Advertising amounts indicated in the table above (and other amounts, as detailed in the License Agreement) so that the adjusted flat dollar amount for a given year shall be equal to the product of (a) a fraction, the numerator of which is the Consumer Price Index for January of the year of such adjustment, and the denominator of which is the Base Index, multiplied by (b) the flat dollar amount set forth in such paragraph. No adjustment based on the CPI will be made to the percentage of gross receipts charged as monthly royalty (16%) or Territory Advertising Minimum (8%).

As further described in Item 12, if you fail to open a Primary Center by the original Required Open Date, and Sylvan extends the Required Open Date as an accommodation to you, Sylvan reserves the right to enforce the Minimum Annual Royalty requirement as if you had opened the Primary Center on time, according to the original requirement.

**NOTE 4:** If you do not pay a fee or expense on its due date, then you must pay a late charge of 10% of the amount due and interest at the rate of 1.5% per month, which begins to accrue as of the due date. No late fee will exceed the maximum late fee permitted by law.

**NOTE 5:** We may require you to spend up to 100% of your local advertising obligations through local or regional advertising cooperatives we designate. There are approximately 60 such cooperatives in the United States and Canada. Sylvan-owned Centers are required to contribute to such cooperatives on the same basis as franchised Centers, and their voting power is determined on the same basis as any other Center in the same cooperative.

**NOTE 6:** You are required to make monthly reports of your gross revenues and income and expenses, as well as any information we request concerning services you provide on a scholarship or reduced-fee or no-fee basis. These reports are due at the same time as your monthly royalty payments to us. We may require you to submit your monthly reports electronically. You must accurately record gross revenues in the Computer System, as defined in the License Agreement, on the day they are received, or in such other manner and frequency that we prescribe. We may inspect the premises of your Licensed Business, your books of account and other materials during reasonable times of the business day with or without notice. We will use reasonable efforts not to disrupt the operations of your Licensed Business when we conduct an inspection. We may perform this inspection remotely. If we perform this inspection remotely, you are required to make available immediately upon request all materials that you are required to maintain electronically. You are required to provide any other materials by the delivery date we designate, which shall be not less than two calendar days from our request. If there is a deficiency of 3% or more of fees you were required to pay for the relevant period, you must pay the reasonable cost of the audit. The cost of the audit includes the cost of an independent accountant and the travel expenses, room, board and compensation of the accountant and our agents involved in the conduct of the audit. The late fee applicable to the deficiency is the same as the interest rate described in Note 3.

**NOTE 7:** Sylvan requires that licensees participate in the Contact Center Program for the first twelve months that they operate a Center (from the date the Center opens for business until the first anniversary of that date). After such twelve-month period from Center opening has elapsed, the licensee may elect to continue participation or to terminate its Contact Center Franchisee Participation Agreement pursuant to its terms. If a licensee does not provide adequate notice of termination of the Contact Center Franchisee Participation Agreement, it may be subject to an early termination fee.

Franchisees that participate in the Contact Center Program select one of the two payment models described in the chart above (either low variable per inquiry cost with a higher monthly flat fee, or a lower monthly flat fee with a higher variable per inquiry cost). Payment for Contact Center Program usage is billed by Sylvan on franchisees’ monthly billing statements; payment is currently due on the 25<sup>th</sup> day of each calendar month, based upon the prior calendar month’s usage. Sylvan then pays the third-party vendor responsible for operating the Contact Center directly. Sylvan retains a portion of the fee paid by the franchisee for services that it performs, including having in place certain designated Sylvan staff members to train Contact Center staff, provide support to participating franchisees, and serve as a liaison with the Contact Center. Contact Center Program fees are subject to change from time to time based upon changes in the third-party vendor fees charged to Sylvan.

**NOTE 8:** In order to qualify as an “existing Sylvan licensee“ for purposes of paying the reduced transfer fee of \$3,000, you must have (1) completed all initial training requirements, and (2) operated the Licensed Business at a Primary Center for at least six months prior to the date of the contemplated transfer. In addition, you must be in good standing under your existing License Agreement(s) to qualify.

**NOTE 8:** With our written consent, you may divide your territory into two separate territories in order to continue developing Centers. For each newly created territory, you will execute our then-current form of license agreement and pay to us \$5,000 (the “Territory Split Fee”). Our approval to subdivide your territory is subject to conditions, which may include successful completion of training by a new manager (if we require you to have a second manager), your compliance under all license and franchise agreements and other agreements with us and our affiliates, and the subdivided territory independently meeting our then-current standards for a territory. Upon an approved transfer, we may require you to split the territory into two or more territories (each of which meet the then-current standards for a protected area); if you choose to develop one of the split territories that does not contain your transferred Center, you shall pay the Split Territory Fee instead of the then-current initial franchise fee.

**ITEM 7: ESTIMATED INITIAL INVESTMENT**  
**YOUR ESTIMATED INITIAL INVESTMENT**

<b>TYPE OF EXPENDITURE</b>	<b>AMOUNT</b>	<b>METHOD OF PAYMENT</b>	<b>WHEN DUE</b>	<b>TO WHOM PAYMENT IS TO BE MADE</b>
Initial License Fee	\$36,900 <sup>1</sup>	Lump sum.	Upon signing the License Agreement.	Sylvan
Travel and Living Expenses While Attending Initial Training	\$1,400 – \$2,400 <sup>2</sup>	As incurred.	Before opening.	Airlines, hotels, restaurants, etc. <sup>9</sup>
Initial Three Months’ Rent and Security Deposit	\$4,000 – \$15,500 <sup>3, 10</sup>	Per lease terms. <sup>3</sup>	Per lease terms. <sup>3</sup>	Landlord <sup>10</sup>

<b>TYPE OF EXPENDITURE</b>	<b>AMOUNT</b>	<b>METHOD OF PAYMENT</b>	<b>WHEN DUE</b>	<b>TO WHOM PAYMENT IS TO BE MADE</b>
Real Estate Improvements and Site Preparation	\$15,000 - 75,000 <sup>4</sup>	Lump sum or per lease terms.	Before opening or per lease terms.	Landlord and/or contractors <sup>8, 10</sup>
Initial Inventory and Instructional Materials	\$2,750 – \$3,050 <sup>5</sup>	Lump sum.	Before opening.	Approved vendors <sup>8</sup>
Specialized Furnishings	\$6,000 – \$15,000 <sup>6</sup>	Lump sum.	Before opening.	Vendors <sup>8</sup>
Other Furniture and Miscellaneous Supplies	\$3,400 – \$4,500	Lump sum.	Before opening.	Vendors <sup>8</sup>
Signage	\$2,000 – \$8,000	Lump sum.	Before opening.	Vendors <sup>8</sup>
Marketing During Initial 3-Month Period When Primary Center First Opens <sup>8</sup>	\$10,000 <sup>7</sup>	As incurred.	Across the 3-month period: before opening, the month of opening, and the month following the opening of your Primary Center.	Vendors <sup>8</sup>
Computers and other hardware, Telephone, Internet Access & Software <sup>11</sup>	\$7,500 – \$13,930 <sup>11</sup>	Lump sum.	Before opening.	Vendors <sup>8</sup>
FOA Annual Membership Fee for Initial Period <sup>12</sup>	\$330 <sup>12</sup>	Lump sum.	At the time you sign a License Agreement.	FOA <sup>8</sup>
Miscellaneous Supplies	\$15 – \$150 <sup>13, 14</sup>	Lump sum.	As incurred.	Vendors <sup>8</sup>
Hub Technology Platform	\$342 <sup>15</sup>	As incurred.	After opening.	Sylvan <sup>8</sup>
Contact Center Participation	\$1,480 – \$2,930 <sup>16</sup>	As incurred.	After opening.	Sylvan <sup>8,16</sup>
QuickBooks or Equivalent Accounting Software	\$135 - \$600 <sup>18</sup>	As incurred.	As incurred.	Vendors <sup>9, 10</sup>
Optional: Sylvan Edge	\$0 - \$3,210 <sup>19</sup>	As incurred.	Before opening.	Vendors

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Additional Funds – Three Months	\$9,500 - \$35,000 <sup>17</sup>	As incurred.	As incurred.	Employees, suppliers, utilities <sup>8</sup>
<b>TOTAL<sup>19</sup></b>	<b>\$100,752 - \$226,842</b>			

**NOTE 1:** The Initial License Fee is not refundable under any circumstances. The Initial License Fee may be modified as described in Item 5 if you agree to a Multi-Territory Incentive Plan. Sylvan currently provides initial training free of charge.

**NOTE 2:** As of this issuance date of this disclosure document, Sylvan delivers the first portion of the initial training program in person at Sylvan’s facilities in Towson, Maryland or another designated facility over the course of five days. The second portion of the initial training program is delivered online via 9 live webinars. Sylvan estimates that the estimated cost for travel, food, and lodging would range from \$1,000 to \$2,500 per person in attendance (including between \$100 and \$800 round trip travel, \$150 per day for lodging, and \$25 per day per person for meals for the five-day initial training program).

**NOTE 3:** If you do not own adequate space, you must buy or lease space for your Center. Strip malls are the typical locations for Centers. Your Center must be a minimum of 1,000 square feet. We anticipate that, under the business model in the License Agreement, we will approve Center sizes of 1,000 to 2,000 square feet. Center size across the current Sylvan Network varies, with most Centers having between about 1,500 and 2,400 square feet. The amount of rent that you pay will vary greatly depending on your geographic location, the type of location in which your Center is located, the size of your Center, and general economic conditions, among other factors.

Some franchisees choose to operate at SylvanSync Satellite sites in addition to their Primary Centers; doing so is not required by Sylvan. Sylvan does not recommend that you purchase dedicated space for Satellites. You may wish to lease space on a short-term or temporary basis. School libraries and community centers are some possible locations for Satellites. You must obtain Sylvan’s approval of a location before you may deliver services there. Square footage will vary greatly by number of students you are serving. The amount of temporary rent that you will pay will vary greatly depending on your geographic location, the type and size of your service site, and general economic conditions, among other factors, but will typically range from \$250 to \$3,000, and many Satellite locations are used at no cost.

**NOTE 4:** The costs of improving your lease site for your Center are negotiated with the landlord as part of your negotiating your lease. If the landlord provides the improvements at its cost and those costs are financed as part of the lease, you will substantially reduce your initial costs, but your monthly rental costs will likely be higher.

**NOTE 5:** Sylvan will specify the initial inventory and instructional materials that you must obtain from third parties; this includes educational materials and manipulatives to help you deliver Sylvan and SylvanSync programs. You may source these from any third party, so long as the materials meet our specifications. This amount may change from time to time throughout the year. The amounts do not include all shipping costs and taxes, which must be paid by you. Depending on your location and applicable state taxes, your shipping costs should be between approximately \$200 and \$500, and your taxes will vary. At the end of your first year of operations, you will be required to purchase additional Learning Materials for an additional cost.

**NOTE 6:** You must purchase certain specialized furnishings for your Center that meet Sylvan’s specifications. You may purchase these from any vendor that can produce furnishings that meet Sylvan’s specifications (see Item 8). You may use vendors recommended by Sylvan or any vendor that you choose, but if you source vendors outside of Sylvan’s list of recommended vendors, then you must seek and obtain approval of the furnishings you wish to purchase in advance of purchasing them, as further described in Item 8. You are responsible for shipping costs and the set-up and installation of the specialized furnishings.

**NOTE 7:** Across the three-month period beginning in the month before the Primary Center first opens for business in your Territory, you are required to spend a total of at least \$10,000 on advertising and marketing approved by Sylvan to promote your Primary Center. We will recognize these expenditures toward your 8% Monthly Territory Advertising Minimum for the month in which you spend the money and the month(s) that follow until we have recognized your whole expenditure. This requirement applies only to the first time the Primary Center opens for business, and does not apply if you purchase or relocate an already-operating Primary Center. See Item 6 for information about your 8% Monthly Territory Advertising Minimum.

**NOTE 8:** This fee or payment, to Sylvan or a vendor, is non-refundable.

**NOTE 9:** The refundability of this fee depends on the provider.

**NOTE 10:** This fee is usually non-refundable but varies by landlord.

**NOTE 11:** The estimated costs indicated in the chart include the costs for three to five computer workstations with operating software at \$600 - \$1,000 each, 12-21 iPad (7<sup>th</sup> generation or later) devices at \$349 each, 12-21 covers/screen protector kits for the iPads at \$10 each, \$700 total for a printer and copier (combined or separate), and three months of internet and telephony services at \$100 - \$230 per month and a small office/business firewall and wireless access point at \$350 - \$700. You must purchase or lease a minimum of ten Apple iPad (7<sup>th</sup> generation or later) devices for each Center, unless we grant prior approval for a lower inventory. You must have a sufficient number of iPads, accessories, and peripherals (including but not limited to keyboards and headphones for programs that require them) to serve all students enrolled in SylvanSync programs. We provide certain of the other equipment and licensed software at no additional cost to you. See the Computer Systems section of Item 11 for more information on required materials and equipment we provide and materials and equipment you must obtain from third parties. Computers and other equipment may often be leased over several years. Equipment leases typically require you to pay approximately 10% of the “purchase” price at the outset. To the extent that you are able to lease your equipment, you will substantially reduce your initial costs.

**NOTE 12:** Except as described below in this Note 12, Sylvan’s current policy is that all new franchisees must join the Sylvan Franchise Owners Association (“FOA”) and must maintain membership in the FOA for the remainder of the calendar year during which they joined plus the subsequent calendar year (the “Initial Period”). The FOA is an independent franchisee organization that is administered by the Board of Directors of the Sylvan Franchise Owners Association, Inc. (“SFOA”). Sylvan does not own or control any part of the FOA or of the SFOA, and is not a member of the FOA. You must pay the Annual Membership Dues to the FOA during the Initial Period after you sign a License Agreement; the FOA collects your dues. FOA annual membership runs on a fiscal-year basis from July 1 to June 30. Annual Membership Dues are prorated for licensees who first join during a fiscal year. FOA Annual Membership Dues are based on the number of Centers that a member is licensed to operate. FOA Annual Membership Dues for the Initial Period are as stated in the table in this Item 7 for licensees who are licensed to operate one Center and who join the FOA upon the execution of the License Agreement, as required (the FOA provides a 50% discount for the first two years of membership to franchisees who join immediately, as required). If you are licensed to operate more than one Center, the FOA Annual Membership Dues are as follows: 2-3 Centers: \$390 and 4+ Centers: \$480. See Item 20 of this disclosure document for FOA contact information. As an exception to the requirements described above, new franchisees are not required to join the FOA during a given calendar year if fewer than 25% of active licensees in the United States and Canada were members of the

FOA as of December 31 of the preceding calendar year. Sylvan may modify, or repeal, its policy that all new franchisees must join FOA from time to time, at its option.

**NOTE 13:** This estimated amount is \$5 per month per active core student. Your expenses for miscellaneous supplies (including, without limitation, markers, buckets, pens, pencils, paper, instructor name tags, incentive gifts for motivational programs, etc.) may differ depending on the number of students you enroll.

**NOTE 14:** You may have additional costs if you reimburse your employees to travel to a Satellite location. Travel reimbursement depends on how you pay your employees (e.g., on an hourly or on a per-session basis), among other factors. Sylvan does not set compensation or reimbursement policies for franchisees' employees. We recommend that you consult your professional advisor.

**NOTE 15:** Sylvan requires that all franchisees use the Hub Technology Platform for its intended uses (for example, recording contacts, scheduling customer appointments, enrolling and scheduling students, tracking attendance, billing customers, and reporting revenue). The Hub Technology Platform Fee is \$114 per Center per month and is included on franchisees' monthly billing statements, due and payable by the 25<sup>th</sup> day of each month. The Hub Technology Fee is subject to change from time to time as it is based upon the license fees and costs that Sylvan is required to pay to the third-party licensor of the system.

**NOTE 16:** Sylvan requires new licensees to participate in the Contact Center Program for the first twelve months of operation of their first Center (from the date the Center opens for business until the first anniversary of that date). Contact Center Program fees are not charged until you open your first Center. The range included in the chart above includes estimated Contact Center Program fees over a three-month period, and is based upon actual monthly fees paid by franchisees who participated in the Contact Center Program during 2023. There are two different payment models for the Contact Center Program: the first model is a higher flat fee per month rate with a lower per-inquiry variable rate (\$700/month, plus \$10/inquiry), and the second model is a lower flat fee per month rate with a higher per-inquiry variable rate (\$350/month, plus \$30/inquiry). Sylvan currently bills participating franchisees each month based upon their Contact Center Program usage in the prior month. Sylvan then pays the third-party vendor directly. Contact Center Program fees are subject to change from time to time based upon changes in the third-party vendor fees charged to Sylvan.

**NOTE 17:** This estimates your initial start-up expenses for the initial three-month period. These expenses include business licenses, utility deposits, initial local marketing, payroll costs and required insurance, which is discussed in Item 8. These figures do not include payroll for the owner. These figures are estimates, and Sylvan cannot guarantee that you will not have additional expenses starting the business. We recommend that, in addition to the capital you estimate you will need to reach a break-even point in your operations, you should have available sufficient capital as a contingency to fund the business for a full year. This estimate is based on information provided to us by franchisees, and from our experience in opening and operating company-owned Centers.

**NOTE 18:** Sylvan requires that licensees use QuickBooks or equivalent or better accounting software in the operation of the Licensed Business. Any software or service used for accounting or bookkeeping must be approved by Sylvan.

**NOTE 19:** You are required to obtain certain materials to operate your Sylvan Edge Program, and your cost for these materials will vary on the number of sets of materials you chose to purchase. The range provided is the cost of the recommended number of materials you should obtain before providing services under your Sylvan Edge Program. There are no additional materials costs associated with your ACE IT! Program.

**NOTE 20:** Unless otherwise indicated in the notes above, the fees listed are not refundable, unless you and the vendor agree differently. Neither we, nor our affiliates, finance any part of your initial investment.

**YOUR ESTIMATED INITIAL INVESTMENT – MULTI-TERRITORY INCENTIVE PLAN  
(Additional Costs to the Above Per Unit Initial Investment)**

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is Made
	Low	High			
Development Fee <sup>1</sup>	\$56,900	\$76,900	Lump Sum	On signing the Multi-Territory Incentive Plan	Sylvan
Legal, Accounting and Other Fees <sup>2</sup>	\$1,000	\$2,000	Lump Sum	As Incurred	Third parties
<b>TOTAL<sup>3</sup></b>	\$57,900	\$78,900			

**NOTE 1.** You must develop two to three Centers under the Multi-Territory Incentive Plan. The Development Fee due under the Multi-Territory Incentive Plan is based on the additional initial franchise fees for the second and the third Center.

**NOTE 2.** You may incur additional legal, accounting, and other fees for reviewing the Multi-Territory Incentive Plan.

**NOTE 3.** For each Center you develop under the Multi-Territory Incentive Plan, you will also incur the expenses in the table above in this Item 7 (except for the initial franchise fee). The cost for opening multiple centers under the Multi-Territory Incentive Plan is the same as opening one center multiplied by the number of centers the Licensee has been granted to open, which is subject to then-current costs of opening subsequent Centers after the first Center

The amounts in the above charts are estimates only and specific amounts vary depending upon various local conditions that are outside of our control. We relied on our experience in this business to compile these estimates. You should review these figures carefully with the business advisor of your choosing before you purchase a franchise. We do not offer direct or indirect financing for your initial investment.

**ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

**Products and Services You Must Source from Us**

You must obtain SylvanSync Materials from us or our affiliate. The SylvanSync Materials include the then-mandatory SylvanSync instructional programs, and may vary from time to time. As of the issuance date of this disclosure document, these were SylvanSync Reading, SylvanSync Mathematics, SylvanSync Academic Writing, and SylvanSync Advanced Study Skills. SylvanSync proprietary programs are delivered to your server electronically. Core, mandatory SylvanSync programs are covered by your royalty.

The software to use the SylvanSync System is available only from us. We will license to you the required software under the terms of the Software License Agreement and Terms of Use and under the royalty at no additional charge. The standard form of Software License Agreement and Terms of Use in effect as of the issuance date of this disclosure document is attached as Attachment G to the License Agreement.

**Products and Services You Must Source from Sylvan-Approved Vendors**

Before opening any Center, you are required to purchase from a Sylvan-approved vendor an initial inventory of Sylvan Materials. You must at all times maintain a supply of Sylvan Materials sufficient to serve customers and students at your Center and to maintain the quality standards of the Sylvan System and

the SylvanSync System. These include materials for the instructional programs that are then mandatory for all Sylvan Learning Centers and that are not already provided in the SylvanSync Materials described in this Item 8, or by third parties. As of the issuance date of this disclosure document, these materials were various physical teaching tools, called “manipulatives.” The price of these materials is subject to change.

You must also purchase certain services and commercially available equipment, software, point-of-sale systems, merchant processing systems, insurance carriers or brokers, marketing services, and other products, services, and materials required by us in the Sylvan Confidential Operations Manual or otherwise in writing for use in a Licensed Business, which we may modify from time to time. We will designate the approved sources of such services and equipment and other materials in the Confidential Manual. You are free to choose in accordance with the approved sources list the wholesale or retail distributor from whom you purchase this equipment and materials.

You may request that we add certain suppliers to the list. There is no charge for our determination of whether to do so. If you nominate a supplier, we will inform you within 30 days whether that supplier qualifies as an approved supplier. We determine whether or not to include a supplier on our list of approved suppliers based on whether its products are compatible with and meet the general quality and service standards for the Sylvan System. These criteria are available to you and approved suppliers upon your request. We may add to the list of approved suppliers, or remove suppliers from the list if they no longer meet the general quality and service standards for the Sylvan System.

We currently receive, and in 2023 received, rebates from some vendors of promotional items and branded merchandise equal to or less than 1% of the gross revenues earned by the vendors from sales to licensees. Other than these rebate programs, we do not receive any payments or other consideration from approved suppliers for your purchases from them or for our designating them as approved suppliers. There are no approved suppliers in which any of our officers own an interest. We do not provide material benefits (e.g., renewal or granting additional franchises) to our franchisees based on a franchisee’s purchase of particular products or services or use of particular suppliers. We have not negotiated discounts, group purchasing discounts or special commercial arrangements from vendors for the benefit of licensees. There are no purchasing or distribution cooperatives required or available for Sylvan franchisees. We do not have any vendor contracts for franchisees to purchase or lease equipment. Vendors who participate in our vendor display hall at our Annual Conference pay us a fee to do so. These fees are not based on any purchase(s) by franchisees.

### **Products and Services You May Source from Any Vendor**

Before beginning operations in your Licensed Business, you must purchase certain initial instructional materials that we designate in our Confidential Operations Manuals or otherwise, and that meet our specifications. In addition, you are also required to purchase certain furnishings (the “Specialized Furnishings”) that we designate in our Confidential Operations Manuals or otherwise, and that meet our specifications. You may buy the initial instructional materials and Specialized Furnishings from any vendor as long as the furnishings they supply meet our specifications. The initial instructional materials will be identified by title, author, year of publication, name of product or other identifying data. We base our specifications for the Specialized Furnishings on maintaining the quality of the Sylvan System and the SylvanSync System and a proper environment for providing the services offered at a Sylvan Learning Center. Upon your request, we will provide you with the specifications for the Specialized Furnishings so that you may supply these to your selected vendor.

You are also required to lease or purchase certain commercially available computer equipment, business equipment, supplies and materials, and Internet service that meet our specifications and as we require in the Confidential Operations Manual or otherwise. See Item 11 for more information about our specifications. Upon our request, you must install, update, or replace any equipment (including computer equipment) and software designed to be used in the operation of your Center, and utilize this equipment and software in the manner we specify. This equipment includes computer hardware and software that we

require and that is compatible with and accessible to our central accounting system (see Item 11). Certain equipment, supplies, materials, and software for use in your Licensed Business are currently available only from us, as described above in this Item 8 and in the Confidential Operations Manual. You may source all other items from any vendor so long as the products and services supplied meet our specifications.

Upon our request, you must refurbish, modify, and upgrade your Center to meet our then-current standards, specifications and procedures.

You are required to obtain and maintain insurance as specified in the Confidential Manual in amounts that we require, including insurance for worker’s compensation, all risk protection with replacement lost coverage on equipment, furnishings, fixtures, and the building, and comprehensive public liability insurance. We must be named as an insured under the comprehensive public liability insurance policies.

### Revenue Disclosure

For the fiscal year ending December 31, 2023, Sylvan’s total revenue from franchisees’ required purchases or leases of Sylvan System and SylvanSync System products and services was \$1,155,788, or approximately 3% of Sylvan’s total revenues of \$34,594,784.

The purchase or lease from Sylvan of products and services specified by Sylvan is estimated to represent approximately 1% to 3% of a franchisee’s total initial investment. The purchase or lease from third parties of materials and products specified by Sylvan is estimated to represent approximately 11% to 12% of a franchisee’s total initial investment. The purchase or lease of products and services specified by Sylvan, from Sylvan and from other sources, is estimated to represent up to 6% of a franchisee’s annual expenses to operate a Center.

## ITEM 9: FRANCHISEE’S OBLIGATIONS

**This table lists your principal obligations under the License Agreement 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 LICENSE AGREEMENT	DISCLOSURE DOCUMENT ITEM
a. Site selection and acquisition/lease	Section 1.5 of License Agreement	Items 7, 11, and 12
b. Pre-opening purchases/leases	Sections 7.1, 7.13, and 8 of License Agreement	Item 8
c. Site development and other pre-opening requirements	Sections 1.6 and 7.6 of License Agreement	Items 7 and 11
d. Initial and ongoing training	Sections 5, 7.10, and 7.11 of License Agreement	Item 11
e. Opening	Section 1.6 of License Agreement	Item 11
f. Fees	Sections 4.1.3, 4.1.4, 6, 7.8.1, and 7.8.2 of License Agreement	Items 5, 6, and 11

<b>OBLIGATION</b>	<b>SECTION IN LICENSE AGREEMENT</b>	<b>DISCLOSURE DOCUMENT ITEM</b>
g. Compliance with standards and policies/Operations Manual	Sections 1.7, 1.8, 2, 5, 6, 7, and 8 of License Agreement	Item 11
h. Trademarks and Proprietary Information	Sections 3, 8.5, and 12.1.2 of License Agreement	Items 13 and 14
i. Restrictions on products/services offered	Sections 1.8.3 and 7.1 of License Agreement	Item 16
j. Warranty and customer service requirements	Sections 6.10 and 7.4 of License Agreement	Item 11
k. Territorial development and sales quotas	Sections 1.5, 6.2.2, 7.7, and 11.2.9 of License Agreement	Item 12
l. Ongoing product/service purchases	Sections 7.1, 7.4, and 8.1 of License Agreement	Item 8
m. Maintenance, appearance, and remodeling requirements	Sections 7.1 and 7.9 of License Agreement	Item 11
n. Insurance	Section 14.2 of License Agreement	Item 8
o. Advertising	Sections 7.3, 7.5, 7.8, and 8.4 of License Agreement	Items 6, 7, and 11
p. Indemnification	Section 14.1 of License Agreement	Not applicable
q. Owner's participation/management/staffing	Sections 4.1.3, 5.1, 7.2.1, 7.4, 7.10, and 11.2.7 of License Agreement	Items 11 and 15
r. Records/reports	Sections 6.4, 6.5, 6.6, 7.9, 7.12, 8.1.5, and 8.2 of License Agreement	Item 6
s. Inspections/audits	Sections 6.6, 7.9, 7.12, 8.1.5, and 8.2 of License Agreement	Item 6
t. Transfer	Section 9 of License Agreement	Item 17
u. Renewal	Section 10.2 of License Agreement	Item 17
v. Post-termination obligations	Section 12 of License Agreement	Item 17
w. Non-competition covenants	Sections 7.3, 8.4, and 12.5 of License Agreement	Item 17
x. Dispute resolution	Sections 7.9.4, 20, and 21 of License Agreement	Item 17

OBLIGATION	SECTION IN LICENSE AGREEMENT	DISCLOSURE DOCUMENT ITEM
y. Other Sylvan Edge Package License Agreement	Exhibit B to the disclosure document	Items 1, 5, and 12
ACE IT! Tutoring System License Agreement	Exhibit C to the disclosure document	Items 1, 5, and 12
Contact Center Franchisee Participation Agreement	Attachment F to the franchise agreement	Items 6, 7, and 15
Bright Horizons Participation Agreement	Attachment K to the franchise agreement	Item 1
mySylvan Marketplace+ <sup>SM</sup> Franchisee Participation Pilot Agreement	Attachment L to the franchise agreement	Items 1, 12

#### ITEM 10: FINANCING

Sylvan does not offer any direct or indirect financing. Sylvan does not guarantee any note, lease, or other obligation. We do not have agreements to refer you to third parties for financing.

You may, however, obtain financing for your equipment purchases and purchases of educational materials from third parties.

#### ITEM 11: FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

**Except as listed below, Sylvan is not required to provide you with any assistance.**

##### Pre-Opening Obligations

Before you open your business, we will provide you with the following assistance on the same basis that we provide this assistance to other Sylvan licensees:

(1) We will designate your Territory. (License Agreement—Section 1.3).

(2) We will assist you in the selection of a location for your Primary Center and make recommendations and suggestions regarding the layout and décor of the Primary Center to assist you in complying with our standards. (License Agreement—Section 4.1.1). Franchisees generally lease premises from third-party landlords. We do not generally own and lease premises to franchisees.

In order for you to operate any Center, you must first obtain our approval of the premises and location from which your Center will be operated (License Agreement—Section 1.5) and of your Center floor plans and signage (License Agreement—Section 4.1.1). We will consider the condition of the building and layout, the size and age of the population within your Territory, accessibility of the facility to that population, existence and proximity of other supplemental instruction programs, the proximity of the facility to your Territory boundary and other Sylvan locations, the extent to which the neighborhood is commercial, industrial, or residential, and available parking in the area. We assign values for each of these factors and use the values to evaluate the premises. We also make determinations based upon our Territory Boundary Policy, which we may modify from time to time (see Item 12). We typically notify franchisees of whether

or not their site has been approved within two weeks after the franchisee provides a completed Site Approval Package to us.

Our License Agreement requires you to open your Primary Center within 180 days of the effective date of the agreement (or another date on which you and we agree) (see Item 15). As noted above in Item 1, you may commence delivery of virtual services prior to opening the brick-and-mortar location of your Primary Center, provided that you and your staff have completed all initial training requirements in advance and that you have obtained Sylvan's approval to do so. If we do not approve the proposed site that you submit to us or if you do not open your Primary Center within this 180-day timeframe, we may cancel your License Agreement (License Agreement—Section 1.5). Sylvan may cancel your License Agreement based upon such failure regardless of whether you are delivering services to students virtually in your Territory at such time. Sylvan reserves the right to charge a fee in connection with any extension of the required opening date for the Primary Center in your Territory if Sylvan, in its sole discretion, approves your request for the extension. In our Confidential Operations Manual, we will provide you specifications for materials, equipment and furniture required for opening and operating your Primary Center, additional Centers, and Satellites (see Item 8).

(3) We will give you access to our Confidential Manual.

The Confidential Manual is confidential and proprietary and remain our property. Sylvan may modify the Confidential Manual, and you must at all times adhere to the then-current contents of the Confidential Manual. (License Agreement—Section 1.8.1, 1.8.2, 1.8.3, 2.1, 4.1.2, 7.1, 7.2, 7.9, 7.11 and 8). You must keep the Confidential Manual and its content confidential. (License Agreement—Section 2.1.3). Exhibit E to this disclosure document includes a copy of the Table of Contents for the Confidential Manual, which has a total of 205 pages.

(4) We will provide initial training to up to three members of your staff (including yourself). (License Agreement—4.1.3 and 5). The training that Sylvan provides to you and to your employees does not constitute employment, direction, or supervision of you or your employees by Sylvan. You shall be fully and solely responsible for all employment actions and decisions related to your employees, including hiring and firing your employees, and providing any additional training you deem necessary in your day-to-day oversight of your Licensed Business.

You must complete your initial training before you may open your Primary Center. If you wish to commence virtual delivery ahead of opening your Primary Center, you must complete your initial training before doing so. Franchisees are typically required to open their Primary Centers within 180 days of signing a License Agreement. Therefore, you must complete your initial training within 180 days after you sign a License Agreement. For new franchisees who purchase a new territory, the three total initial training slots are at no cost to you as long as you complete them all within 180 days of the Effective Date of your License Agreement; for new franchisees who purchase an existing territory through a resale transaction, the three total initial training slots are included within the Supplemental Training and Administrative Fee that Sylvan may elect to charge. You are required to complete this training to our satisfaction as a condition of opening your Center. Sylvan reserves the right to require in-person training, which would take place at Sylvan's facilities in Towson, Maryland or a Sylvan Learning Center location designated by Sylvan.

(5) We will also assist you by providing certain required supplies (as further described in Item 8). We will provide to you electronically instructional materials we consider appropriate for instruction of your personnel in conducting our instructional programs. (License Agreement—Section 4.1.4). We will also provide certain software that you must purchase from us or our affiliate, which we may deliver to you electronically and help you install remotely. (License Agreement—Section 4.2.7). Further, you must also purchase certain services and commercially available equipment and other materials that we identify in the Confidential Manual, or otherwise in writing, as required for use at Centers. (License Agreement—Section 7.1). We will designate the approved sources of such services and equipment and other materials by maker or author, publisher, and title in the Confidential Manual. You are free to choose in accordance with the

approved sources list the wholesale or retail distributor from whom you purchase this equipment and materials. Other initial purchases, such as some initial instructional materials and Specialized Furnishings, may be purchased from any vendor as long as the items they supply meet our specifications. We reserve the right to charge separate fees for additional, specialized, or supplemental training.

### Opening – Primary Center

Licensees typically open their Primary Center three to four months after they sign a License Agreement and pay the Initial License Fee. You must complete the first portion of required training before you may open your Primary Center. You must open your Primary Center no later than 180 days after you sign your License Agreement. The factors affecting the time to open are the ability to purchase or lease a site location, whether it is necessary to make substantial improvements to the site, obtaining financing, complying with zoning and local ordinances, weather conditions, shortages and delayed installation of equipment, and fixtures and signs.

If you receive advance approval from us, you may begin offering and delivering virtual services in your Territory, or operating one or more Satellite locations in your Territory, at any time during the 180 days before you are required to open your brick-and-mortar Primary Center, so long as you already have completed satisfactorily, and caused your staff to complete satisfactorily, initial training.

### Post-Opening Obligations

During the operation of your franchise, we will provide you the following assistance on the same basis as we provide this assistance to other Sylvan franchisees:

(1) As we develop products and services you will offer to your customers and otherwise improve and develop the Sylvan System, we will provide you pertinent new and different standards, procedures, and techniques that are developed and recommended by us, and such changes to the Confidential Manual. We reserve, to the fullest extent permitted by then-applicable law, the right to establish policies and programs regarding pricing of products and services, including, but not limited to, establishing the maximum and minimum retail prices, recommending retail program prices, advertising specific retail prices for some or all products or services sold at your Licensed Business, and developing and advertising price promotions or package promotions. We may compel you to observe, honor, and participate in any such policies or programs we establish. (License Agreement – Section 2.1.4)

(2) We will assist you in developing an action plan for operating your Licensed Business. The plan will include a marketing strategy and an estimate of expenses and sales goals. (License Agreement—Section 4.2.1)

(3) We will maintain a toll-free number you may use to contact our employees at our headquarters. (License Agreement—Section 4.2.2).

(4) We will provide you certain advertising, marketing and/or promotional materials in forms and media determined by us at our sole discretion, which we shall have approved and updated at least every other year. (License Agreement—Section 4.2.3).

(5) We will assist you in resolving operating problems through periodic Quality Assurance Reviews. We will maintain a procedure and checklist for the review of all aspects of your operation of your Licensed Business (“Quality Assurance Review”) whereby we can determine the extent to which your operations are in compliance with our standards. Approximately 120 days after you first open your Primary Center, we will conduct a Quality Assurance Review of your Primary Center through remote review of materials or by having a Sylvan representative conduct an on-site review. At your request, we will have a business consultant or quality assurance manager conduct a Quality Assurance Review at your Licensed Business once in every two-calendar year period if we have not ourselves initiated one, provided that you are in compliance with all financial and reporting obligations to us, and that you are not subject to default or termination under the License Agreement. If you are not in compliance or are subject to default or

termination, you agree to reimburse us for our travel, lodging, meal and other costs incurred in providing an on-site Quality Assurance Review. At your request, we will provide you with the materials and forms used in the Quality Assurance Review process for your use in reviewing your operations. (License Agreement—Section 4.2.4).

(6) If a Sylvan business consultant or quality assurance manager has not already conducted two visits to your Licensed Business, then we will at your request cause a Sylvan representative to provide assistance and offer suggestions and recommendations, either via up to two one-day visits each calendar year or via other customary means of providing advice, at our sole discretion. (License Agreement—Section 4.2.5).

(7) We will attempt to keep you abreast of the most recent and advanced knowledge concerning instructional equipment and new reading and mathematics or other instructional techniques. (License Agreement—Section 4.2.6).

(8) We will lend or otherwise provide to you certain Sylvan computer hardware and software (“Sylvan Hardware” and “Sylvan Software”) that you must use in operating the SylvanSync System in your Licensed Business. We identify the Sylvan Hardware and Sylvan Software in our Confidential Operations Manual; we may change the items we designate from time to time. The Sylvan Hardware and Sylvan Software remains our property. (License Agreement—Section 4.2.7).

(9) We will make available to you at no charge each assessment that we deem mandatory in any mandatory Sylvan System or SylvanSync System program. You may also use these assessments at no charge to you in other optional and mandatory Sylvan System or SylvanSync System programs where we approve you to use the assessments. (License Agreement—Section 4.2.8).

(10) From time to time, we may conduct a regional training program and provide ongoing training as we deem necessary. (License Agreement—Sections 4.4 and 5.1). We describe our current training programs below. The training that Sylvan provides to you and to your employees does not constitute employment, direction, or supervision of you or your employees by Sylvan. You shall be fully and solely responsible for all employment actions and decisions related to your employees, including hiring and firing your employees, and providing any additional training you deem necessary in your day-to-day oversight of your Licensed Business.

(11) At least once every two years, we will hold a conference of not more than five days at a location we select. We will determine the topics and agenda for each conference to serve the purpose of updating licensees on new developments and exchanging information between licensees and us regarding Sylvan System and SylvanSync System operations and programs. The conference may take place in person or virtually, at our option. We may charge a fee for attendance at this conference. You must bear all travel, room, and board expenses for you and your personnel attending these conferences. (License Agreement—Section 4.3.1).

Except as described above, the License Agreement does not require us to provide any other assistance or services to you during the operation of the Licensed Business. For example, we are not required to establish and use administrative, bookkeeping, accounting, or inventory control procedures.

### **Computer Systems**

You are also required to lease or purchase certain commercially available computer equipment, business equipment, supplies, materials, and Internet service that meet our specifications and as we require in the Confidential Operations Manual or otherwise. As an example, and not as a limitation, the Apple iPad (7<sup>th</sup> generation or later) is the only device we designate for use with SylvanSync app as of the issuance date of this disclosure document. Sylvan recommends using Apple iPad 9<sup>th</sup> generation or later tablet computers; Sylvan does not support Apple iPad devices that are 5<sup>th</sup> generation or earlier. We estimate the costs for three to five computer workstations with operating software at \$600 - \$1,000 each, 12-21 iPad (7<sup>th</sup>

generation or later) tablet computers at \$349 each, 12-21 covers/screen protector kits for the iPads at \$10 each, \$700 total for a printer and copier (combined or separate), and three months of internet and telephony services at \$100 - \$230 per month and a small office/business firewall and wireless access point at \$350 - \$700. You must purchase or lease a minimum of ten Apple iPad (7<sup>th</sup> generation or later) devices for each Center, unless we grant prior approval for a lower inventory. You must have a sufficient number of iPads, accessories, and peripherals (including but not limited to keyboards and headphones for programs that require them) to serve all students enrolled in SylvanSync programs. See below in this Item 11 for more information about our specifications. Upon our request, you must install, update, or replace any equipment (including computer equipment) and software designed to be used in the operation of your Licensed Business, and utilize this equipment and software in the manner we specify. This equipment includes computer hardware and software that we require and that is compatible with and accessible to our central accounting system (see below in this Item 11). Certain equipment, supplies, materials, and software for use in your Licensed Business currently are available only from us, as described above in Item 8 and in the Confidential Operations Manual. You may source all other items from any vendor so long as the products and services supplied meet our specifications.

You must own or lease (as applicable), install, use, and maintain the Computer System we specify. Our minimum Computer System specifications as of the issuance date of this disclosure document are as follows:

#### Hardware and Software

When acquiring new workstation computers, you must purchase systems installed with Windows 10 Professional or better. At least one computer in the Center must have a current copy of Microsoft Office or equivalent software installed. We require 64-bit operating systems to run our software suite. You must have at a minimum:

- i. depending on Center size, from 3-10 personal computers/workstations with an Intel i3 or equivalent processor or better (i5 or equivalent recommended), memory of at least 8.0 GB RAM minimum (16.0 GB RAM recommended) and a 100/1000 Ethernet NIC network card or highspeed wireless adapter;
- ii. 17-inch LCD or better monitor, with 1280 x 1024 resolution or better;
- iii. keyboard, mouse, and multimedia sound card;
- iv. required software, as loaned to you by Sylvan. This is part of the Sylvan Software defined earlier in this Item 11;
  - o Hub Center management software;
  - o EdAdmin software;
  - o SylvanSync and SylvanSync Connect software;
  - o Assessment software;
- v. Ethernet or wireless-enabled laser printer;
- vi. copier (a combined printer-copier unit is acceptable);
- vii. telephone system;
- viii. service, equipment, or software with ability to record outgoing telephone greetings and incoming telephone messages;
- ix. at least 10 Apple iPad (7<sup>th</sup> generation or later) tablet computers, each with Wi-Fi capability and at least 16 gigabytes of memory;

- x. a dedicated email address for your Center, and a separate dedicated email address for your director, which we may assign to you; and
- xi. other equipment and specifications as we determine. As an example, and not a limitation, if you do not have a scanner for sending documents via email, you must have a fax machine.

You must install the most current version of either the Google Chrome or Microsoft Edge browser on every workstation that you use to conduct assessments.

Only the following Windows operating systems are currently supported:

- Windows 11 Professional (recommended)
- Windows 10 Professional (end of support October 14<sup>th</sup>, 2025)

The SylvanSync Software is used in the delivery of assessments and offering the Sylvan instructional programs at your Center.

One of your personal computers/workstations is to be used for your full-time employee (Center Director and Director of Education; if you have two full-time Directors, each should have a workstation), and at least two workstations are to be used for testing and instruction. The personal computers must have a sound card, hard drive(s) with sufficient memory, an operating system that meets at least our minimum criteria above, or other operating system we specify, an Internet browser compatible with our systems, and other software. You must have a sufficient number of tablet computers to serve all students enrolled in SylvanSync.

After the initial installation of your computer hardware, you must plan for the ongoing upgrade and replacement of hardware every 3-5 years to maintain current compatibility with the hardware specifications supported by Sylvan Software.

#### Internet Service, Email, and Telephony

You must have a business-class Internet connection through a national or local internet service provider (ISP). In some areas, T1 or fractional T1 lines may be the only options to support the required bandwidth and stability.

For optimal performance, the recommended Internet speeds in-Center are 30 Mbps download and 3 Mbps upload speed (or greater). Minimum required speeds are 15 Mbps download and 3 Mbps upload speed.

Mobile broadband solutions are not acceptable, except as a backup.

You must have an email service. See below in this Item 11 concerning email addresses you must use.

You must have reliable telephony services. We strongly recommend using Voice over Internet Protocol (VoIP) services; we do not recommend using analog services.

You must purchase and maintain wired and wireless network services in your Center, including a firewalled internet services gateway, wireless access point(s), and wired networking switch(s). The minimal equipment needs will vary based on the location's square footage and floorplan. The equipment purchased should meet the requirement of supporting a minimum of 25 users/devices. These include workstations, laptops, iPads, VoIP phones, printers, and network attached storage devices.

You are responsible to us for our proprietary software and all other software we loan to you (collectively, the "Sylvan Technology"), and you must maintain it in good condition and repair, normal wear and tear excepted. You are responsible for loss of, or damage to, the Sylvan Technology due to fire, theft, or other catastrophe, and you must replace any damaged or lost components of the Sylvan Technology at your cost. You must keep the Sylvan Technology insured against catastrophic loss. In some instances, we may elect to replace hardware or software in the case of software failure or corruption. We will provide support for the Sylvan Technology software and hardware via phone during advertised hours as posted on our intranet,

SLCLink, or as we otherwise specify, provided that you are current on your payments to us of SylvanSync billings.

You must provide us unimpeded independent access to your Computer System and all required software. There are no contractual limits on Sylvan's ability to access your data. The hardware and software you use in your business must be compatible with and accessible to our central accounting system through the Internet.

None of the suppliers of the above computer hardware or software, including without limitation Sylvan, has an obligation to provide you with ongoing maintenance, repairs, upgrades, or updates, unless required by your contracts with them or with the wholesalers or retailers from whom you purchase these items. You are responsible for hiring a local technician in your area to assist you in maintaining the integrity of your hardware and networking components and to provide you support with installation and troubleshooting.

Because changes to technology are dynamic and cannot be predicted within the term of your License Agreement, and in order to provide for inevitable but unpredictable changes to technological needs and opportunities, we have the right to establish, in writing, reasonable new standards to address new technologies, whether published in the Confidential Manual, or otherwise in writing, and we have the right to implement those changes in technology into the Computer System and to add or modify fees accordingly, subject to the maximum required expenditures identified in the License Agreement.

You must implement upgrades and updates to the Computer System and all other technology aspects of the Licensed Business at such times, and in the manner, as we specify. We anticipate that you will need to update the Computer System every 3-5 years, if not sooner, for certain elements of the Computer System. The estimated cost to upgrade the Computer System is likely to be about \$3,000 to \$7,000, but Sylvan may not require you to spend more than \$5,000 per Center on computer upgrades in any given year.

#### Email Addresses

In running the Licensed Business, you must use the email address(es) and email domain name(s) that we specify. These specifications are subject to change by Sylvan. Your dedicated email addresses must be used only in operating your Licensed Business and not for any other purpose.

#### Websites

We shall arrange for maintenance of a website for the benefit of Sylvan and the Sylvan brand and Sylvan Network generally if we draw Advertising Allocations to fund same. We shall provide one or more references to your Center within such Sylvan website that we fund. You must ensure that all information concerning your Center is accurate and up to date. (License Agreement—Section 7.5.3)

You may not establish, use, or authorize others to establish or use, any separate website that relates to your Center or refers to our Licensed Marks except with our prior written approval, which we may withhold at our sole discretion. If we approve your request to use a separate website, you must comply with our standards and requirements for the website and for advertising in general. (License Agreement—Section 8.4)

#### **Advertising**

We may direct some amount (the "Advertising Allocation") of your royalty toward funding advertising and marketing programs and activities that are intended to increase the public's awareness of the Sylvan Network, the Sylvan System, and the SylvanSync System generally ("Sylvan Advertising"). We determine the amount and frequency of the Advertising Allocation and may change the Advertising Allocation at any time. We have sole discretion to determine what advertising, marketing, and public relations programs, and activities we undertake within Sylvan Advertising, and we have sole discretion over the creative concepts, materials, and endorsements used in such Sylvan Advertising and the geographic, market, and media placement and allocation of advertising and marketing materials in connection with Sylvan Advertising. The License Agreement does not require that Sylvan Advertising benefit licensees directly

or on a pro rata basis, so we are not required to spend any amount on advertising in your Territory. We may, at our sole discretion, modify, decrease, suspend, and/or increase expenditures and/or operations of Sylvan Advertising from time to time. You are required to participate in all Sylvan Advertising activities and programs that Sylvan designates, but you are not required to make expenditures outside of the Advertising Allocation and/or your local advertising expenditure requirements and the limits on those in the License Agreement. (License Agreement—Section 7.5.2). The amounts collected in connection with the Advertising Allocation are not audited, however, unaudited financial statements are available to franchisees upon request. The amount of your Advertising Allocation may be determined from time to time based on an “alternative funding formula” (“AFF”). Licensees who signed License Agreements prior to March 2016 are on various earlier forms of Sylvan License Agreements. We call those earlier forms “Legacy License Agreements.” Certain Legacy License Agreements provide for an AFF that sets the level of those licensees’ spend on the types of activities pursued in Sylvan Advertising. For the purposes of setting your Advertising Allocation, if an AFF is proposed to licensees in the United States under the terms of the Legacy License Agreements, you shall be deemed to have agreed to the AFF, and the Advertising Allocation to Sylvan Advertising from your royalty shall be in the amount set forth in the AFF for the term of the AFF, if the AFF is approved by licensees owning at least two-thirds (2/3) of outstanding License Agreements in the United States. In all other cases, Sylvan will determine the Advertising Allocation amount as we describe in the first paragraph of this “Advertising” section of Item 11.

In the third quarter of 2016, we established and administered a Licensee Advertising Advisory Committee (the “Committee”) that consults with us concerning the selection and placement of Sylvan Advertising. Sylvan appoints three licensees to sit on the Committee for a one calendar year term; members may be reappointed for additional terms. Each licensee member must be in good standing under all of its License Agreements with Sylvan during such licensee member’s term on the Committee; otherwise, Sylvan may remove them from the Committee. Licensee members do not have voting power in Sylvan’s decisions. Sylvan meets with the Committee as appropriate up to four times per calendar year. All meetings are held by telephone unless Sylvan designates an alternate means of meeting. (License Agreement— Section 7.5.1.) We have the power to form, change, dissolve, or merge the Committee, and any other licensee advisory council.

We will report to licensees annually about advertising, marketing, and public relations activities we conducted and propose for the future, and about the amount that we expend on Sylvan Advertising.

Sylvan-owned Centers are not contractually obligated to contribute an Advertising Allocation, but in the past have contributed to funding advertising on the same basis as licensee Centers.

Most licensees on Legacy License Agreements make their advertising contributions through a National Advertising Fund (the “Fund”). Contributions by licensees on Legacy License Agreements to the Fund are administered by SLC National Advertising Fund, Inc. (“SNAF”) and its four directors, two of whom are appointed by Sylvan, and two of whom are appointed by the FOA. We do not have any voting power within FOA. The monies in the Fund were spent in the 2023 fiscal year as follows (based on unaudited figures):

	<u>Percentage of Total</u>
Advertising Production	4%
Media Placement	36%
CRM Enterprise Solution & Website	18%
Local and Social Marketing and Public Relations	13%
General and Administrative	
<i>(including internal resources dedicated to marketing efforts)</i>	<u>29%</u>
<b>Total</b>	<b>100%</b>

The main Sylvan company website features a link to a microsite with information about becoming a Sylvan franchisee. Other than these assets, SNAF has never used any of the Fund for solicitation of new licensees.

In addition to the contributions you are required to make via your Advertising Allocation, you are required to expend certain amounts on local advertising (see Item 6). We will provide you with advertising materials. You may not use any other advertising materials unless we give our prior approval.

We may require you to contribute up to 100% of your local advertising expenditures to an advertising cooperative. An Acknowledgment of Request to Contribute to Advertising Cooperative (the “Acknowledgement”) is attached to the License Agreement as Attachment E. We will require you to sign the Acknowledgment when you sign the License Agreement. Membership in advertising cooperatives is usually based upon market areas defined by media rating agencies such as Arbitron or Nielsen. Cooperative members administer the advertising cooperatives. Sylvan advertising cooperatives are not required to operate from written documents, but most do, and these should be available for your review by contacting the cooperative membership. Many Sylvan advertising cooperatives prepare annual financial statements that should be available for your review by contacting the cooperative membership. We may require any advertising cooperatives to be formed, changed, dissolved, or merged. Sylvan is not required to participate in any cooperative for its company-owned Centers, but may choose to do so. We will require you to contribute to your local advertising cooperative on the same basis as a majority of the other members contribute, for up to three years.

We must approve your signs that contain our Licensed Marks before you may display them to the public.

### **Training**

We provide you and your staff certain training through our “Sylvan University” department and through “Sylvan University Now” (“SUN”), our proprietary online learning management system for Sylvan franchisees and staff. The Confidential Operations Manual contains the detailed requirements and features of our training programs for the respective system at any given time. Sylvan currently provides the Initial Training Program free of charge for up to three members of your staff (including you) who must complete it within 365 days after you sign your License Agreement, as described below. For all other training, we may charge you our then-current additional training fee plus reimbursement of our out-of-pocket expenses.

We may offer training via instructor-led in-person sessions, group webinars, and online via SUN and online discussion boards. We may change our training requirements (including without limitation programs and fees) from time to time via changes to our Confidential Operations Manual, or otherwise in writing, and you and your staff must comply with such changed requirements. The “Training Programs” chart later in this Item 11 provide details of training programs we currently offer as of the issuance date of this disclosure document.

#### Our Initial Training Program; Your Initial Training Requirements

We provide to licensee an Initial Training Program, which we describe later in this Item 11. If you are licensing an undeveloped territory, our License Agreement requires you to open your Primary Center within 180 days of the effective date of the agreement (or another date on which you and Sylvan agree). You must ensure that the following initial training requirements are met in connection with opening your Primary Center or commencing delivery of Sylvan and SylvanSync System programs at any other site, whether in person or online:

## TRAINING PROGRAMS

SUBJECT	HOURS OF IN-PERSON TRAINING	HOURS OF IN-CENTER TRAINING	TRAINING DESCRIPTION	LOCATION
Initial Training Program:  Franchisee Certification Part I and II  (Note 1)	40	32	<p>Part I: Approximately 3 hours of online self-directed activities, 8 hours of live webinars, 2 hours of on-demand training, followed by one week (40 hours) of live, in-person, training in a Sylvan Learning Center designated by Sylvan.</p> <p>Part II: A series of 9, 1.5-hour live webinars over a three-week period, plus approximately 5.5 hours of independent activities.</p> <p>Several personal consultations are also required and conducted throughout this training. (Duration varies.)</p>	<p>Online in SUN</p> <p>Live Webinars via Zoom</p> <p>In a Sylvan Learning Center of Sylvan's choosing</p> <p>Participants will secure their own travel and lodging arrangements, as necessary.</p>
Optional Training Courses on SUN  (Note 2)	0	0	Approximately 100 hours of online self-directed activities and training in addition to the other programs in this table.	Online in SUN
In-Center Training  (Note 43)	Approximately 6	0	0	Varies
Annual Conferences  (Note 4)	Approximately 24	0	0	In-person; varies

All training may be held in-person, online, or at the location that we designate (which may be Sylvan's office in Towson, Maryland or at a Center), at our option. We may modify the location of training or the format (e.g., utilizing Zoom or another virtual interface) at any time.

**NOTE 1: Initial Training Program: Franchisee Certification Parts I and II**

This Initial Training Program consists of two sequential components that licensee (you or, if the licensee is a corporation, one of its shareholders) must complete in connection with opening your Center to the public, as described above. We provide Franchisee for up to three members of your staff (including yourself).

*Curriculum:* Our Franchisee Certification program begins with a conference call with a Franchise Business Consultant. During that consultation, the recommended sequence of training courses for you and your stakeholders as well as scheduling details will be discussed. Among other subjects, the Franchisee Certification program covers an overview of a Center's educational services, the customer lifecycle, marketing, sales, operations, management, Center technologies, education, SylvanSync, Satellites, and online reputation management.

*Fees:* Currently, you receive up to three seats in our Franchisee Certification program at no charge under your Initial License Fee, as long as the seats are claimed within the first 180 days after you sign your License Agreement. The licensee (you or, if licensee is a corporation, one of its shareholders) must complete the Initial Training Program, Franchisee Certification Part I, within 180 days of signing the License Agreement. The licensee (you or, if licensee is a corporation, one of its shareholders) must complete the Initial Training Program, Franchisee Certification Part II, within 180 days of opening the Sylvan Learning Center or completing Franchisee Certification Part I, whichever comes first. We may charge you an extra fee if you wish more than three people to participate in the Franchisee Certification component. If it becomes necessary, after you open your Primary Center, to send a new staff member to participate in our Franchisee Certification component of the Initial Training Program because you are replacing a member of your staff, or if you complete the Initial Training Program after the one-year anniversary of the Effective Date of your License Agreement, we may charge you our then-current additional training fee plus require reimbursement of our out-of-pocket expenses.

*When Offered:* We offer Franchisee Certification from time to time in connection with new licensees entering into License Agreements and subject to the availability of Sylvan's instructors.

**NOTE 2: Optional Trainings Available on SUN**

SUN also contains approximately 100 hours of additional single-subject and curriculum trainings. All trainings are self-directed and offered online. There is no additional fee for any of these trainings so long as you are current on payment of your royalty. Our then-current online trainings are available online at all times.

**NOTE 3: In-Center Instruction**

We may, but are not obligated to, offer trainings to you and your staff on an ad hoc basis at your Center, or at another location we select at our discretion.

**NOTE 4: Annual Conferences**

At least once every two years, Sylvan will hold an Annual Conference at a location we determine (though we refer to these as "Annual Conferences," we may choose to offer them only every other year). Annual Conferences will last no more than five days. We will determine the topics and agenda for Annual Conferences, which generally include updating our licensees on new developments affecting them and exchanging information between our licensees and our personnel concerning the operations and programs of Centers. We may charge you a reasonable fee for you and your staff to participate in any Annual Conference, and you must pay all costs and expenses you or your staff who participate incur, including travel and living expenses and wages for you and your staff. The current fee for the Annual Conference is

approximately \$900 - \$1,100 and is subject to change from time to time based on Sylvan's costs related to the Annual Conference and in Sylvan's sole discretion.

The purpose of the training programs described in this Item 11 and in Item 15 is to apprise senior Center personnel of Sylvan brand standards, so that the senior personnel may deliver, and train the Center's staff to deliver, consistent, high value service under the "Sylvan" and "SylvanSync" marks from all Sylvan Learning Centers. The training that Sylvan provides to you and to your employees does not constitute employment, direction, or supervision of you or your employees by Sylvan. You shall be fully and solely responsible for all employment actions and decisions related to your employees during training and during their employment in the Licensed Business.

#### Instructors: Sylvan System and SylvanSync System

Erin Conery is the Senior Director of Training and Communication. She holds a B.A. in Comprehensive English Education from University of Wisconsin–Eau Claire and an M.S. in Instructional Design from Walden University. After working in franchised Sylvan Learning Centers for 3 years, Erin joined the Sylvan Franchise Services team in 2006 and began training SylvanSync in November 2011. Erin has over 20 years of training, teaching, and facilitation experience.

Leslie Poteet is the Vice President of Operations. Leslie holds a B.A. in English from Suffolk University and an M.A. in Classical Studies from Boston University. After working in both company-owned and franchised Centers for five years, Leslie joined the Sylvan Franchise Services team in 2011 and began training on contract services and SylvanSync. Leslie has 18 years of training, operations, business development, and product management experience.

Many other instructors will be involved in training licensees. Many instructors are experts in education generally and Sylvan in particular. They have backgrounds in one or more areas including education, instructional design, technology, marketing, business development, and management.

#### **Additional Programs**

Sylvan has developed additional programs and may continue to develop other additional educational programs and packages, such as the Sylvan Edge Program and the ACE IT! Program, which are not part of the core Sylvan System or the SylvanSync System but Licensee may choose to participate by signing the appropriate agreement, which will amend the License Agreement. If Sylvan develops additional education programs, Sylvan may, but is not obligated to, offer the additional programs to licensees. These additional programs are optional. In order to participate in the additional programs, you may be required to sign a separate license agreement, pay additional initial and ongoing fees, and satisfactorily complete additional training relating to the program.

### **ITEM 12: TERRITORY**

You will be assigned a protected territory (your "Territory") by your License Agreement, and you will be licensed to deliver the Sylvan System and SylvanSync System programs and services in your Territory. Using demographic data, Sylvan will work with you to determine the territory boundaries to promote growth of the Licensed Business. A typical territory is an area with a radius of three to five miles, depending upon the density of the population in the territory. However, a territory in a metropolitan area might be much smaller, and a territory in a rural area might be much larger. Each territory is delineated by geographical or political boundaries, latitude and longitude, streets, or an area within a specified radius from an identified point.

We have a Territory Boundary Policy (the "Policy"), which we may modify from time to time. Under our current Policy, each Center and Satellite must be located within your Territory. Each Center should be centrally located within your Territory at a site chosen based upon population density and demographic data. You may not open a Center which is less than one quarter of a mile from any border of your Territory. Sylvan reserves the right to withhold its approval of any Center site proposed to be located less than two

miles from your Territory boundary, based solely on the proximity of such proposed Center site to a bordering territory, regardless of whether such bordering territory is licensed by Sylvan at the time of your proposal. Sylvan may allow you to open a Center between one quarter of a mile and two miles inside the border of your Territory if you satisfy the Policy's then-current population density requirements and other guidelines. If you open a Center close to the boundary of your Territory, you risk that a neighboring franchisee may open another Center similarly close to the same border within its own territory. Sylvan expressly disclaims any and all liability which may result from its approval of multiple Centers located in close proximity to one another. If and when applicable, Sylvan may notify neighboring franchisees of your intention to open a Center within two miles of your Territory border; alternatively, Sylvan may require you to do the same in writing. You may operate one or more Satellites within your Territory with Sylvan's prior approval, which may offer services in compliance with Sylvan's Confidential Operations Manual in-person or virtually. If Sylvan approves any Satellite location which is less than two miles from your Territory border, Sylvan may notify the appropriate neighboring franchisee or require you to do so in writing. We must approve all locations in advance; you must not commence operations in any Center or Satellite location (including a virtual Satellite) without first obtaining Sylvan's prior written approval. We may make exceptions to the Policy from time to time at our sole discretion.

If you are unable to find a suitable site within your Territory and wish to shift the boundaries of your Territory to accommodate your Primary Center site proposal, Sylvan has no obligation to allow such a modification. Sylvan reserves the right to deny your request or to charge a \$1,000 fee in connection with the amendment to your Territory.

Your license permits you to operate one Primary Center within your Territory. If you desire to open an additional Center in your Territory, you must obtain our written approval and pay us \$1,000 for each additional Center to compensate us for our expenses in site review and plan approval. For all Center openings, we require you to comply with the Territory Boundary Policy described above. You are not required to pay us a fee to open additional Satellites. You may only operate in Centers and Satellites that we approve in advance in writing. You may relocate any existing Center within your Territory with our prior written approval, and subject to our then-current Territory Boundary Policy and standards and procedures for approval.

Your Territory is protected, which means that, except as we provide in the License Agreement and in this Item 12, we will not operate or license to others the right to operate a Sylvan Learning Center utilizing the Sylvan System within your Territory so long as your License Agreement remains effective, and you are in compliance with its terms and conditions. We reserve all other rights. As an example, and not a limitation, among other examples, Sylvan may sell, provide, and deliver, directly or through affiliates or third parties, Sylvan System programs pursuant to school system or local, State or Federal government-sponsored or funded contracts or corporate contracts, which require the delivery or performance of Sylvan System services within your Territory. Further, and for the avoidance of doubt, any third-party licensee, franchisee, or a corporate affiliate of Sylvan may provide virtual services to any student, wherever he/she is located, including students who reside within your Territory.

We may sell, operate directly and license and franchise others to sell and use within your Territory under Sylvan's trademarks or under different names or trademarks programs and products that primarily emphasize vocational training and skills in the adult workplace or the delivery of computer-based testing. We may also use the Licensed Marks and other aspects of the Sylvan System in conjunction with activities not contemplated by Sylvan as being conducted solely through Centers; and to offer, distribute, use and/or sell components of the Sylvan System through courses or programs offered and conducted by methods or other channels of distribution or through facilities other than Centers, within your Territory or outside your Territory, including but not limited to: (i) the Internet; (ii) CD-ROM, books, audio or video tapes; (iii) sales for home use by students; or (iv) other concepts currently in existence or as may be developed in the future, for example, through advancements in technology. Sylvan franchisees do not have the right to use other channels of distribution or methods or facilities outside of their territories.

As described in Item 1, our affiliate, SIH operates an in-person and online tutoring initiative utilizing the Marketplace Platform developed by Sylvan and SIH. As of the issuance date of this disclosure document, SIH is advertising the Marketplace Platform across the United States, as the Marketplace tutors are permitted to deliver virtual tutoring to any student who does not live within fifty (50) miles of a Sylvan Learning Center that is not participating in the Marketplace Platform offerings. SIH reserves the right to advertise the Marketplace Platform and allow affiliated tutors to deliver services inside and outside of your Territory. As of the date of this disclosure document, new licensees are required to participate in tutoring offerings by SIH and the Marketplace Platform, pursuant to the mySylvan Marketplace+ Franchisee Participation Pilot Agreement, attached as Attachment L to the License Agreement. Sylvan does not guarantee that it will continue to allow franchisees to participate beyond the pilot phase of the program, and Sylvan is not required to do so. If Sylvan elects to allow participation by franchisees beyond the pilot phase, participation will be optional and governed by a separate product agreement between Sylvan and each participating franchisee. Participation will be subject to certain fees, training, and other requirements, as determined by SIH and Sylvan at their discretion.

We and our affiliates currently operate and may open and operate Centers outside of your Territory. We have the right to license third parties to open and operate Centers outside of your Territory. Also, we may conduct and operate businesses, and offer and sell services, programs, and products, within or outside of your Territory, that do not comprise the Sylvan System and that use the Sylvan, or other, trademarks and names.

We have the right to offer products and services under the “SylvanSync®,” “Sylvan Edge®” and/or “ACE IT!®” brands and marks within your Territory and to license others to do so. We have not done so.

As described above, your territorial protection and exclusivity is limited by certain rights reserved to us or other licensees, regarding the use of and/or offer of the SylvanSync System, Sylvan Edge Program or ACE IT! Program in your Territory. Therefore, you will not receive an exclusive territory regarding the offer of the SylvanSync System, Sylvan Edge Program, or ACE IT! Program products and 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.

However, our rights with respect to the SylvanSync System, the Sylvan Edge Program, and the ACE IT! Program will not affect your territorial rights and exclusivity within your Territory with respect to your operation of the Sylvan Learning Center under your License Agreement.

If you sign the optional Sylvan Edge Package License Agreement for your Territory, then, during the term of that agreement, so long as you are in material compliance with all of the terms of that agreement and of the Sylvan License Agreement, we will not use, nor license any third party to use, the EDGE Package in your Territory. We may, however, use the Licensed Marks and certain aspects of the Sylvan Edge Program in conjunction with activities not contemplated by Sylvan as being conducted solely through Centers; and to offer, distribute, use and/or sell components of the Sylvan Edge Program through courses or programs offered and conducted by methods or other channels of distribution or through facilities other than Centers, within your Territory or outside your Territory, including but not limited to: (i) the Internet; (ii) CD-ROM, books, audio or video tapes; (iii) sales for home use by students; or (iv) other concepts currently in existence or as may be developed in the future, for example, through advancements in technology. Sylvan franchisees do not have the right to use other channels of distribution or methods or facilities outside of their territories.

If you sign the optional ACE IT! Tutoring System License Agreement for your Territory, then, during the term of that agreement, so long as you are in material compliance with all of the terms of that agreement and of the Sylvan License Agreement, we will not use, nor license any third party to use, the ACE IT! System in your Territory to serve Third-Party Contracts.

You may not promote, market, offer, use, or deliver any portion of Sylvan Edge Program or the ACE IT! Program at or to any location, or to any recipient or device, outside of your Territory. While you may

accept inquiries from customers outside of your Territory, you may not sell, offer, or deliver products or services, or conduct operations of the Sylvan Edge Program or the ACE IT! Program outside of your Territory.

As noted above, we and our affiliates may offer certain products and services through other channels of distribution, including through the Internet. If we offer or sell products or services through the channels of distribution, we are not obligated to pay any fees or other compensation to franchisees if sales are made to customers in their territories.

We have not offered SylvanSync, Sylvan Edge Program or ACE IT! Program products or services under Sylvan's marks or under different trademarks or marks to customers within a franchisee's territory.

You must generate at least a certain amount of gross revenues each year in your Licensed Business and pay to Sylvan a Minimum Annual Royalty for each calendar year in order to maintain your rights under the License Agreement. For each calendar year, you are required to generate sufficient gross revenues in your Licensed Business so that the total royalties that you pay to Sylvan for each calendar year, after reductions to and refunds of gross revenues, will total at least the Minimum Annual Royalty. The Minimum Annual Royalty at the Effective Date of your License Agreement is \$32,000, and you must meet this level each year during the initial term and each renewal term of your License Agreement, beginning in the calendar year that follows your Required Open Date stated in the License Agreement. The Required Open Date is typically 180 days after the Effective Date of your License Agreement. If your Required Open Date falls in the second half of the calendar year, your Minimum Annual Royalty for your first year is reduced to \$20,000. If you fail to open a Primary Center by the original Required Open Date, and Sylvan extends the Required Open Date as an accommodation to you, Sylvan reserves the right to enforce the Minimum Annual Royalty requirement as if you had opened the Primary Center on time, according to the original requirement. The Minimum Annual Royalty may be increased for cost-of-living adjustments beginning in the sixth year of the initial term of your License Agreement. See Item 6 for how the cost-of-living adjustment is calculated.

If you do not meet the gross revenue level sufficient for your royalties to us to be at least the Minimum Annual Royalty for a given calendar year, you can cure the first two such failures during a given term of your License Agreement by paying to Sylvan the difference ("Shortfall") between your actual royalty generated and paid, and the Minimum Annual Royalty level. To cure these breaches, you must pay the Shortfall to Sylvan at the same time that your monthly royalty payment is due in the January immediately following the calendar year for which the gross revenue level did not meet the required level.

If you fail more than two times (each a "Subsequent Failure") to generate sufficient gross revenues for your royalty to meet the Minimum Annual Royalty during a given term of your License Agreement, you cannot cure the third or Subsequent Failure through payment. Instead, Sylvan may consider the third and any successive failure to be an incurable material default of your License Agreement, and Sylvan will have the right to terminate your License Agreement after giving you at least 20 days to appeal, but Sylvan has this right only during the six months beginning in the January immediately following the calendar year for which the gross revenue level did not meet the required level. If Sylvan does not terminate your License Agreement during this six-month period, then Sylvan loses the right to terminate your License Agreement for that particular Subsequent Failure, and you are not required to pay any Shortfall for that Subsequent Failure.

You have the right to appeal Sylvan's intended termination of your License Agreement for a Subsequent Failure. See the License Agreement for the full appeals process. If you appeal according to the process described in the License Agreement, the termination is stayed until Sylvan rules on your appeal in writing. To appeal, you must send to Sylvan your appeal in writing within the appeal period that Sylvan sets out to you in writing, and you must commit to paying the Shortfall within 15 days of Sylvan's ruling on your appeal. Sylvan is required to give you at least 20 days to appeal. Sylvan has the right to deny or accept your appeal. If Sylvan accepts your appeal, and you pay the Shortfall to Sylvan within 15 days of Sylvan's

ruling on your appeal, then Sylvan will rescind the termination for Subsequent Failure. If Sylvan accepts your appeal, but you do not pay the Shortfall to Sylvan within the 15-day period, then Sylvan may terminate your License Agreement immediately. If you do not appeal, Sylvan may terminate your License Agreement at the end of the appeal period.

You must exercise your best efforts to cultivate and develop and expand the market in your Territory.

During the initial term of your License Agreement, we will not modify your territorial rights, except with your agreement. However, if you are in good standing under your License Agreement, we may choose to give you the option of modifying your Territory in one of two ways. To exercise either of these options, you must pay us the fee specified in the Confidential Operations Manual. We may change the fees stated below from time to time.

### **Affiliates' Businesses**

Certain products or services from our affiliates Class 101 and Snapology, whether currently existing, in research and development, or developed in the future, may be distributed in your Territory by our affiliates, or its franchisees, licensees, or designees, in the manner and through such channels of distribution as our affiliates determine at its sole discretion without compensation to you. Class 101, whose principal business address is the same as Sylvan's principal business address, currently offers franchises for CLASS 101 franchised businesses, which provide advice, guidance and training to high school students and their parents in preparing for, selecting, applying to, and paying for college; Class 101 may also provide certain ACT, SAT, and other testing preparation services under the CLASS 101 name. Snapology, whose principal business address is the same as Sylvan's principal business address, currently offers franchises for SNAPOLOGY franchised businesses, which provide curriculum-based courses, events and hands-on learning experiences using LEGO® brand bricks, K'Nex® brand toys, and other building toys, robotics, animation, coding and engineering techniques; Snapology may also provide certain STEM classes and camps under the SNAPOLOGY name. Class 101 and Snapology may also offer other services and products that may overlap with Sylvan's services and products. While the principal business addresses for Snapology, Class 101, and Sylvan are the same, Class 101 and Snapology each maintain training facilities that are physically separate from Sylvan. Snapology and Class 101 franchisees may solicit or accept customers near your Licensed Business and in your Territory. We do not expect any material conflicts between Sylvan franchisees and Snapology and Class 101 franchisees regarding territory, customers, or support because the principal products and services offered by each do not materially overlap. However, we intend to use reasonable efforts to resolve any conflicts that might arise in the future.

### **Territory Expansion**

The first option for modifying your Territory is to expand it. If we permit you to expand your Territory, you must agree to open and keep open at all times at least two Centers in your Territory within 180 days of the date of executing the Amendment. We currently charge \$10,000 for territory expansions. However, this fee may be modified from time to time, and is specified in the Confidential Operations Manual. Upon our approval, we will terminate your current License Agreement and you must sign a then-current form of Sylvan License Agreement to take advantage of this expansion option with the newly awarded territory.

### **Territory Split**

We also offer a second option to modify your Territory. If you are in good standing under your License Agreement and the demographics of your Territory will support two Centers in accordance with our then-current criteria for each Center, you may split your Territory and operate two Centers, one within your original territory and the other within the newly created territory. Our approval to subdivide your Territory is subject to conditions, which may include successful completion of training by a new manager (if we require you to have a second manager), your compliance under all license or franchise agreements and other agreements with us and our affiliates, and you must sign our then-current form of Sylvan License Agreement to create the new territory and open the second Center, or create the new territory, commence

operations therein, and sell it. The fee to exercise this second option is specified in the Confidential Operations Manual and may change from time to time. We currently charge \$5,000 to split a territory.

In certain transfers, we may require that the Territory be split into two or more smaller protected areas (each a “Fractional Area”), each of which meet the then-current standards for a Territory. The Fractional Area that contains the Primary Center shall serve as the Territory in the transferee’s franchise agreement and will be the only territory transferred under the purchase agreement between you and transferee. We may offer the remaining Fractional Areas to transferee or you under a separate then-current franchise agreement if you or transferee meet our then-current standards for multi-unit development. If the transferee or you undertake development of the remaining Fractional Areas, you or the transferee will pay the Territory Split Fee for each Fractional Area in lieu of an initial franchise fee.

If you expand your Territory, we subdivide your newly expanded territory into two sub-territories, each of which is required to have at least one Center. One sub-territory will contain your operating Center. You are required to open a Center in the other sub-territory within 180 days of our agreeing to allow you to expand your Territory. If you fail during that 180-day period to open a Center in the sub-territory that does not have one, or if at any time you abandon a Center (which includes closing a Center for a period of 10 or more consecutive days) without our prior written approval, and the result is that a sub-territory does not have a Center located within it, then the rights to that sub-territory may, at our sole discretion, revert to us. If this happens, your license will be terminated as to the sub-territory that has no Center, and your revised Territory will cover only the sub-territory that has at least one Center located within it. The reduction of your Territory becomes effective upon our providing you written notice and a revised description of your Territory. If you lose a sub-territory, we do not refund the fee that you must pay to expand your Territory.

Except with our consent and to the extent some forms of media advertisement cannot be restricted to your Territory, you may not place advertisements for the Sylvan System in another licensee’s territory or in any territory where a Sylvan-owned Center operates. For forms of media advertisement that cannot be restricted to your Territory, you must comply with our guidelines set forth in the Confidential Operations Manual or otherwise in writing.

### **Optional Programs: Sylvan Edge Program and ACE IT! Program**

If you choose to participate in the Sylvan Edge Program and/or the ACE IT! Program, your Territory for those optional programs will be the same as that which is licensed to you under your License Agreement. Under both programs, you will deliver products and services at your Center and at other approved locations within your Territory in accordance with the respective license agreement for each program.




### **ITEM 13: TRADEMARKS**

We grant you the right to operate your facility under the name Sylvan Learning Center. You also may use our other principal trademarks listed below to identify your facility and services provided at your facility. The term “principal trademarks” means primary trademarks, service marks, names, logos, and commercial symbols used to identify the franchise. You will operate your franchise under these primary trademarks and any other name or mark that we designate. You may also use our other current or future marks to identify your franchise, as we designate.

#### **United States Registered Marks**

We or our predecessors have registered the following principal trademarks with the United States Patent and Trademark Office (USPTO). All trademarks are registered on the Principal Register unless otherwise indicated:

Mark	Registration Number	Registration Date
SYLVAN	1410891	September 23, 1986
SYLVAN LEARNING	3732803	December 29, 2009
	3735313	January 5, 2010
	5329939	November 7, 2017
SYLVAN INSIGHT	4227443	October 16, 2012
<b>SylvanSync</b>	4467950	January 14, 2014
SYLVAN ADVANCED STUDY SKILLS	4732189	May 5, 2015
<b>SylvanSync</b>	4756178	June 16, 2015
SYLVAN LEARNING CENTER	5335718	November 14, 2017
SYLVAN TUTORING	4883227	January 5, 2016

Mark	Registration Number	Registration Date
	5087116	November 22, 2016
	5,142,208	February 14, 2017
ACE IT!	3392255	March 4, 2008
ACE IT! TUTORING	3402237	March 25, 2008
SYLVAN EDGE	5088525	November 22, 2016
	5088526	November 22, 2016

We have filed all required affidavits and renewal documentation for all registered marks listed above.

We do not know of any presently effective determinations of the United States Patent and Trademark Office, the trademark trial and appeal board, the trademark administrator of any state or any court, any pending infringement, opposition, or cancellation proceeding or any pending material litigation involving these trademarks which is relevant to their use in any state in which your franchise is to be located.

There are no agreements currently in effect which significantly limit our rights to use or license the use of these trademarks in any manner material to your license.

You must follow our rules when using our trademarks. You cannot represent that you have acquired any ownership rights in any of our trademarks. You cannot infringe upon our trademarks. You also cannot contest or help others to contest the validity of our right to use our trademarks or take any other actions in

derogation of our use of these marks. You cannot commit any act causing an incurable tarnishment of our trademarks or the reputation or goodwill associated with the Sylvan System or the SylvanSync System.

You must monitor the use of our trademarks. You must notify us promptly of any claim that we may have as a result of any person's unauthorized attempt to use any of our trademarks. At our request and expense, you must assist us in taking appropriate action to stop these activities. You cannot, however, take any action or incur any expenses on our behalf without our prior written approval. If we defend or prosecute any claims concerning our trademarks, you must sign any documents and take any actions that our legal counsel deems necessary. We shall have the right to any damages, settlement proceeds, or benefit from a third party's infringement, challenge, or claim.

You must operate and advertise your Licensed Business only under the trademarks that we designate. You must use our trademarks only in the manner we prescribe, and you must not use our marks to perform any activity or to incur any obligation that may subject us to liability. You must observe all laws concerning the registration of trade names and assumed names and include in any application for a trade name or assumed name a statement that your use of our trademarks is limited. You must provide us with copies of these applications and other registration documents. You also must observe the requirements for our trademark registrations, including affixing "SM," "TM" or "®" adjacent to all our trademarks and using other appropriate notice of ownership and registration.

We may designate one or more modified or replacement marks for use by our licensees and we may require you to use these different marks. If this happens, you will have 120 days from receipt of notice from us to make any changes we require in signage or outdoor advertising, and you must pay all costs and expenses associated with the use of the modified or replacement marks. If we require you to change your signage or outdoor advertising more than once during the initial or any extended term of your License Agreement, we will reimburse you the reasonable costs of altering your signage or outdoor advertising.

You are not entitled to any compensation if you lose your right to continue to use our trademarks.

We do not know of any infringing uses of our trademarks which could materially affect your use of our trademarks.

#### **ITEM 14: PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION**

There are no patents or registered copyrights material to the franchise, but we claim copyright protection in many elements of the Sylvan System including the Confidential Operations Manual, the design elements of the Licensed Marks, our software, signage our advertising and promotional materials, and the content and design of our website.

You must keep our proprietary information confidential and disclose it only to your employees and others affiliated with your Center who have a need to know the information and who have signed employee nondisclosure agreements (see Item 15).

If we decide to add, modify, or discontinue the use of an item or process covered by a patent or copyright, you must also do so. This might result in additional costs to you.

You do not receive the right to use any item covered by a patent related to the Sylvan System. You may use the proprietary information in our Confidential Manual, instructional materials, SylvanSync Software, Sylvan Insight Assessment Suite, Hub software, STS/SAAS software, EdAdmin, and other software that we may make available. Sylvan has not filed an application for a copyright registration for any of these materials, however, we claim copyrights on these materials, and they are proprietary. We may charge you a fee for licensing and support of Hub, STS/SAAS, EdAdmin, and other software.

You also receive the right to use the methods and equipment utilizing processes that are the subject of the pending and issued patents that are described in the table below. We hold licenses from the patent owners to use and to license others to use each of the processes below through December 31, 2030. All applications and patents are owned by Learning System of the Future, LLC ("LSF"), an affiliate company of Sylvan,

unless another owner is identified below. LSF holds a license from the owners of the other applications and patents to use and to license others to use them. Patent-owner Laureate Education, Inc. operates businesses that concern international education in the college and post-secondary sectors.

Our right to use or license these patents is not materially limited by any agreement or known infringing use. There are no currently effective determinations of the United States Copyright Office or any court, nor any pending litigation or other proceedings, regarding any copyrighted materials or patents.

You must tell us immediately if you learn about an infringement or challenge to our use or license of any of these patents. We will take action that we think is appropriate. The License Agreement does not address patent infringement claims; however, we intend to protect the patent rights and to defend you against infringement claims arising from your use of patented items in accordance with our standards and specifications. You must also agree not to contest our interest in these or our other trade secrets.

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

Your Center must at all times meet franchisee management, educational staffing, and certification requirements. Our Confidential Operations Manual provides the details of our Center franchisee management, educational staffing, and certification requirements. These requirements are subject to change from time to time.

### **Franchisee Management Requirement**

Sylvan does not permit absentee ownership by the franchisee. To satisfy the management requirement, you must be fully involved in the operation of your Center(s). The Sylvan business model requires that the franchisee provide hands-on leadership, oversight, and support to employees who provide services to customers. If the franchisee entity is a partnership, corporation, or other business entity, at least one of the owners must be designated to fulfill the management requirement. We refer to this individual as your “Managing Principal.” At all times, at least one owner shall be fully involved as the Managing Principal in whichever full-time role benefits the business most.

An individual owner/franchisee is not required to fill the role of Director, but you may do so. It is common for franchisees to hire a Director to manage the day-to-day operations of the Center so that the Managing Principal can take on business growth responsibilities, such as community involvement, fiscal management, local marketing, and awareness building of the brand. It is required that all Managing Principals complete Franchisee Certification training, and Managing Principals who do not serve as Directors should be prepared to step in to mitigate risk in the event of staff turnover in such key position. In addition, Managing Principals must be fully engaged with representatives from the Sylvan Corporate staff; this includes, without limitation, regular and ongoing communication with the Franchise Business Consultant, participation in training activities, and attendance at Town Hall calls.

Each Owner of the franchise or the franchisee entity must sign an Undertaking and Guaranty substantially in the form of Attachment C to the License Agreement to personally guarantee to us that you will perform all obligations under the License Agreement in a timely manner according to the respective terms of the License Agreement. Each Owner (regardless of the limitation of their ownership percentage in the Franchised Business), Managing Principal, Director, any supervisors, and other key employees having access to our Confidential Operations Manual and proprietary information must sign a Confidentiality and Non-Competition Agreement substantially in the form of Attachment D to the License Agreement.

“Owner” means you if you are an individual, or each individual or entity holding more than a ten percent equity interest in you if you are a business entity (regardless of voting rights), and the franchisee individual(s) or entity(ies) that enter into the License Agreement if you are a business entity. It includes all officers, directors, and shareholders of a corporation, all managers and members of a limited liability company, all general and limited partners of a limited partnership, and the grantor and the trustee of the

trust. If any Owner is a business entity, then the term “Owner” also includes the Owners of that business entity.

If an owner retains another business interest or full-time job, Sylvan may require that a Director or other key staff member in the business be added as an owner in the License Agreement to fulfill the Managing Principal role. Alternatively or in addition, Sylvan may, at its discretion, also require additional staff members to complete Franchisee or Director Certification training.

**Educational Staffing and Certification Requirements**

Each of your Centers must have at least one primary Center Director on an ongoing basis once you begin to offer services. The Center Director is not required to have an ownership interest in the Center. A Center with more than 100 students enrolled in mandatory programs also must have a second Director (either a Director of Education, or a second Center Director) or a lead teacher or program manager.

The primary Center Director must work full-time in the Center. The other Director(s), lead teachers, and program managers may be full-time or part-time.

You may be a Director, but you are not required to be a Director. You are required to complete the Franchisee Certification curriculum regardless of whether you plan to act as a Director.

An individual may not serve as Center Director for more than one brick-and-mortar Center location. Directors of Education may be the Director of Education in multiple Centers and Satellites.

All Directors must be Director-certified within six months of starting to work at your Center. In addition, each teacher that delivers SylvanSync must have an effective SylvanSync Certification. Sylvan will provide Director Certification to Directors who meet the following criteria:

Director of Education	Center Director
State or provincial teaching certification	Demonstrates appropriate business management skills
Demonstrates mastery of the educational skills necessary to administer diagnostic tests and individualized learning progressions	Satisfactorily completed Sylvan’s required training with a material mastery score of 80% or better
Satisfactorily completed Sylvan’s required training on Sylvan and SylvanSync with a material mastery score of 80% or better	
A four-year post-secondary degree is recommended	

**Center Certification Requirements**

Your Center must have all of the following Certifications in effect from the time you begin to operate:

- 1) **Sylvan Franchisee Certification.** Sylvan will confer this Certification on a Center if the licensee (or, if the licensee is a corporation, at least one of its shareholders) has successfully completed Sylvan’s Franchisee Certification curriculum.
- 2) **Sylvan Director Certification.** Sylvan will confer this Certification on a Center if licensee (or, if licensee is a corporation, at least one of its shareholders) has successfully completed Sylvan’s Director Certification curriculum. If you are serving as the Center Director, then the Franchisee Certification will meet this requirement.

- 3) **Assessment Proctor Certification.** Sylvan will confer this Certification on a Center if all Directors and staff who deliver assessments have successfully completed Sylvan's required Assessment Training and passed the associated online assessments.

The details of each of the learning paths and Certification assessments are described in our Confidential Operations Manual. These requirements are subject to change from time to time at Sylvan's discretion.

During any period where your Licensed Business is operating without someone meeting our management or educational services certification requirements, we may enter and manage or offer educational services at your Licensed Business on an interim basis and in return for a reasonable management fee.

Sylvan may from time to time offer a Contact Center Program. Sylvan currently has in place a Contact Center Program, and Sylvan has partnered with a third-party vendor to offer contact center services to franchisees the terms of which are in Attachment F to the License Agreement. As of the issuance date of this disclosure document, new franchisees are required to participate the Contact Center Program for the first twelve months of their Primary Center's operation (from the date the Center opens for business until the first anniversary of that date). See Item 6 and Item 7 for more information concerning fees charged by Sylvan in connection with the Contact Center Program.

You must execute nondisclosure agreements with all employees and managers at your Center who have or could have access to our proprietary material to maintain the confidentiality of the proprietary information described in Item 14. We will be a third-party beneficiary of these nondisclosure agreements and must approve them in writing. You cannot modify or terminate these agreements without our prior written consent.

You, and if you are a corporation, your directors, officers, and shareholders, must not, during the term of the License Agreement, engage as an owner, operator, or manager in any educational business except your Center. For your noncompetition requirements after termination or expiration of your License Agreement, see Item 17.

The minimum staffing requirements and the hours of operation described in the License Agreement and Confidential Operations Manuals have been established exclusively for the purpose of preserving Sylvan's brand standards. You will have sole authority and discretion regarding all employment matters pertaining to your personnel, including, without limitation, hiring, firing, discipline, promotion, compensation, benefits, and scheduling. Those decisions and actions are yours to make, as the independent owner and operator of your Licensed Business, and such decisions and actions will not be, nor be deemed to be, a decision or action of ours, even if we provide any advice or recommendations on any issue.

#### **ITEM 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

The courses of instruction and services that you may offer in your Licensed Business are limited to (1) the educational programs we license to you pursuant to the License Agreement; and (2) any other programs that we specifically approve in writing. You are not required to offer all of the educational programs we license, but you are required to offer those indicated as mandatory in this document, in the Confidential Manual, or otherwise in writing. We have the right to change the types of programs (or other goods and services) that you are authorized to sell at the Center during the term of the License Agreement, and there are no contractual limitations on this right.

The License Agreement prohibits persons closely connected with your Licensed Business from engaging in any type of notorious behavior that would tend to bring the reputation of your Licensed Business or Sylvan's instructional techniques into disrepute. By implication, this could prohibit those persons from selling certain types of goods or services or could restrict them from publicly dealing with certain classes of businesses or individuals.

We impose no other restrictions that restrict either the goods or services you may offer or the customers to whom you may sell.

**ITEM 17: RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION  
THE FRANCHISE RELATIONSHIP**

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

	<b>PROVISION</b>	<b>SECTION IN LICENSE AGREEMENT</b>	<b>SUMMARY</b>
a.	Term of the License Agreement	Section 10.1	Term is 10 years.
b.	Renewal or Extension of Term	Sections 10.2 and 10.3	If you are in good standing, you may elect to continue operating the franchise for two additional, consecutive five-year successor terms. You must pay us a renewal fee of \$6,000. A month-to-month renewal is also possible, subject to 30 days' notice of termination by you or Sylvan.
c.	Requirements to Renew or Extend	Section 10.2	Comply with terms and conditions for granting renewals at that time, including notice at least 180 days before expiration, executing a general release, never failing during last three years of term to timely cure a curable default, never committing an incurable material default, executing Sylvan's then-current License Agreement (provided that if the monthly royalty fees in Sylvan's then-current License Agreement are less favorable than those in your current License Agreement, you may retain the monthly royalty fees set forth in your current License Agreement), and modernizing your Center. When renewing, you may be asked to sign a contract with materially different terms and conditions than your original contract.
d.	Termination by You	No provision	Not applicable.
e.	Termination by Sylvan— Without Cause	No provision	Not applicable.
f.	Termination by Sylvan— With Cause	Section 11.1	Sylvan may terminate only for cause following incurable material breach or failure to cure a curable default.

	PROVISION	SECTION IN LICENSE AGREEMENT	SUMMARY
g.	“Cause” Defined— Curable Defaults	Section 11.2	You have at least 10 days to cure nonpayment of financial obligations and at least 30 days to cure non-monetary defaults that are curable. Curable defaults include noncompliance with any law or regulation, or breach of the License Agreement or Confidential Manual, including failure to pay obligations or provide reports when due, first two failures during a term to achieve gross revenues sufficient to achieve the Minimum Annual Royalty, offering unapproved programs, making unapproved guarantees of results of study programs, not providing adequately trained instructors, notorious behavior, absentee management, improper advertising, failure to open your Center on time and failure to maintain insurance.
h.	“Cause” Defined— Incurable Defaults	Section 11.3	Non-curable defaults include insolvency or bankruptcy, violation of transfer and assignment provisions, repeated breaches even if cured, violation of confidentiality provisions, criminal charge or conviction or harm to Sylvan’s reputation, abandonment, maintaining books and records or submitting reports which are in Sylvan’s reasonable judgment intentionally false, submitting reports which underestimate gross revenues or are otherwise substantially incorrect (and are not corrected by you before Sylvan gives you written notice), third and subsequent failures during a term to generate gross revenues sufficient to achieve the Minimum Annual Royalty (if you do not appeal or if Sylvan declines your appeal), breaching the terms of the License Agreement four or more times in a twelve-month period, and failure to attend two out of three mandatory regional or national conferences.
i.	Your Post-Termination Obligations	Section 12	Obligations include complete de-identification with Sylvan, payment of all amounts due, return of Confidential Manual and other property of Sylvan, transfer of all telephone numbers, email addresses, social media accounts, Internet domain names and the like, and advertisements, removal of all signs indicating a connection with Sylvan, settlement of outstanding contracts with customers, and may, in the event of breach, require payment of liquidated damages (see Item 6).
j.	Assignment of Contract by Sylvan	Section 9.1	Sylvan may transfer its interest to any party that agrees to assume its obligations under the License Agreement.

	PROVISION	SECTION IN LICENSE AGREEMENT	SUMMARY
k.	Transfer by You	Section 9.2	Includes sale, assignment, transfer, conveyance, give away, pledge, mortgage, or other encumbrance of any interest in your License Agreement or that reduces the ownership share of your initial principals to less than 51%.
l.	Sylvan's Approval of Transfers	Section 9.3	Sylvan must give its prior written approval of all transfers. Sylvan will not unreasonably withhold its approval.
m.	Conditions for Sylvan's Approval of Transfer	Section 9.3	Your obligations to Sylvan fully satisfied, current disclosure document provided to and executed by new franchisee, transfer fee of \$6,000 (\$3,000 if transfer is to existing franchisee) paid, general release signed, new franchisee travels to Sylvan headquarters and qualifies, transferee's obligations to Sylvan fully satisfied, quality review of Center by Sylvan, if required, and any deficiencies corrected, new franchisee completes training and, if required by Sylvan, executes a new License Agreement (also see I above). If you elect to participate in our resale assistance program, then you must also comply with our then-current resale program requirements, execute a then-current resale program agreement, and pay the then-current resale program fee.
n.	Sylvan's Right of First Refusal to Acquire Business	Section 9.6	Sylvan has right of first refusal to purchase any interest in the sale or transfer of your License Agreement on the same or better terms as those offered by a third party. This right of first refusal does not apply to a transfer to (i) any existing holder of a minority interest in licensee which results in the transferee continuing to hold a minority interest in licensee or (ii) an heir of the first degree of licensee or the holder of a majority interest in licensee (to be exercised only once).
o.	Sylvan's Option to Purchase Business	Not applicable	
p.	Your Death or Disability	Section 9.5	Upon death or incapacity of anyone upon whose skill and experience Sylvan relied in granting the franchise, Sylvan may assist you or your heirs in providing a substitute to assume control of your Center. Sylvan may manage your Center on interim basis for compensation. Your heirs may transfer License Agreement on same terms you could.

	PROVISION	SECTION IN LICENSE AGREEMENT	SUMMARY
q.	Non-Competition Covenants— During Term	Section 12.5.1	No involvement in any educational business by you or, if you are a corporation, by your shareholders.
r.	Non-Competition Covenants—Post-Termination	Section 12.5.2	No involvement in competing educational business for two years in your Territory or within 50 miles of it, or within 25 miles of any other Center, by you or, if you are a corporation, by your shareholders.
s.	Modification of Agreement	Sections 1.8.1, 1.8.2, 1.8.3, 2.1.1, 7.9.3, 8.1.1, 25, and 26.10	No amendments or modifications to License Agreement except by mutual writing. Sylvan standards, policies, and Confidential Manual subject to change.
t.	Integration/ Merger	Section 30.9	Only the terms of the License Agreement are binding (subject to state law). Any representations or promises made outside of the disclosure document and License Agreement may not be enforceable.
u.	Dispute Resolution	Sections 7.9.4, 23	Except for certain claims, all disputes must be arbitrated in Texas unless contrary to applicable state law.
v.	Choice of Forum	Section 21	Under the License Agreement, if you sue Sylvan, litigation must be in Texas, and if Sylvan sues you, litigation must be in the state of your Territory. This provision is subject to state law.
w.	Choice of Law	Section 21	Under the License Agreement, Texas law applies. This provision is subject to state law.

Our right to terminate your License Agreement in the event of your bankruptcy may be restricted by federal bankruptcy law (11 U.S.C. Section 101 et seq.).

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the franchise related to the claim is sold.

#### ITEM 18: PUBLIC FIGURES

Sylvan does not use any public figures to promote our franchise.

**ITEM 19: FINANCIAL PERFORMANCE REPRESENTATIONS**

The FTC’s Franchise Rule permits a franchisor to provide information about the actual or potential 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.

With respect to the Sylvan System, as of December 31, 2023, Sylvan had 421 licensed territories in the United States, including a total of 459 Centers, which provided revenue reports to us. Of these, 307 licensed territories operated continuously during the 24 calendar months of 2022 and 2023 under the same or similar form of joint Sylvan and SylvanSync License Agreement which is referenced by and included in this disclosure document. This Item 19 does not include revenue from any licensed territory which operated during 2022 or 2023 pursuant to an earlier form of License Agreement which did not include the SylvanSync System offering; all 307 territories that are the subject of this Item 19 used SylvanSync in 2023. This Item 19 also does not include revenue from any territories that closed or opened during 2022 or 2023, and therefore were not open for the full 24 months of 2022 and 2023. See Item 20 for openings, closings, and other unit changes during each of 2021, 2022, and 2023.

The Table below sets forth certain historic performance information for United States licensed territories that operated continuously throughout the 24 calendar months of 2022 and 2023 pursuant to a joint Sylvan and SylvanSync License Agreement. All such licensed territories are included in the following calculations. The term “licensee” as used in this Item 19 refers to a person or entity that entered into a joint Sylvan and SylvanSync License Agreement. The financial performance of company-owned territories is not included. The figures included in this Item 19 have not been audited.

**Table: 2023 Sylvan Territory Gross Revenues by Quartile**

This Table reflects the total gross revenues from the Sylvan businesses in the 307 reporting territories for 2023. The Table divides the group into quartiles, based upon gross revenue by territory. In addition, the Table reflects the gross revenues for each of the top 10 territories within each quartile, as well as the bottom 10 territories within each quartile.

<b>Top 25% of Territories by Gross Revenue</b>	<b>Mid-Upper 25% of Territories by Gross Revenue</b>	<b>Mid-Lower 25% of Territories by Gross Revenue</b>	<b>Bottom 25% of Territories by Gross Revenue</b>
<b>Category Average Gross Revenues</b>			
\$815,079 <sup>1</sup>	\$432,048 <sup>2</sup>	\$293,283 <sup>3</sup>	\$169,133 <sup>4</sup>
<b>Category Median Gross Revenues</b>			
\$688,803 <sup>5</sup>	\$433,156 <sup>6</sup>	\$294,502 <sup>7</sup>	\$179,103 <sup>8</sup>
<b>Gross Receipts of the Top 10 Territories in Each Quartile</b>			
\$2,286,964	\$523,730	\$339,622	\$240,172
\$1,609,142	\$522,473	\$338,812	\$238,881
\$1,598,190	\$515,234	\$336,716	\$238,777
\$1,491,633	\$512,973	\$336,585	\$237,653
\$1,483,158	\$511,493	\$336,553	\$236,509
\$1,439,560	\$511,152	\$333,031	\$236,411
\$1,393,252	\$511,071	\$331,516	\$234,926

<b>Top 25% of Territories by Gross Revenue</b>	<b>Mid-Upper 25% of Territories by Gross Revenue</b>	<b>Mid-Lower 25% of Territories by Gross Revenue</b>	<b>Bottom 25% of Territories by Gross Revenue</b>
\$1,383,225	\$508,481	\$329,172	\$233,694
\$1,344,690	\$506,097	\$329,066	\$225,008
\$1,227,392	\$505,256	\$327,326	\$224,877
<b>Gross Receipts of the Bottom 10 Territories in Each Quartile</b>			
\$545,006	\$367,505	\$256,838	\$114,566
\$543,258	\$364,885	\$253,245	\$113,326
\$541,544	\$363,940	\$251,231	\$111,405
\$541,458	\$362,043	\$248,146	\$90,212
\$541,337	\$361,375	\$246,754	\$90,002
\$538,999	\$357,993	\$245,378	\$82,722
\$536,997	\$347,019	\$243,548	\$54,516
\$532,641	\$344,397	\$243,316	\$49,942
\$528,215	\$341,833	\$242,759	\$42,721
\$527,644	\$341,766	\$240,325	\$40,616

**Notes to Table:**

1. Of the 77 territories in this group, 24 territories, or 31% of this group, met or exceeded the group’s average gross revenue of \$815,079.
2. Of the 76 territories in this group, 39 territories, or 51% of this group, met or exceeded the group’s average gross revenue of \$432,048.
3. Of the 77 territories in this group, 41 territories, or 53% of this group, met or exceeded the group’s average gross revenue of \$293,283.
4. Of the 77 territories in this group, 42 territories, or 55% of this group, met or exceeded the group’s average gross revenue of \$169,133.
5. Of the 77 territories in this group, the median gross revenue was \$688,803, and the highest and lowest numbers in the range were \$2,286,964 and \$527,644, respectively.
6. Of the 76 territories in this group, the median gross revenue was \$433,156, and the highest and lowest numbers in the range were \$523,730 and \$341,766, respectively.
7. Of the 77 territories in this group, the median gross revenue was \$294,502, and the highest and lowest numbers in the range were \$339,622 and \$240,325, respectively.
8. Of the 77 territories in this group, the median gross revenue was \$179,103, and the highest and lowest numbers in the range were \$240,172 and \$40,616, respectively.
9. Gross revenue numbers in this Table include Sylvan System and SylvanSync System gross revenues, as well as Sylvan Edge gross revenues and ACE IT! gross revenues, if any, for the given territory. Not all franchisees delivered the Sylvan Edge Program, which is optional. System-wide Sylvan Edge Program gross revenues in 2023, as reported by franchisees, were \$993,984. Sylvan offered the ACE IT! Program as a separate franchise opportunity from January 2006 until January 2016; Sylvan began to offer the ACE IT! Program as an optional product license in 2016. Not all franchisees delivered the ACE IT! Program, which is optional. System-wide ACE IT! Program gross revenues in 2023, as reported by franchisees, were \$5,632,957.

10. Of the 307 total territories included, 91% operated one Center within the territory, 8% operated two Centers, and 1% operated more than two Centers within the territory.
11. Some licensed territories operated Satellites in the territory as part of the Licensed Business during this period. Satellites are optional. As described in Item 1, a “Satellite” may operate from one or more additional short-term or permanent locations in its territory, such as community centers, libraries, schools, and short-term and/or small retail locations. Satellites typically do not offer the full range of Sylvan programs. Generally, licensed territories which operate one or more Satellites generate more revenue than those which operate only one Center. You are not required to operate any Satellite in your Territory.

**Some Centers have earned this amount. Your individual results may differ. There is no assurance that you’ll earn as much.**

Sylvan offered substantially the same services to all of the 307 licensed territories included in the foregoing tables and substantially all of the licensed territories offered the same instructional services in reading, math, study skills, writing, and SAT/ACT test prep.

Some licensees open and operate more than one Center in their territory. Some licensees open and operate one or more Satellites in their territory.

You are urged to speak to existing licensees about their individual experiences. A list of our existing licensees can be found in Exhibit H to this disclosure document.

We do not require our licensees to report fixed and variable expenses, and accordingly, we cannot estimate the average “break-even” sales volume of the reporting territories. We expect that our licensees’ fixed and variable expenses vary widely from territory to territory. As a result, even if your gross revenues are similar to the 2023 average or median revenues reported by our licensees, there is no guarantee that your Territory will be profitable. The data received from reporting territories was accumulated using a uniform method that included direct reports to us by licensees. We have not independently verified the figures given by licensees. We do not require our licensees to utilize a uniform accounting method and therefore cannot confirm whether their revenue figures were compiled in accordance with generally accepted accounting principles.

Written substantiation for the financial performance representations in this Item will be made available to you upon your reasonable request; however, we will not disclose the identity of any specific licensee or the location of the territories in any category.

We do not make any representations about the future performance of any franchisee’s territory or any company-owned territory.

You are urged to consult with appropriate financial, business, and legal advisors and existing Sylvan franchisees in connection with the use of any of the information contained in this Item 19.

Other than the preceding financial performance representation in this Item 19, Sylvan does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an operating business in an existing territory, however, the selling franchisee and/or we may provide you with the actual records of that territory. If you are buying an operating business in an existing territory from a selling franchisee and the selling franchisee makes financial performance representations, such financial performance representations are those of the selling franchisee and not of Sylvan. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor’s management by contacting Josh Wall, Chief Growth Officer, Sylvan Learning, LLC, 52350 Airport Freeway, Suite 505, Bedford, TX 76022, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20: OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1**  
**Systemwide Outlet Summary**  
**For Years 2021 to 2023**

<b>Outlet Type</b>	<b>Year</b>	<b>Outlets Operating at the Start of the Year</b>	<b>Outlets Operating at the End of the Year</b>	<b>Net Change</b>
Franchise	2021	466	474	+8
	2022	474	468	-6
	2023	468	474	+6
Corporate	2021	6	6	0
	2022	6	5	-1
	2023	5	5	0
Total	2021	472	480	+8
	2022	480	473	-7
	2023	473	479	+6

**Table No. 2**  
**Transfers of Outlets from Franchisees to New Owners (Other than the Franchisor)**  
**For Years 2021 to 2023**

<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
Alabama	2021	0
	2022	0
	2023	4
Arizona	2021	0
	2022	0
	2023	1
California	2021	5
	2022	3
	2023	5
Colorado	2021	0
	2022	2
	2023	1
Florida	2021	3
	2022	1
	2023	6

<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
Georgia	2021	1
	2022	0
	2023	0
Illinois	2021	0
	2022	0
	2023	2
Kansas	2021	5
	2022	0
	2023	0
Massachusetts	2021	0
	2022	0
	2023	2
Michigan	2021	4
	2022	0
	2023	4
Mississippi	2021	1
	2022	0
	2023	0
New Hampshire	2021	0
	2022	0
	2023	2
New Jersey	2021	0
	2022	1
	2023	0
New Mexico	2021	0
	2022	0
	2023	2
New York	2021	0
	2022	0
	2023	2
North Carolina	2021	0
	2022	1
	2023	1

State	Year	Number of Transfers
Ohio	2021	0
	2022	10
	2023	1
Oregon	2021	0
	2022	0
	2023	1
Pennsylvania	2021	1
	2022	2
	2023	0
Texas	2021	6
	2022	8
	2023	6
Utah	2021	0
	2022	5
	2023	0
Virginia	2021	0
	2022	0
	2023	1
Washington	2021	0
	2022	2
	2023	1
Total	2021	26
	2022	35
	2023	42

**Table No. 3**  
**Status of Franchised Outlets**  
**For Years 2021 to 2023**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of the Year
Alabama	2021	7	0	0	0	0	1	6
	2022	6	0	0	0	0	1	5
	2023	5	1	0	0	0	0	6
Alaska	2021	2	0	0	0	0	0	2

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Arizona	2021	7	1	0	0	0	0	8
	2022	8	0	0	0	0	0	8
	2023	8	0	0	0	0	0	8
Arkansas	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	1	2
	2023	2	0	0	0	0	0	2
California	2021	55	4	0	0	0	1	58
	2022	58	2	0	0	0	1	59
	2023	59	0	0	0	0	1	58
Colorado	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Connecticut	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	1	3
	2023	3	0	0	0	0	0	3
Delaware	2021	2	1	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Florida	2021	34	2	0	0	0	4	32
	2022	32	3	0	0	0	2	33
	2023	33	2	0	0	0	0	35
Georgia	2021	7	0	0	0	0	0	7
	2022	7	0	0	0	0	0	7
	2023	7	1	0	0	0	1	7
Hawaii	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Idaho	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
Illinois	2021	20	1	0	0	0	0	21
	2022	21	0	0	0	0	2	19
	2023	19	0	0	0	0	2	17
Indiana	2021	16	0	0	0	0	1	15
	2022	15	0	0	0	0	0	15
	2023	15	0	0	0	0	0	15
Iowa	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	1	0	0	0	0	5
Kansas	2021	6	0	0	0	0	0	6
	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
Kentucky	2021	4	0	0	0	0	1	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Louisiana	2021	13	0	0	0	0	2	11
	2022	11	0	0	0	0	2	9
	2023	9	0	0	0	0	0	9
Maryland	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Massachusetts	2021	5	0	0	0	0	1	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Michigan	2021	20	0	0	0	0	0	20
	2022	20	0	0	0	0	0	20
	2023	20	0	0	0	0	1	19
Minnesota	2021	11	0	0	0	0	0	11
	2022	11	2	0	0	0	0	13

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
	2023	13	2	0	0	0	1	14
Mississippi	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	0	0	2
	2023	2	1	0	0	0	0	3
Missouri	2021	9	2	0	0	0	1	10
	2022	10	0	0	0	0	1	9
	2023	9	0	0	0	0	0	9
Montana	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Nebraska	2021	3	0	0	0	0	0	3
	2022	3	1	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Nevada	2021	2	0	0	0	0	0	2
	2022	2	2	0	0	0	0	4
	2023	4	0	0	0	0	0	4
New Hampshire	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
New Jersey	2021	9	2	0	0	0	0	11
	2022	11	0	0	0	0	1	10
	2023	10	1	0	0	0	0	11
New Mexico	2021	3	0	0	0	0	0	3
	2022	3	1	0	0	0	0	4
	2023	17	1	0	0	0	2	16
New York	2021	16	0	0	0	0	1	15
	2022	15	1	0	0	0	2	14
	2023	14	1	0	0	0	2	13
North Carolina	2021	25	0	0	0	0	0	25
	2022	25	2	0	0	0	0	27
	2023	27	1	0	0	0	0	28

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
North Dakota	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Ohio	2021	17	0	0	0	0	0	17
	2022	17	0	0	0	0	0	17
	2023	17	0	0	0	0	0	17
Oklahoma	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	1	4
	2023	4	0	0	0	0	0	4
Oregon	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	1	4
	2023	4	1	0	0	0	0	5
Pennsylvania	2021	10	1	0	0	0	0	11
	2022	11	0	0	0	0	1	10
	2023	10	0	0	0	0	0	10
Rhode Island	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
South Carolina	2021	7	1	0	0	0	0	8
	2022	8	0	0	0	0	0	8
	2023	8	3	0	0	0	0	11
South Dakota	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Tennessee	2021	7	0	0	0	0	0	7
	2022	7	0	0	0	0	0	7
	2023	7	0	0	0	0	1	6
Texas	2021	58	6	0	0	0	0	64
	2022	64	3	0	0	0	2	65
	2023	65	2	0	0	0	1	66
Utah	2021	7	0	0	0	0	0	7
	2022	7	0	0	0	0	1	6

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
	2023	6	0	0	0	0	0	6
Vermont	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Virginia	2021	14	1	0	0	0	2	13
	2022	13	0	0	0	0	1	12
	2023	12	0	0	0	0	1	11
Washington	2021	24	0	0	0	0	0	24
	2022	24	0	0	0	0	3	21
	2023	21	0	0	0	0	0	21
West Virginia	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Wisconsin	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Wyoming	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	1	0
Total	2021	466	23	0	0	0	15	474
	2022	474	18	0	0	0	24	468
	2023	468	18	0	0	0	12	474

\* If multiple events occurred affecting an outlet, this table shows the event that occurred last in time.

**Table No. 4**  
**Status of Company-Owned Outlets**  
**For Years 2021 to 2023**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Maryland	2021	5	0	0	0	0	5
	2022	5	0	0	0	0	5
	2023	5	0	0	0	0	5

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
New York	2021	1	0	0	0	0	1
	2022	1	0	0	1	0	0
	2023	0	0	0	0	0	0
Total	2021	6	0	0	0	0	6
	2022	6	0	0	1	0	5
	2023	5	0	0	0	0	5

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

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets In the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
California	7	6	0
Delaware	1	1	0
Florida	3	2	0
Georgia	1	1	0
Idaho	2	0	0
Iowa	3	1	0
Maine	1	1	0
New Jersey	4	3	0
New York	1	1	0
North Carolina	1	1	0
Ohio	1	1	0
Pennsylvania	1	1	0
Tennessee	1	1	0
Texas	9	7	0
West Virginia	1	0	0
Total	37	26	0

Exhibit H lists the name, address, telephone number and email address of all current Sylvan franchisees, including those who have signed franchise agreements but are not yet open, for each of their outlets as of February 15, 2024. Exhibit H also lists the name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business during the most recently completed fiscal year or who has not communicated with Sylvan within 10 weeks of December

31, 2023. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experiences, financings, and other matters with Sylvan. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate fully with you.

Current franchisees may receive a referral bonus for referring a potential franchisee candidate to Sylvan; such bonuses, if awarded at all, are granted regardless of whether the referred potential candidate purchases a franchise and becomes a Sylvan franchisee. In addition, current franchisees may participate in conference calls with prospective franchisee candidates to discuss the opportunity of purchasing a Sylvan franchise; such conference calls may be set up by Sylvan, though representatives from Sylvan do not participate in such conference calls. If a current franchisee participates in such a discussion, he or she may be compensated nominally for his or her time regardless of whether any of the prospective franchisee candidates with whom he or she speaks purchases a Sylvan franchise. The opportunity to participate in such conference calls would be made available to the entire Sylvan System if at all. Franchisees who receive financial incentives to refer franchise prospects to Sylvan may be required to register as franchise brokers under the laws of Washington State.

Sylvan endorses the following trademark-specific franchisee organization associated with the franchise being offered you:

The Sylvan Franchise Owners Association, Inc.  
[www.sylvanfoa.com](http://www.sylvanfoa.com)  
(517) 897-9368

#### **ITEM 21: FINANCIAL STATEMENTS**

Exhibit G to this disclosure document contains the audited consolidated balance sheets of Sylvan Learning, LLC as of December 31 of each of 2021, 2022, and 2023, and the related consolidated statements of income, stockholder's equity, and cash flows for each of the three years in the period ended December 31, 2023.

#### **ITEM 22: CONTRACTS**

Attached to this disclosure document are the following contracts:

- Exhibit A License Agreement for Sylvan and SylvanSync, Attachments, and State-Specific Amendments
- Exhibit B Sylvan Edge Package License Agreement
- Exhibit C ACE IT! Tutoring System License Agreement
- Exhibit D Multi-Territory Incentive Plan Amendment
- Exhibit I Sample Form of General Release

#### **ITEM 23: RECEIPTS**

The last two pages of this disclosure document, Exhibit L, are detachable duplicate Receipts. Please sign and date both copies of the Receipt. Keep one signed copy of the Receipt for your file and return to us the other signed copy of the Receipt. The Receipt page also contains the names, addresses and telephone numbers of our franchise sellers or brokers.

[THE DISCLOSURE DOCUMENT ENDS HERE.]

**STATE SPECIFIC APPENDIX  
TO FRANCHISE DISCLOSURE DOCUMENT**

**NO WAIVER OR DISCLAIMER OF RELIANCE IN CERTAIN STATES**

The following provision applies only to franchisees and franchises that are subject to the state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

No statement, questionnaire, or acknowledgement signed or agreed to by you 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 us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

## INFORMATION REQUIRED BY THE STATE OF CALIFORNIA

### **THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.**

Neither SYLVAN nor any person listed in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

The License Agreement (the term SYLVAN uses for its franchise agreement) provides for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A. Sec. 101 et seq.).

The License Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law (see the California Rider to the License Agreement).

The License Agreement provides that the laws of Texas shall govern the License Agreement. This provision may not be enforceable under California law.

Our website has not been reviewed or approved by the California Department of Financial Protection and Innovation. Any complaints concerning the content of this website may be directed to the California Department of Financial Protection and Innovation at [www.dfpi.ca.gov](http://www.dfpi.ca.gov).

California Business and Professions Code sections 20000 through 20043 (the Franchise Relations Act) provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

In recognition of the requirements of the California Franchise Investment Law, the disclosure document for Sylvan for use in the State of California shall be amended as follows:

1. Item 6 and Item 10, Additional Disclosure:

The highest interest rate allowed by law in California is 10% annually.

2. Exhibit J Additional Disclosure. The following provision shall be added to the end of Exhibit J, Franchise Disclosure Questionnaire:

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.

**INFORMATION REQUIRED BY THE STATE OF HAWAII**

SYLVAN HAS FILED THESE FRANCHISES UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. SYLVAN'S FILING DOES NOT CONSTITUTE THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS' APPROVAL, RECOMMENDATION OR ENDORSEMENT OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED IN THE DISCLOSURE DOCUMENT IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN HAWAII WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. YOU SHOULD REFER TO THE CONTRACT OR AGREEMENT FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH SYLVAN AND YOU.

## INFORMATION REQUIRED BY THE STATE OF ILLINOIS

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Illinois.

1. Item 17 of the Franchise Disclosure Document is amended by the addition of the following language at the beginning thereof:

### "Notice Required By Law

THE TERMS AND CONDITIONS UNDER WHICH YOUR FRANCHISE CAN BE TERMINATED AND YOUR RIGHTS UPON NON-RENEWAL MAY BE AFFECTED BY ILLINOIS LAW, 815 ILCS 705-19-705/20."

2. The provisions of the Illinois Franchise Disclosure Act of 1987 ("the Act") shall supersede any provisions of the License Agreement or Texas law which are in conflict with the Act.
3. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a license agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a license agreement may provide for arbitration to take place outside of Illinois.
4. Your rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act of 1987.
5. The provisions of Section 27 of the Act supersede the provisions of Section 29 of the License Agreement that set a limitation within one (1) year following the effective date of expiration or termination, to the extent that claims are brought under Section 26 of the Act.
6. 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.

## **INFORMATION REQUIRED BY THE STATE OF MARYLAND**

1. The Maryland Rider to your License Agreement amends Section 9.3.9 of your License Agreement. Section 9.3.9 concerns our requirement that, in the event you transfer your licensed business to another person, you and that person execute a general release in our favor. If Maryland law applies to your License Agreement and the relationship between you and SYLVAN, then a release of this kind does not operate to cause you to waive any right you may have under the Maryland Franchise Registration and Disclosure Law.
2. Item 17.c (“Requirements for franchisee to renew or extend”) and Item 17.m (“Conditions for franchisor approval of transfer”) of the Franchise Disclosure Document are amended to provide that “The requirement that you provide a general release of all claims against us in order to renew or transfer your franchise shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.”
3. Item 17.g (“Cause defined – curable defaults”) of the Franchise Disclosure Document is amended to provide that “Termination upon filing of a bankruptcy petition against you or any shareholder may not be enforceable under federal bankruptcy law.”
4. Item 17.v (“Choice of forum”) in the Franchise Disclosure Document is amended to provide that “Franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.”
5. Nothing in the Franchise Disclosure Document or in the License Agreement, or the Receipt of Franchise Related Documents is intended to nor shall act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Act.
6. Any claim arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

## INFORMATION REQUIRED BY THE STATE OF MINNESOTA

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document and/or Franchise Agreement, as applicable, the following provisions shall supersede and apply to all franchises offered and sold in the State of Minnesota:

1. The Minnesota cover page is amended to add the following statements:

**“THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.**

**THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE LICENSE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.”**

2. Minnesota Rule 2860.4400D (the “Rule”) provides that it is unfair or inequitable to require a franchisee to assent to a release, assignment, novation or waiver that would relieve any person from liability under Minnesota Statutes. To the extent of a conflict between any provision of the Franchise Agreement and the Rule, the Rule shall prevail.
3. Minnesota law provides franchisees with certain termination and non-renewal rights. It requires, except in certain specified cases, that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the franchise agreement (Minn. Stat. Sec. 80C.14, Subd. 3,4 and 5). Please see Section 1 of the Minnesota Rider to the License Agreement.
4. The Minnesota Rider to the License Agreement provides that, to the extent Minnesota law applies, SYLVAN will indemnify you for any damages for which you are held liable due to your use of our "Sylvan System" mark, if you have used the mark properly and notified us within 10 days of your knowledge of a claim against you. SYLVAN must have sole control over any litigation concerning our trademarks. This explanation supplements the information in Item 13 of the Disclosure Document.
5. As provided in Section 4 of the Minnesota Rider to the License Agreement, Section 13 of the agreement regarding remedies, which provides that SYLVAN may collect liquidated damages in certain circumstances, is deleted in its entirety in accordance with Minnesota Rule 2860.4400J.

Therefore, the corresponding portions of Item 6 titled “Liquidated Damages for Breach” and paragraph (i) of Item 17 in this Disclosure Document do not apply.

6. As provided by Section 5 of the Minnesota Rider to the License Agreement, to the extent Minnesota law applies, Section 20 of the agreement, which states that you must sue in Texas, does not affect your rights under the Minnesota Franchise Law (Minnesota Statutes 1992, Chapter 80C), including any rights to bring suit against SYLVAN in Minnesota.
7. No release language set forth in the Franchise Agreement shall relieve Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Minnesota.
8. Minn. Rule 2860.4400J prohibits waiver of a jury trial. Accordingly, Item 17 of the Franchise Disclosure Document and Section 28 of the License Agreement are amended as follows:  
  
“Nothing contained herein shall limited Franchisee’s right to submit matters to the jurisdiction of the courts of Minnesota to the full extent required by Minn. Rule 2860.4400J.”
9. Item 17 of the Franchise Disclosure Document and Section 21 of the License Agreement are amended as follows:  
  
“Nothing contained herein shall limited Franchisee’s right to submit matters to the jurisdiction of the courts of Minnesota to the full extent required by Minn. Rule 2860.4407J.”
10. These states have statutes which limit the franchisor’s ability to restrict your activity after the License Agreement has ended: California Business and Professions Code Section 16,600, Florida Statutes Section 542.33, Michigan Compiled Laws Section 445.771 *et seq.*, Montana Codes Section 30-14-201, North Dakota Century Code Section 9-08-06, Oklahoma Statutes Section 15-217-19, Washington Code Section 19.86.030. Other states have court decisions limiting the franchisor’s ability to restrict your activity after the License Agreement has ended.
11. A provision in the License Agreement which terminates the franchise upon bankruptcy of the franchise may not be enforceable under Title 11, United States Code Section 101.
12. Franchisor will protect the Franchisee’s right granted hereby to use the Marks or will indemnify Franchisee from any loss, costs or expenses arising out of any claim, suit, or demand regarding the use of the Marks.
13. Section 29 of the License Agreement is amended by adding the following:  
  
“Any claims pursuant to Minn. Stat. Sec. 80C.17 may be commenced within the time period provided in Minn. Stat. Sec. 80C.17, subd. 5.”

## INFORMATION REQUIRED BY THE STATE OF NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

**INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CAN NOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**

2. The following is to be added at the end of Item 3:

With the exception of what is stated above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

- A. No such party has an administrative, criminal, or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.
- B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature, or financial condition of the franchise system or its business operations.
- C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.
- D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the “Summary” sections of Item 17(c), titled “**Requirements for a franchisee to renew or extend,**” and Item 17(m), entitled “**Conditions for franchisor approval of transfer**”:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the “Summary” section of Item 17(d), titled “**Termination by franchisee**”: You may terminate the agreement on any grounds available by law.
5. The following is added to the end of the “Summary” sections of Item 17(v), titled “**Choice of forum,**” and Item 17(w), titled “**Choice of law**”:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or the franchisee by Article 33 of the General Business Law of the State of New York

6. Franchise Questionnaires and Acknowledgements--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.
7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

## **INFORMATION REQUIRED BY THE STATE OF NORTH DAKOTA**

Sections 12.5.1 and 12.5.2 of the License Agreement requires that:

- (i) during the term of the License Agreement, you not engage as an owner, operator or in any managerial capacity in any educational business other than as a Licensee of SYLVAN; and
- (ii) following termination or expiration of your License Agreement (including non-renewal or transfer of your License to another person), for a period of two years you not engage as an owner, operator or any managerial capacity in any educational business offering individualized diagnostic tests or academic or prescriptive educational programs which are designed to be personally taught, supervised or administered by trained instructors within your former Territory or at any location less than five miles from your former Territory's boundary.

To the extent the preceding provisions conflict with provisions of North Dakota law concerning restrictive covenants, these restrictive covenants are not enforceable (see Section 1 of the North Dakota Rider to the License Agreement).

Because liquidated damages provisions may be unenforceable in North Dakota and Section 13 of the License Agreement includes a liquidated damages provision, Section 2 of the North Dakota Rider to the License Agreement substitutes a new Section 13 to the License Agreement that does not contain a liquidated damages provision.

Section 3 of the North Dakota Rider to your License Agreement provides that Section 20 of your License Agreement is supplemented by two provisions. The first states that to the extent the requirement that any suit you bring against SYLVAN be brought in courts in Texas violates applicable North Dakota law (see N.D.C.C., 51-19-09), this requirement is void. The second provision states that each of you and SYLVAN appoints the Securities Commissioner, State of North Dakota, State Capitol, Bismarck, North Dakota 58505, to be each party's true and lawful agent to receive service of any lawful process and any civil litigation or proceeding arising under the License Agreement.

Because the North Dakota Franchise Investment Law provides that provisions in a franchise agreement purporting to operate as waivers to compliance with such law are void, Section 4 of the North Dakota Rider to the Franchise Agreement provides for adding a new Section 26.14 to the License Agreement that states the no-waiver requirements of the Franchise Investment Law.

## **INFORMATION REQUIRED BY THE STATE OF RHODE ISLAND**

Section 20 of the License Agreement provides that (i) Texas law governs the agreement and (ii) if SYLVAN brings suit against you, we must do so in the courts of the state where your Territory is located, and that if you bring suit against SYLVAN, you must do so in Tarrant County, Texas, the site of SYLVAN's headquarters. The Rhode Island Franchise Act states 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 conform to the requirements of Rhode Island law, the Rhode Island Rider to the License Agreement provides that to the extent Rhode Island law applies and is in conflict with Section 20 of the License Agreement, Rhode Island law prevails.

## **INFORMATION REQUIRED BY THE STATE OF SOUTH DAKOTA**

Section 11 of the License Agreement concerns termination of the License Agreement and the notice required to terminate (which is discussed in Item 17). It provides for 10 days' notice for monetary defaults. To conform to the requirements of South Dakota law, Section 1 of the South Dakota Rider to the License Agreement provides that SYLVAN must give you at least 30 days' notice and an opportunity to cure in the event of your non- or late payment of any amounts due to SYLVAN under the License Agreement.

Section 12 of the License Agreement imposes certain restrictions on your freedom to compete with SYLVAN during the term of your License Agreement or after its termination or expiration. Section 2 of the South Dakota Rider to the License Agreement provides that to the extent that provisions of Section 12 of the License Agreement conflict with South Dakota law, South Dakota law prevails. This language is added because:

"Covenants not to compete upon termination or expiration of a franchise agreement are generally unenforceable in the State of South Dakota, except in certain instances as provided by law."

Section 13 of the License Agreement entitles SYLVAN to liquidated damages in the event of your breach of certain provisions of the Agreement. Because South Dakota law may make liquidated damages provisions void and unenforceable, Section 6 of the South Dakota Rider to the License Agreement substitutes a new Section 13 stating simply that SYLVAN shall be able to seek whatever damages are available under the law.

Section 20 of the License Agreement (i) provides for Texas governing law and (ii) requires that if SYLVAN brings suit against you, to do so in the courts of the state in which your Territory is located, and if you bring suit against us, to do so in courts in the State of Texas, the state where our principal place of business is located. Section 4 of the South Dakota Rider to the License Agreement amends Section 20 of the License Agreement to add the following, as required by South Dakota law:

"Notwithstanding the foregoing, (i) the law regarding license registration, employment, covenants not to compete, and other matters of local concern will be governed by the laws of the State of South Dakota; but as to contractual and other matters, this Agreement and all provisions of this instrument will be and remain subject to the application, construction, enforcement, and interpretation under the governing law of the State of Texas; and (ii) any provision which designates jurisdiction or venue or requires the licensee to agree to jurisdiction or venue in a forum outside of South Dakota is void with respect to any cause of action which is otherwise enforceable in South Dakota."

## **INFORMATION REQUIRED BY THE STATE OF VIRGINIA**

To the extent the Virginia Retail Franchising Act, Va. Code §§13.1-557 – 13.1-574 applies, the terms of this Addendum apply.

### **Item 17, Additional Disclosures:**

Any provision in any of the contracts that you sign with us which provides for termination of the franchise upon the bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. 101 et. seq.).

“According to Section 13.1 – 564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.”

## **INFORMATION REQUIRED BY THE STATE OF WASHINGTON**

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sales of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

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.

**EXHIBIT A**  
**TO THE FRANCHISE DISCLOSURE DOCUMENT**  
**SYLVAN LEARNING, LLC LICENSE AGREEMENT**

**SYLVAN LEARNING® AND SYLVANSYNC®  
LICENSE AGREEMENT**

**SUMMARY PAGE**

**LICENSE AGREEMENT NO.:**

**EFFECTIVE DATE:**

**LICENSEE(S):**

**ADDRESS FOR NOTICES:**

**TELEPHONE NUMBER:**

**E-MAIL ADDRESS:**

**TERRITORY NAME:**

**LICENSOR:** Sylvan Learning, LLC, a Delaware limited liability company

**ADDRESS FOR NOTICE:** 2350 Airport Freeway, Suite 505, Bedford, TX 76022

**INITIAL LICENSE FEE:** \$36,900, including (applicable only if checked and respective separate agreement is executed):

EDGE Package License

ACE IT! Tutoring System License

**MONTHLY ROYALTY FEE:** 16% of monthly gross revenues, with a total Minimum Annual Royalty of not less than \$32,000, subject to Section 6.2

**TERRITORY ADVERTISING MINIMUM:** 8% of monthly gross revenues, capped at a maximum of \$40,000 per territory per calendar year, subject to Section 7.8

**RENEWAL FEE:** \$6,000, subject to Section 10.2

**SYLVAN LEARNING® AND SYLVANSYNC®  
LICENSE AGREEMENT**

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STATE-SPECIFIC RIDERS

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- Attachment B – Licensee’s Owners and Key Personnel
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- Attachment D – Confidentiality and Non-Competition Agreement
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- Attachment G – SylvanSync Educational Software License and Terms of Use Agreement
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- Attachment L – mySylvan Marketplace+ Franchisee Participation Pilot Agreement

## SYLVAN LEARNING® AND SYLVANSYNC® LICENSE AGREEMENT

This LICENSE AGREEMENT (“Agreement”) is made and entered into on the Effective Date reflected in the Summary Page by and between Sylvan Learning, LLC, a Delaware limited liability company, (“Sylvan,” “Franchisor,” or “Licensor”) and the Licensee identified on the Summary Page (“Licensee,” “Franchisee,” or “you”). For purposes of the Agreement and its attachments and riders, “franchise agreement” and “license agreement” are used interchangeably and refer to this Agreement.

### Background

A. Sylvan or its predecessors have developed certain proprietary programs, systems, teaching and management techniques, individualized diagnostic tests and academic and prescriptive educational courses or programs which are designed to be taught, supervised, or administered by trained instructors (the “Sylvan System”) for use in operating learning centers (“Sylvan Centers”). The Sylvan System is licensed to others to conduct business at such Sylvan Centers pursuant to the Sylvan System.

B. Additionally, Sylvan, pursuant to rights granted to it by third parties, has developed and plans to further develop certain proprietary technology, digital assets, systems, business methods, techniques and methodologies designed to be used in connection with portable proprietary computer systems and the Internet to provide a digital learning environment incorporating assessment results, instruction and the management of student educational programs, referred to as the “SylvanSync System.” The SylvanSync System is licensed to others to conduct business at locations within a defined geographical area pursuant to the SylvanSync System.

C. The businesses utilizing the Sylvan System and the SylvanSync System which Sylvan and its Licensees operate (the “Sylvan Network”) are now identified by certain respective trade names, trademarks, service marks, logos, symbols and other indicia of origin (collectively, the “Licensed Marks”) identified in the Confidential Operations Manual (hereinafter defined), including but not limited to, “Sylvan,” “Sylvan Learning Center,” and “Sylvan Learning” in the Sylvan System, and “SylvanSync” in the SylvanSync System, and such other trade names, trademarks, service marks, associated logos and symbols as are now designated by Sylvan (and as may hereafter be designated by Sylvan in writing).

D. Licensee desires to have Sylvan license the Sylvan System and the SylvanSync System to Licensee with the right to conduct business using the Sylvan System and the SylvanSync System under the respective Licensed Marks at the locations and within the Territory designated in this Agreement. The business that Licensee conducts in connection with these systems is referred to in this Agreement as the “Licensed Business.”

NOW, THEREFORE, in consideration of the above premises, and of the additional mutual covenants and valuable consideration recited below, the parties agree as follows:

#### 1. Grant of Licenses: The Territory; Site Location.

1.1 Grant of Sylvan System License. Subject to the terms and conditions of this Agreement, Sylvan grants to Licensee the right and license, and Licensee accepts and undertakes the obligation, for the term established by Paragraph 10.1 of this Agreement: (a) to operate one or more Sylvan Centers (referred to hereinafter in this Agreement as “the Center,” whether one or more) and to use the Sylvan System at such Centers, including Sylvan’s proprietary programs, systems, and techniques and certain copyrighted materials, as the Sylvan System may be modified, changed, improved or further developed from time to time by Sylvan; and (b) to do so only at such site or sites mutually agreed upon as provided in Paragraphs 1.5 and 1.7.

1.2 Grant of SylvanSync System License. Subject to the terms and conditions of this Agreement, Sylvan grants to Licensee the right and license, and Licensee accepts and undertakes the obligation, for the term established by Paragraph 10.1 of this Agreement, to use the SylvanSync System, including Sylvan’s proprietary programs, systems, and techniques and certain copyrighted materials, as the SylvanSync System may be modified, changed, improved or further developed from time to time by Sylvan to conduct business (a) within each Center, and, if Licensee desires, (b) at such other site or sites, including without limitation one or more Satellites as defined in this Agreement, approved by Sylvan as provided in Paragraphs 1.5 and 1.7, serving retail-pay customers and, upon separate approval by Sylvan, institutional-pay customers.

1.3 Territory. Sylvan determines the size and boundaries of licensed territories depending upon its evaluation of such factors as the number of school-aged children who reside within a territory; the geographic size, population, and socio-economic factors of any territory; and such other financial and market factors as Sylvan may deem pertinent. The geographic area granted to Licensee (“Territory”) is described in Attachment A, which is attached hereto and made a part hereof by reference. For the avoidance of doubt, the Territory does not include the metaverse, and Sylvan reserves, maintains, and controls all rights with respect to said metaverse.

1.4 Territorial Rights. During the term of this Agreement, and provided that Licensee is in compliance with the terms and conditions of this Agreement, Sylvan will not itself, or through any affiliate or subsidiary, operate or establish, nor license any third party to operate or establish, another Sylvan Center using the Sylvan System at any location within the Territory, except as otherwise provided in this Agreement. Sylvan retains all other rights, and may, among other things, on any terms and conditions Sylvan deems advisable, and without granting Licensee any rights therein:

1.4.1 own and operate (outright, through contract, joint-ventures or otherwise) Sylvan Centers at any location(s) outside of the Territory;

1.4.2 grant licenses for the operation of Sylvan Centers at any location(s) outside of the Territory as Sylvan, in its sole and exclusive discretion, deems appropriate;

1.4.3 conduct and operate businesses, and offer and sell services, programs and products within the Territory which do not comprise a part of the Sylvan System and, in connection therewith, to exploit Sylvan’s Licensed Marks, name, reputation and know-how;

1.4.4 use the Licensed Marks and other aspects of the Sylvan System in conjunction with activities not contemplated by Sylvan as being conducted solely through or at Sylvan Centers;

1.4.5 offer, distribute, use and/or sell components of the Sylvan System through courses or programs offered and conducted by methods or through facilities other than Centers, within the Territory or outside the Territory, including, but not limited to: (i) the Internet; (ii) CD-ROM, books, audio or video tapes and/or electronic media; (iii) sales for home use by students; or (iv) other concepts currently in existence or as may be developed in the future, for example, through advancements in technology;

1.4.6 sell, provide, and deliver, directly or through affiliates or third parties, Sylvan System programs pursuant to contracts with State, Federal or Local governmental entities and school districts, and corporate contracts which require the delivery or performance of Sylvan System services within the Territory (“in-Territory Services”). All operations by Sylvan, an affiliate or a third party in providing in-Territory Services pursuant to this Paragraph shall be conducted in compliance with the same standards and requirements established by Sylvan for its licensees generally; and

1.4.7 sell and operate directly and to license and franchise others to sell and use within the Territory under different names or marks and/or under the Licensed Marks services, programs and products which primarily emphasize vocational training and skills in the adult workplace including by way of illustration and not by way of limitation, various computer based training and testing software programs and instructional materials and services.

1.5 Initial Center; Initial Center Site. Within forty-five (45) days of the Effective Date of this Agreement, Licensee shall identify and submit to Sylvan for approval at least one proposed site for the location of the first Center to be opened in the Territory. Time is of the essence. Licensee shall submit fully completed site approval forms to Sylvan, as specified by Sylvan in the Confidential Operations Manuals. Sylvan shall review the proposed site approval forms, and may, but is not obligated to, conduct a physical on-site review of the proposed site. If Sylvan approves the site, Attachment A shall be amended to identify the site address for the Primary Center. Sylvan shall, if necessary or requested by Licensee, provide reasonable assistance in finding other site locations. Licensee shall pay for Sylvan’s out-of-pocket expenses for travel, meals and lodging incurred in providing such assistance. Sylvan may withhold approval of a site that fails to meet its site location guidelines, which Sylvan may revise from time to time, provided that such approval shall not be withheld unreasonably. Should the site(s) proposed by Licensee not be approved by Sylvan, then Sylvan shall have the right to terminate this Agreement. Licensee shall not relocate any Center or portion thereof except within the Territory and then only with Sylvan’s prior written approval of the proposed new site. Sylvan may withhold approval of a relocation site that fails to meet its then-current location guidelines, which Sylvan may revise from time to time.

1.6 Licensee to Commence Performance and Full Operation of Primary Center; Required Open Date.

Unless an extension is granted in writing, Licensee shall commence full and continuous operation of at least one Center in the Territory operating the Sylvan System and the SylvanSync System (the “Primary Center”) at a site approved by Sylvan within one hundred eighty (180) days from the Effective Date of this Agreement (the “Required Open Date”). Time is of the essence. Sylvan may terminate this License Agreement if Licensee fails to meet this obligation, in which event none of the Initial License Fee shall be refunded. The Primary Center is a “Center” for the purposes of this Agreement, and all terms and conditions for a Center apply, including without limitation the Minimum Required Hours. At the Primary Center, Licensee must offer all products, programs, and services in the Sylvan System and the SylvanSync System specified by Sylvan in the Confidential Operations Manual or otherwise in writing as mandatory. Notwithstanding, Licensee may not open the Primary Center if it has not met all of the pre-opening requirements in the Confidential Operations Manual, including but not limited to:

- (a) Execution and delivery to Sylvan of the Telephone Number Assignment Agreement attached hereto as Attachment H;
- (b) Execution and delivery to Sylvan of the most current ACH Agreement attached hereto as Attachment I for the Licensee entity operating under this License Agreement;
- (c) Execution and delivery to Sylvan of the Dashboard Access Agreement attached hereto as Attachment J;
- (d) Not being in material default under this License Agreement or any other agreements with Sylvan; and
- (e) Being current on all obligations due to Sylvan, including payment of the initial license fee, royalty, and any other fees then due.

1.7 Additional Locations by Licensee within Territory. Contingent upon Sylvan’s prior approval, Licensee may open additional locations within the Territory subject to the terms and conditions of this Paragraph 1.7, and each additional location shall be identified as one of:

- (a) an additional Center which operates the Sylvan System and the SylvanSync System (an “Additional Center”). All terms and conditions for the Primary Center, including without limitation the Minimum Required Hours, shall apply to such Additional Centers; or
- (b) an additional Center in which Licensee may offer any portion or part of the Sylvan System and/or the SylvanSync System, and/or offer other programs and services approved by Sylvan (a “Flex Center”). Except for the requirement to offer all mandatory Sylvan and SylvanSync products, programs, and services, which does not apply to any Flex Center, all other terms and conditions for a Center, including without limitation the Minimum Required Hours, shall apply to such Flex Centers; or
- (c) out of Center in the Territory at a location approved by Sylvan (“Satellite”), in which Licensee may offer any portion or part of the Sylvan System and/or the SylvanSync System, and/or offer other programs and services approved by Sylvan. For example, and not as a limitation, a Satellite may be a space in a school or a community center. Satellites are not required to meet all requirements for Centers but must meet such requirements as Sylvan sets forth in the Confidential Operations Manual. Subject to Sylvan’s prior written approval, and if Licensee meets the criteria, terms, and conditions that Sylvan may establish from time to time in the Confidential Operations Manual or otherwise in writing, Licensee may also deliver SylvanSync programs through a “Virtual Satellite” in the Territory whereby the SylvanSync sessions are delivered through live, online platforms. Licensee and such Virtual Satellite must meet all requirements that Sylvan sets forth in the Confidential Operations Manual.

1.7.1 Licensee must notify Sylvan in writing of Licensee’s intention to open another Center or Satellite and shall submit to Sylvan for approval other information as is then required by Sylvan of licensees opening additional centers or satellites in their territories, including but not limited to business plans, pro formas addressing new and existing Center and Satellite operations, and financial information.

1.7.2 Licensee must obtain Sylvan’s approval of such new Center or Satellite in writing, which Sylvan may withhold in its sole discretion, applying Sylvan’s then-current standards and procedures for approval, including, but not limited to, receipt of satisfactory required documentation, and evaluation of Licensee’s prior

performance under this Agreement, and the proposed site and layout, decor and equipment as are then currently required for initial centers or additional locations, as determined by Sylvan.

1.7.3 For each additional Center, but not for any Satellite, Licensee must pay Sylvan a fee of One Thousand Dollars (\$1,000) (“Additional Center Fee”) to compensate Sylvan for its expenses incurred in site review and additional center plan approval. Said sum is payable upon approval of the new Center in writing by Sylvan.

1.7.4 Licensee shall have no right to sublicense under this License Agreement.

1.8 The Sylvan System; The SylvanSync System; Products, Programs, and Services Offered and Not to Be Offered; Licensee’s Acknowledgment.

1.8.1 The Sylvan System. Sylvan may, in its sole discretion, change, modify, delete from, supplement, improve or further develop the Sylvan System and the services, programs, products, and other components comprising the Sylvan System from time to time, through the Confidential Operations Manual, as provided in Paragraph 2.1.4 or otherwise upon written notice to Licensee. Licensee agrees to comply with all Sylvan’s requirements in such regard, including, without limitation, offering and selling products, programs, and services that Sylvan specifies.

1.8.2 The SylvanSync System. Sylvan may, in its sole discretion, change, modify, delete from, supplement, improve or further develop the SylvanSync System and the services, programs, products, and other components comprising the SylvanSync System from time to time, through the Confidential Operations Manual, as provided in Paragraph 2.1.4 or otherwise upon written notice to Licensee. Licensee agrees to comply with all Sylvan’s requirements in such regard, including, without limitation, offering and selling products, programs, and services that Sylvan specifies.

1.8.3 Products, Programs, and Services Offered. At the Primary Center and at all additional Centers under Paragraph 1.7 (a), Licensee must offer all products, programs, and services that comprise the Sylvan System and the SylvanSync System as specified by Sylvan in the Confidential Operations Manual or otherwise in writing. Additional Centers under Paragraph 1.7 (b) and Satellites have different product, program, and services requirements as set forth in Paragraph 1.7.

1.8.4 Products, Programs, and Services. If Sylvan includes new products, programs, or services as part of the Sylvan System or as part of the SylvanSync System, and/or offers to Licensee the right and opportunity to offer new products, programs, and services at or from the Licensed Business, Sylvan may implement new and/or different standards of operations for such new products, programs, and services, and/or charge fees for such products, programs, and services that are different from those fees charged under this Agreement. In every Center and Satellite, Licensee must refrain from offering or selling products, programs, or services that are not then-approved by Sylvan and otherwise as directed by Sylvan.

1.8.5 Licensee’s Acknowledgment Concerning Separate Systems. Sylvan began offering the Sylvan System license and the SylvanSync System license in a joint license agreement in April 2016, although such systems and license grants are distinct from one another. Previously, Sylvan offered the two systems and license grants under two separate documents: (i) a Sylvan System license, and (ii) an optional SylvanSync System product license. Licensee acknowledges and agrees that the Sylvan System and the SylvanSync System are separate systems, and that Sylvan includes both systems in this Agreement for efficiency only.

1.9 Splitting the Territory. If Licensee requests and Sylvan approves such request, the Territory may be divided into two separate territories (each a “Split Territory”) in order for Licensee to develop a second Primary Center. For the newly created Split Territory, Sylvan will disclose to Licensee then-current Sylvan franchise disclosure document, and Licensee will execute our then-current form of Sylvan’s license/franchise agreement and pay to Sylvan \$5,000 per Territory split (the “Territory Split Fee”). For example, if the Territory is split into three separate territories, Licensee shall pay \$10,000 as its Territory Split Fee. Concurrent with such execution of the second (or subsequent) license/franchise agreement, the Attachment A to this Agreement shall be amended to replace the current Territory with the smaller remaining Split Territory. Sylvan’s approval to subdivide the current Territory is subject to conditions, which may include successful completion of training by a new manager (if we require you to have a second manager), Licensee’s compliance under all license or franchise agreements and other agreements with Sylvan and its affiliates, and the subdivided territory(ies) independently meeting Sylvan’s then-current standards for a Territory and Primary Center.

## 2. Confidential Operations Manual.

2.1 Confidential Operations and Instruction Manual. Sylvan shall lend to Licensee, at no additional charge, certain Confidential Operations and Instruction Manual (hereinafter referred to as the “Confidential Operations Manual,” whether one or more). The Confidential Operations Manual contains both mandatory and required standards, methods, rules, and processes, and recommended policies and procedures.

2.1.1 Sylvan has determined that certain programs, and certain other policies, systems, techniques, and materials are essential to the successful operation of the Licensed Business, in accordance with the standards of the Sylvan System and the SylvanSync System. In order to protect the reputation and goodwill of the businesses operating under the Sylvan System and the under the SylvanSync System and to maintain standards of operation under the Licensed Marks, Licensee agrees to operate the Licensed Business in accordance with the Confidential Operations Manual, including such amendments thereto, as Sylvan may publish from time to time, all of which Licensee acknowledges belong solely to Sylvan and shall be on loan from Sylvan during the term of this Agreement. Should Licensee lose one or more of the Confidential Operations Manual or supplements, Sylvan may impose a charge for replacement manuals or supplements issued to Licensee. The standards, specifications, or requirements established by Sylvan for Licensee, unless otherwise indicated, shall be set forth in this Agreement or may, from time to time, be set forth by Sylvan in the Confidential Operations Manual.

2.1.2 The Confidential Operations Manual may consist of multiple volumes of printed text, video and/or audio tapes and files, computer disks, and other electronically stored data, and various and periodic or episodic operational and/or management bulletins, in any format, and Licensee acknowledges and agrees that Sylvan may provide a portion or all of the Confidential Operations Manual (including updates and amendments) and other instructional information and materials in, or via, electronic media, including, without limitation, through the Internet.

2.1.3 Licensee shall at all times use its best efforts to keep the information in the Confidential Operations Manual, the Confidential Operations Manual themselves, and any other manuals, materials, goods, and information created or used by Sylvan and designated for confidential use within the Sylvan System or the SylvanSync System confidential and shall limit access to employees of Licensee on a need-to-know basis.

2.1.4 Licensee understands and acknowledges that each of the Sylvan System and the SylvanSync System serve markets and operates under market conditions that are continuously changing and evolving, and that new and different standards, procedures, and techniques will be developed and recommended by Sylvan in response to those changes, or other conditions in the Sylvan System or the SylvanSync System, to maintain and/or enhance the quality of Sylvan System and/or SylvanSync System services provided by Licensee in the Licensed Business, and the reputation and goodwill of the Sylvan System, the SylvanSync System, and the Sylvan Network. Accordingly, Licensee understands and acknowledges that Sylvan may, from time to time, revise the contents of the Confidential Operations Manual to implement new or different requirements for the Sylvan System and/or the SylvanSync System, and Licensee expressly agrees to comply with all such changed requirements which are by their terms mandatory. Sylvan may exercise certain rights, to the fullest extent permitted by then-applicable law, with respect to pricing of access to the products and services offered within the Sylvan System or the SylvanSync System, including, but not limited to, establishing policies with respect to the maximum and minimum retail prices which Licensee may charge customers of the Licensed Business, recommended pricing and minimum advertised pricing for some or all of the products or services sold at the Licensed Business, which Sylvan may compel Licensee to observe and honor. Sylvan further reserves the right to establish price promotions or package promotions which may directly or indirectly impact Licensee’s retail prices, and in which Sylvan may compel Licensee to participate. Franchisor may engage in any such activity periodically or throughout the term and may engage in such activity in some geographic areas but not others, or with regard to certain subsets of licensees but not others.

2.1.5 Licensee shall at all times ensure that its copy of the Confidential Operations Manual is kept current and up to date. In the event of any dispute as to the contents of the Confidential Operations Manual, the terms and dates of the master copy of same maintained by Sylvan at its principal place of business shall be controlling.

## 3. Protection of Sylvan’s Proprietary Rights.

3.1 Confidential Information and Trade Secrets. Licensee understands and agrees that he/she will come into possession of certain of Sylvan’s trade secrets concerning the manner in which it conducts business including, but not necessarily limited to, the following: methods of doing business or business processes; strategic business plans; customer lists and information; marketing and promotional campaigns; software; and Sylvan’s materials clearly marked or labeled as trade secrets. Licensee agrees that the foregoing information, which may or may not be

considered “trade secrets” under prevailing judicial interpretations or statutes, is private, valuable, and constitutes trade secrets belonging to Sylvan and its affiliates. Licensee agrees that Sylvan derives independent economic value from the foregoing information not being generally known to, and not being readily ascertainable through proper means by, another person. Licensee acknowledges Sylvan’s proprietary rights in the Sylvan System and the SylvanSync System programs, systems, techniques, and manuals, which may constitute trade secrets, are confidential information which will be disclosed to Licensee under this Agreement, and further acknowledges that Licensee does not acquire any right or interest therein beyond the rights expressly granted to it under this Agreement. By execution of this Agreement, Licensee also acknowledges that the know-how and operating format related to Sylvan’s proprietary methods and materials is also proprietary to Sylvan and will not be disclosed by Licensee except in connection with Licensee’s required activities as authorized by this Agreement. Licensee agrees to maintain adequate security in the control, use, and handling of proprietary materials and/or trade secrets Sylvan supplies to Licensee in accordance with the practices described in the Confidential Operations Manual or as stated otherwise in writing from time to time. Unless expressly waived by Sylvan in writing, Licensee shall require all persons who have or could have access to Sylvan proprietary materials and/or trade secrets to sign written confidentiality agreements pertaining to the security of Sylvan proprietary materials and/or trade secrets, which agreement shall be in a form reasonably acceptable to, and approved in advance by, Sylvan. Licensee shall immediately notify Sylvan of any unauthorized use of Sylvan’s proprietary information and/or trade secrets, or any infringement of Sylvan’s copyrights. Sylvan shall have sole discretion to take such action or inaction as it deems appropriate. Notwithstanding any other provision of this Agreement, there may be certain, limited circumstances where applicable law allows for the disclosure of certain trade secrets, as specified in the Confidential Operations Manual.

### 3.2 Licensed Marks.

3.2.1 Licensee expressly acknowledges Sylvan’s rights in and to the Licensed Marks and agrees not to represent in any manner that Licensee has acquired any ownership rights in the Licensed Marks. Licensee agrees not to use any of the Licensed Marks or any marks, names or indicia which are or may be confusingly similar in its own corporate or business name except as authorized in this Agreement. Licensee further acknowledges and agrees that any and all goodwill associated with each of the Sylvan System and the SylvanSync System and identified by the Licensed Marks shall inure directly and exclusively to the benefit of Sylvan and that, upon the expiration or termination of this Agreement for any reason, no monetary amount shall be attributable to any goodwill associated with Licensee’s use of the Licensed Marks.

3.2.2 Licensee understands and agrees that any use of the Licensed Marks other than as expressly authorized by this Agreement, without Sylvan’s prior written consent, is an infringement of Sylvan’s rights in the Licensed Marks and that the right to use the Licensed Marks granted herein does not extend beyond the termination or expiration of this Agreement. Licensee expressly covenants that, during the term of this Agreement and thereafter, Licensee shall not, directly or indirectly, commit any act of infringement or contest or aid others in contesting the validity of Sylvan’s right to use the Licensed Marks or take any other action in derogation thereof.

3.2.3 Licensee acknowledges an obligation to monitor its own and other parties’ use of the Licensed Marks and agrees to do so. Licensee shall promptly notify Sylvan of any claim, demand, or cause of action that Sylvan may have based upon or arising from any unauthorized attempt by any person or legal entity to use the Licensed Marks, any colorable variation thereof, or any other mark, name, or indicia in which Sylvan has or claims a proprietary interest. Licensee shall assist Sylvan, upon request and at Sylvan’s expense, in taking such action, if any, as Sylvan may deem appropriate to halt such activities, but shall take no action nor incur any expenses on Sylvan’s behalf without Sylvan’s prior written approval. If Sylvan undertakes the defense or prosecution of any litigation relating to the Licensed Marks, Licensee agrees to cooperate with and assist Sylvan as Sylvan may reasonably request in the defense or prosecution of any such action.

3.2.4 Licensee further agrees and covenants to use the Licensed Marks solely in the manner prescribed by Sylvan; to observe all laws with respect to the registration of trade names and assumed or fictitious names, to include in any application therefore a statement that Licensee’s use of the Licensed Marks is limited by the terms of this Agreement, and to provide Sylvan with a copy of any such application and other registration document(s); and to observe such requirements with respect to trademark and service mark registrations and copyright notices as Sylvan may, from time to time, require, including, without limitation, affixing “SM”, “TM”, or “®” adjacent to the Licensed Marks. Licensee agrees that it shall not commit any act causing an incurable tarnishment of the Licensed Marks or the reputation and goodwill associated with the Sylvan System or the SylvanSync System.

3.2.5 Sylvan reserves the right, in its sole discretion, to designate and require that Licensee use one or more new, modified, or replacement Licensed Marks. If as a result of such requirement, Licensee should be required to alter any signage or outdoor advertising, Licensee shall have one hundred twenty (120) days from receipt of Sylvan's requirement to comply with same, at Licensee's sole cost and expense, except that if Licensee shall be required more than once during the initial term or during any renewal term of this Agreement to alter any signage or outdoor advertising as a result of such requirement.

3.2.6 In connection with Sylvan's or a permitted licensee's or third party's conduct of any business or enterprise in the Territory and under the Licensed Marks, that does not comprise a part of the Sylvan System or of the SylvanSync System, Sylvan agrees that it shall not commit, or permit any of its licensees to commit, any act that will cause an incurable tarnishment of the Licensed Marks or the reputation and goodwill associated with the Sylvan System or of the SylvanSync System.

#### 4. Obligations of Sylvan; Supervision, Assistance and Services.

4.1 Before Opening. The obligations and services to be performed by Sylvan prior to the opening of the Licensed Business and at no charge to Licensee are:

4.1.1 Site Selection. Sylvan will assist Licensee in the selection of a location for the Center and, following the guidelines and standards contained in the Confidential Operations Manual, make recommendations and suggestions regarding the layout and décor of the Center to ensure compliance with Sylvan standards for the Sylvan System and for the SylvanSync System. Sylvan must approve all floor plans and signage of your Center and, if any, your Satellite.

4.1.2 Confidential Operations Manual. The Confidential Operations Manual will be loaned to Licensee.

4.1.3 Training. Sylvan will provide an initial training program as described in the Confidential Operations Manual for up to three members of Licensee's staff, inclusive of Licensee or, if Licensee is a corporation, partnership, limited liability company, or limited liability partnership, one of Licensee's principals who is designated to supervise the operation of the Licensed Business, has been previously approved by Sylvan, owns a beneficial equity interest in the Licensee entity, and has executed the Undertaking and Guaranty appended to this Agreement as Attachment C (the "Managing Principal"), and such other employee(s) of Licensee whom Sylvan shall have the right to approve. Sylvan reserves the right to charge a non-refundable initial training fee (the "Initial Training Fee") of up to One Thousand Dollars (\$1,000) to cover Sylvan's administrative expenses. Licensee or Managing Principal must successfully complete the initial training program by the deadline specified by Sylvan and comply with any other requirements that Sylvan may designate from time to time. Sylvan may at its discretion elect not to charge the Initial Training Fee unless the Managing Principal does not complete the initial training program by the deadline specified by Sylvan; under such circumstances. Sylvan may at its discretion elect not to charge the Initial Training Fee. However, if the Managing Principal does not complete the initial training program by the deadline specified by Sylvan, then under such circumstances, the Initial Training Fee will be charged and Licensee must submit payment upon invoice. Licensee or Managing Principal shall attend and successfully complete, to Sylvan's satisfaction, the initial training program offered by Sylvan within one hundred eighty (180) days of the Effective Date. Time is of the essence. If Licensee or Managing Principal does not successfully complete (to Sylvan's satisfaction) the initial training program within one hundred eighty (180) days of the Effective Date (provided that the training is made available during such time), Sylvan may terminate this Agreement, in which case Sylvan shall not refund any portion of the Initial License Fee or the Initial Training Fee. Sylvan's training obligation hereunder automatically expires one hundred eighty (180) days after the Effective Date, after which Sylvan may charge fees in its discretion for providing such training. All training is intended to guide Licensee and, through Licensee, certain of Licensee's employees in the delivery and sale of products and services in accordance with the standards of the Sylvan System and the SylvanSync System. Licensee shall be fully and solely responsible for all employment actions and decisions related to its employees during training, and during their employment in the Licensed Business.

4.1.4 Training Materials and Forms. Sylvan will furnish Licensee with certain materials deemed by Sylvan to be appropriate for instruction of Licensee's personnel in the conduct of the licensed instructional programs. Sylvan reserves the right to charge separate fees for (a) additional training materials provided to Licensee for Licensee's employees; (b) specialized training materials for specific programs, courses, or materials; (c) specialized training conducted utilizing different methodologies or delivery systems, including, without limitation,

electronically delivered training programs or materials; and/or (d) additional or supplemental training, charged on a per-person basis.

4.1.5 Additional Training. If Sylvan determines, in its sole discretion, that Licensee is in need of additional supervision or supplemental training, Sylvan may require that Licensee receive such training from Sylvan, in which case Licensee agrees that it shall pay Sylvan's then-current per diem additional training charges and out-of-pocket training expenses, which shall be as set forth in the Confidential Operations Manuals or otherwise in writing (as of the Effective Date, such fees are \$500 per day). If Licensee requests that Sylvan provide additional supervision or supplemental training or that any training programs offered or required by Sylvan, then Licensee further agrees that it shall pay Sylvan's then-current per diem additional training charges and out-of-pocket training expenses, set forth in the Confidential Operations Manuals or otherwise in writing.

4.2 During Term at No Charge. The obligations of Sylvan during the term of this Agreement, for which Licensee shall not be subject to any charge, are:

4.2.1 Action Plan. Sylvan will assist Licensee in developing an initial action plan for Licensee to follow and implement in operating the Licensed Business, which includes a marketing strategy, an estimate of expenses, and sales goals. Neither Sylvan nor Licensee shall be bound to implement the action plan, nor shall any action plan constitute a representation by Sylvan with respect to actual, average, projected, or forecasted volume, sales, profits, or earnings of Licensee if Licensee follows and implements such plan.

4.2.2 Toll-Free Number. Sylvan will maintain a toll-free number for Licensee's use in contacting employees of Sylvan at Sylvan's headquarters. Sylvan reserves the right to charge a fee for maintenance of a toll-free number for Licensee, pursuant to Section 6.11 below.

4.2.3 Advertising Materials. Sylvan will provide to Licensee, from time to time, certain advertising, marketing, and/or promotional materials, in forms and media determined by Sylvan in its sole discretion, approved and updated at least every two (2) years by Sylvan.

4.2.4 Quality Assurance Review. Sylvan will maintain a procedure and checklist for the review of all aspects of Licensee's operation of the Licensed Business ("Quality Assurance Review") whereby Sylvan can determine the extent to which Licensee's operations are or are not in compliance with the standards, methods, and procedures Sylvan establishes for its licensees. Approximately one hundred twenty (120) days after Licensee first opens the Licensed Business, Sylvan will conduct a Quality Assurance Review of Licensee's Center. Such Quality Assurance Review may be conducted on-site and in person by a Sylvan representative, or through an off-site or remote review of documents, materials, and other information as determined by Sylvan. At Licensee's request, Sylvan will have a Sylvan representative conduct a Quality Assurance Review of the Licensed Business once in every two (2) calendar year period if Sylvan has not itself initiated such action. Licensee may request that such Quality Assurance Review be conducted on-site and in person by a Sylvan representative, and Sylvan shall have a Sylvan representative conduct such Quality Assurance Review, provided that Licensee is in compliance with all financial and reporting obligations to Sylvan and is not subject to default or termination under this Agreement. If Licensee is not in such compliance, and/or is subject to default or termination under this Agreement, Licensee still may request that such Quality Assurance Review be conducted on-site and in person by a Sylvan representative, and Sylvan shall have a Sylvan representative conduct such Quality Assurance Review, provided that Licensee shall reimburse Sylvan for its and its representative's travel, lodging, meal, and other actual costs incurred in connection with providing such on-site Quality Assurance Review in person. At Licensee's request, Sylvan will provide Licensee with the materials and forms used in the Quality Assurance Review process for Licensee's use in reviewing Licensee's operations.

4.2.5 Ongoing Assistance. If a Sylvan representative has not already conducted two visits to the Licensed Business for a Quality Assurance Review or otherwise, then Sylvan will at Licensee's request cause a Sylvan representative to provide assistance and offer suggestions and recommendations within his or her knowledge toward the betterment of the Licensed Business, such assistance to be provided either via up to two (2) one (1) day on-site visits each calendar year or via other customary means of providing advice, at Sylvan's sole discretion. Visits to the Licensed Business under this paragraph shall be scheduled by Sylvan according to the availability and prior commitments of Sylvan representatives.

4.2.6 Latest Developments. Sylvan shall endeavor to keep abreast of the most recent and advanced knowledge concerning instructional equipment and new reading and mathematics or other instructional techniques. Sylvan will, based on its good faith determination of the applicability of such knowledge to licensee operations, make certain such knowledge is available to Licensee and to licensees generally.

4.2.7 Sylvan Hardware and Sylvan Software for Use in the SylvanSync System. Sylvan shall loan or otherwise provide to Licensee certain Sylvan Hardware and Sylvan Software (as those capitalized terms are defined in Paragraph 8.1.7 of this Agreement) that Licensee must use as part of Licensee's operation of the SylvanSync System. The Sylvan Hardware and Sylvan Software to be loaned or provided at any given time shall be identified by Sylvan in the Confidential Operations Manual and are subject to change by Sylvan at any time and from time to time.

4.2.8 Mandatory Assessments. Sylvan shall make available to Licensee at no charge each assessment that Sylvan deems mandatory in any mandatory Sylvan System or SylvanSync System program, and Licensee may use such assessment at no charge in all Sylvan System and SylvanSync System programs, whether optional or mandatory, in which Sylvan approves use of such assessment.

4.3 During Term and May be Subject to Charge. The services which Sylvan must provide during the term of this Agreement, and for which Sylvan may charge Licensee, are:

4.3.1 National Conference. From time to time, but at least bi-annually, Sylvan will hold a national conference of not more than five (5) days duration at a location to be selected by Sylvan. Sylvan shall determine the topics and agenda for such conference to serve the purpose, among other things, of updating licensees on new developments affecting licensees, and exchanging information between licensees and Sylvan personnel regarding Sylvan System and SylvanSync System operations and programs. Sylvan may charge a fee for each attendee for attendance at a national conference, which is payable upon invoice and before Licensee and its employees attends such national conference, and nonrefundable upon payment. All travel, room and board, and registration expenses for Licensee and Licensee's personnel attending a national conference shall be borne by Licensee.

4.4 Other: Regional Training. From time to time, Sylvan may conduct training sessions at a location other than its headquarters. Attendance at such training may be made mandatory for Licensee and Licensee's Sylvan-certified personnel. Sylvan may charge a fee for attendance at regional training sessions. All travel, room and board, and registration expenses for Licensee and Licensee's personnel attending the training shall be borne by Licensee.

## 5. Training.

5.1 Training Programs and Requirements. The success of every student enrolled at a Sylvan location depends upon the quality and integrity of the program in which that student receives instruction, and in turn the quality and integrity of the program depends upon the proper initial and continuous training of Licensee's personnel involved in the delivery of the Sylvan System and SylvanSync System programs. To assist Licensee in the operation of its Licensed Business and the proper delivery of the Sylvan System and the SylvanSync System and the student instructional programs under each system, Sylvan agrees to provide "Training Programs" as set forth in the Confidential Operations Manual. Licensee agrees that it shall comply with Sylvan's standards and requirements for certifications Licensee (or Licensee's Managing Principal) and Licensee's personnel must obtain, and for training Licensee (or Licensee's Managing Principal) and Licensee's personnel, including without limitation Licensee's obligations under Paragraph 4.1.3 of this Agreement, and including any training subscription fees or other payments required by Sylvan from time to time, as designated in the Confidential Operations Manual and any changes, additions or modifications thereto. Prior to any training, Licensee and all other persons to be trained must sign, whenever requested, a confidentiality, non-disclosure, and covenant not to compete agreement on the form then used by Sylvan. The training that Sylvan provides to Licensee and to Licensee's employees does not constitute employment, direction, or supervision of Licensee or Licensee's employees by Sylvan. Sylvan does not hire, fire, manage, supervise, schedule, discipline, or set compensation for Licensee or Licensee's employees, and all decisions and actions related to Licensee's employees are the sole responsibility of Licensee.

5.2 Expenses. Travel and living expenses for Licensee and Licensee's staff while attending Sylvan's Training Programs are at Licensee's expense. Sylvan may charge a fee for attendance at Regional Training Programs and National Conference. Sylvan may require Licensee to pay a fee to attend the initial training program, as described in Section 4.1.3.

## 6. Fees.

6.1 Initial License Fee. Licensee agrees to pay to Sylvan an Initial License Fee of Thirty-Six Thousand, Nine Hundred Dollars (\$36,900) in one lump sum, unless otherwise specified on the Summary Page. Licensee acknowledges and agrees the Initial License Fee is fully earned by Licensor when paid and is not refundable.

6.2 Monthly Royalty Fee; Minimum Annual Royalty.

6.2.1 Monthly Royalty Fee. At all times after the commencement of operations by Licensee, Licensee shall pay Sylvan a monthly royalty for the preceding month equal to sixteen percent (16%) of gross revenues (hereinafter defined). The term “gross revenues,” as used in this Agreement, shall mean the aggregate gross amount of all revenues from whatever source derived (based upon the cash method of accounting) which arise from or are derived by Licensee or by any other person from business conducted or which originated in, on, from, or through the Licensed Business or from the sale of any products or services associated with the use of the Licensed Marks, whether such business is conducted in compliance with or in violation of the terms of this Agreement, excluding only sales or other tax receipts (the collection of which is required by law), and any documented refunds, chargebacks, credits, and allowances made to customers in good faith by Licensee. Gross revenues shall not include any amounts paid to Licensee by Sylvan pursuant to any subcontract that may be entered into between Licensee and Sylvan under Paragraph 1.4.6 above.

6.2.2 Minimum Annual Royalty. To induce Sylvan to enter into this Agreement with Licensee, Licensee agrees and acknowledges that Licensee shall generate sufficient gross revenues so that the royalty fees that Licensee pays to Sylvan under Paragraph 6.2.1 for each calendar year, net of all subsequent reductions to and refunds from such gross revenues, shall be at least equal to the Minimum Annual Royalty, as defined in this Paragraph, beginning with the calendar year that follows the Required Open Date. The “Minimum Annual Royalty” is Thirty-Two Thousand Dollars (\$32,000) per calendar year; provided, however, that if the Required Open Date falls in the second half of a calendar year, then the Minimum Annual Royalty for and only for the immediately following calendar year shall be Twenty Thousand Dollars (\$20,000). If Licensee fails to open a Primary Center by the original Required Open Date, as set forth in Paragraph 1.6 above, and Sylvan extends such Required Open Date as an accommodation to Licensee, Sylvan reserves the right to enforce the Minimum Annual Royalty requirement as if Licensee had opened such Primary Center on time, according to the original requirement. Licensee agrees and acknowledges that the Minimum Annual Royalty is not a projection, forecast, or guarantee of Licensee’s actual gross revenues in the Territory, and that Sylvan expressly disclaims making any representation concerning Licensee’s actual gross revenues and performance in the Territory. The Minimum Annual Royalty shall apply in the initial term and each renewal term of this Agreement. Upon the first and second times in a given term of this Agreement that Licensee fails to generate sufficient gross revenues for the royalty fees due under Paragraph 6.2.1 to meet or exceed the Minimum Annual Royalty, such failure shall constitute a curable material default of this Agreement; such default shall be deemed cured by payment to Sylvan of the difference (the “Shortfall”) at the same time as and in addition to the monthly royalty payment due in the January immediately following such calendar year. In the event of any subsequent failure (each a “Subsequent Failure”), after the first two failures in a term, by Licensee to generate sufficient gross revenues for the royalty fees due under Paragraph 6.2.1 to meet or exceed the Minimum Annual Royalty in a calendar year during a given term of this Agreement, regardless of whether the earlier failures were cured in accordance with this Agreement or waived by Sylvan, such Subsequent Failure shall be deemed an incurable material default of this Agreement and, subject to the appeal provisions of Paragraph 6.2.3, Sylvan may terminate this Agreement at any time from the monthly royalty payment due date in the January immediately following the calendar year until June 30 of such calendar year (the “Termination Period”). If Sylvan does not terminate this Agreement by written notice to Licensee during the Termination Period, then Sylvan shall be deemed to have waived its rights to terminate this Agreement for such Subsequent Failure, and such Subsequent Failure shall not be deemed an incurable material default for the purposes of Paragraph 10.2.3 and Paragraph 11.3.9. Sylvan’s notice of termination to Licensee shall stipulate an appeal period (“Appeal Period”) of not less than twenty (20) days before the termination takes effect. During the Appeal Period, Licensee may appeal the termination pursuant to the process set forth in Paragraph 6.2.3; otherwise, the termination shall take effect upon the expiration of the Appeal Period. Payment of and/or Sylvan’s acceptance of payment of a given Shortfall shall not constitute a cure or stay of termination for any Subsequent Failure, except in the event that Sylvan approves an appeal pursuant to Paragraph 6.2.3

6.2.2.1 Notwithstanding Paragraph 6.2.2, the Minimum Annual Royalty shall be waived for the Transferor and the Transferee for the calendar year of the Effective Date of this Agreement if Licensee enters into this Agreement as the Transferee in an approved Transfer.

6.2.3 Process to Appeal Termination for Subsequent Failure. Licensee may appeal Sylvan’s termination for a Subsequent Failure by appealing in writing to Sylvan within the Appeal Period as defined in Paragraph 6.2.2 and promising to pay the Shortfall, and all late fees, interest, and penalties in connection therewith, within fifteen (15) days following Sylvan’s written ruling on Licensee’s appeal (the “Cure Date”). Beginning on the date Sylvan receives Licensee’s written appeal (provided same is received within the Appeal Period), termination pursuant to Paragraph 6.2.2 and Paragraph 11.3.9 shall be stayed until Sylvan sends to Licensee Sylvan’s written

ruling on the appeal. Sylvan shall have the right to deny or accept Licensee's appeal, at Sylvan's sole discretion, and is not required to accept any appeal. During the Appeal Period, Licensee's obligation to pay the Minimum Annual Royalty under appeal is suspended, but all of Licensee's other obligations, financial and otherwise, remain in effect, including without limitation the requirement to pay ongoing royalties and other amounts. If Sylvan denies the appeal in writing, the termination automatically shall become effective ten (10) days after the date of Sylvan's written denial to Licensee. If Sylvan accepts the appeal in writing, termination shall be stayed until the Cure Date or such later date as Sylvan stipulates. If, Sylvan having accepted the appeal in writing, Licensee subsequently pays to Sylvan the Shortfall by the Cure Date, then the termination automatically shall be rescinded, and the underlying Subsequent Failure shall not be deemed an incurable material default for the purposes of Paragraph 10.2.3 and Paragraph 11.3.9; otherwise, the termination shall become effective automatically on the day after the Cure Date without further notice or opportunity to cure, and Licensee shall not be obligated to pay the Shortfall. The provisions in this Paragraph apply only to termination for Subsequent Failure as defined in Paragraph 6.2.2 and do not apply to any other event of default or termination.

6.3 Monthly Royalty Payment Date. The payments under Paragraph 6.2 shall be due and payable to Sylvan at Sylvan's office or at such location as Sylvan shall establish in the Confidential Operations Manual, or otherwise in writing, by the 15<sup>th</sup> day of the calendar month for revenues received by Licensee in the immediately preceding month. If payment is made by mail, the payment must be postmarked not later than the 15<sup>th</sup> day of the calendar month to be considered paid when due. Sylvan reserves the right to require in the Confidential Operations Manual, or otherwise in writing, that Licensee make payments directly to Sylvan, its affiliates, its bank, or such financial institution account that Sylvan specifies, by electronic funds transfer, pre-authorized auto-draft arrangement, or such other method as Sylvan from time to time may specify (collectively, "electronic transfer of funds") on the 15<sup>th</sup> day of the calendar month. If the 15<sup>th</sup> day of the calendar month falls on a U.S. national holiday or Saturday or Sunday, the electronic transfer of funds shall be made on the next business day on which U.S. banks are open. Licensee agrees to comply with such requirement and shall furnish to Sylvan or its designee such information and authorizations as may be necessary to permit Sylvan or its designee to make withdrawals by electronic funds transfer or auto-draft arrangement. Sylvan shall promptly return any funds to Licensee that were improperly or erroneously deposited into a Sylvan account via an electronic transfer of funds. Within 15 days after expiration or termination of this Agreement, Licensee shall pay Sylvan the royalty for the period immediately preceding expiration or termination. Licensee's obligation to pay sums due under Paragraph 6.2 for revenues received during the term of this Agreement shall survive termination of this Agreement.

6.3.1 Late Fees and Interest Charges. For all amounts due to Sylvan pursuant to this Agreement, Licensee agrees to pay a late charge of ten percent (10%) upon any sum not paid when due, plus interest of one and one-half percent (1 ½%) per month or portion thereof that the amount due remains unpaid. The obligation to pay a late charge is in addition to the potential liability for termination under Paragraph 11. Acceptance by Sylvan of any payments or partial payments due to it under this Agreement shall not be deemed a waiver by Sylvan of any preceding or succeeding breach by Licensee of any terms, provisions, covenants, or conditions of this Agreement (including Sylvan's right to require Licensee to pay a late fee and interest charges), or other amounts due.

6.4 Gross Revenue Report. Licensee's monthly payment shall be accompanied by fully completed and accurate (a) gross revenue and (b) income and expense reports on forms as required by Sylvan, setting forth the gross revenues received during the previous month, the number of students currently enrolled by Center or program category, any advertising expenditures paid, and any further information Sylvan may request. Licensee's reports shall also include such information as Sylvan requests on services provided on a scholarship or reduced- or no-fee basis. Such forms and information required therein may be changed by Sylvan from time to time. Licensee shall keep adequate records and retain appropriate data and receipts to verify the information provided in such reports and shall provide such backup data as Sylvan may request from time to time. Licensee shall certify the accuracy of such data on each such report. Annually, not later than April 30<sup>th</sup> for the prior year ended December 31, Licensee shall provide Sylvan with a profit and loss statement and a balance sheet for Licensee's operation, in such form and method of transmission as requested by Sylvan or prescribed in the Confidential Operations Manual. Such profit and loss statement and balance sheet may at Sylvan's specific request be a compilation prepared by a Certified Public Accountant. Also, annually, Licensee shall provide Sylvan with federal and state income tax and sales tax returns within one hundred twenty (120) days of the end of Licensee's tax year. Sylvan may require that Licensee submit monthly reports electronically, no later than five days (excluding holidays) following the end of each calendar month for the immediately preceding calendar month. Licensee shall have until the 10<sup>th</sup> day of the calendar month to submit an amended report for the purpose of correcting errors. Sylvan may require submission of reports more frequently,

including submission of daily automated reports, as established in the Confidential Operations Manual, or otherwise in writing, provided, however, that Sylvan agrees that it shall not begin to require daily reporting until such time as Sylvan's technology and accounting systems allow for automatic submission of same.

6.5 Establishment of Tuition Charges. Licensee shall establish the tuition and other charges to Licensee's students and shall make such revenue information available to Sylvan on request, as necessary for the purposes of Sylvan's audit procedures and other purposes.

6.6 Records, Inspection and Auditing. Licensee shall use a Sylvan approved bookkeeping and accounting system. Licensee shall accurately record gross revenues in the Computer System on the day they are received, or in such other manner and frequency that Sylvan prescribes. Licensee is responsible for hiring its own accountant. Licensee shall sign such documents as Sylvan may at any time request which will authorize Sylvan to endorse for deposit in Sylvan's account checks payable to Licensee's order in the event Sylvan elects to manage the Licensed Business pursuant to Paragraph 9.5.

Licensee shall allow Sylvan or its representatives to inspect all premises of the Licensed Business, the books of account and federal and state income tax and sales tax returns of Licensee pertaining to the Licensed Business during reasonable times of the business day with or without notice, and, in the event Sylvan or its representatives conduct such inspection remotely, Licensee agrees to make available to Sylvan or its representatives for inspection all such materials, or certified true, correct and complete copies thereof, via electronic or physical transmission in the form and on or before the delivery time designated by Sylvan. Materials that Licensee must maintain in the Computer System or other electronic format pursuant to this Agreement shall be made available immediately upon request. For materials that Licensee is not required to maintain electronically pursuant to this Agreement, and that Licensee certifies are not available in electronic format, Sylvan may designate a delivery time no fewer than two (2) calendar days following Sylvan's request. Sylvan shall use reasonable efforts not to disrupt the operations of the Licensed Business during on-site inspections. Licensee shall maintain on the Center premises, or at a mutually agreed upon location, for a period of at least three (3) years, all sales slips, cancelled checks and receipts, and all books of account. If Sylvan's audit discloses a liability for any fees due to Sylvan, Licensee shall pay the amount of the deficiency, including late charges due under Paragraph 6.3.1, within thirty (30) days of Sylvan's notice to Licensee of the deficiency. Should the audit reflect a balance due Licensee, Sylvan agrees to pay said balance within thirty (30) days of completion of the audit report. If the deficiency (excluding late charges) is three percent (3%) or more of the fees Licensee was required to pay hereunder for the relevant period, Licensee shall pay Sylvan its costs incurred in performing the audit in addition to the amount of the deficiency. Nothing in this paragraph shall limit Sylvan's right to terminate Licensee under Section 11 for Licensee's failure to pay when due royalties owing Sylvan.

Sylvan agrees that it will maintain the confidentiality of all financial information it shall obtain about Licensee's operations, and shall not disclose such financial information to any third party who is not bound to maintain the confidentiality of such information; provided however, that (i) Sylvan may use such information in preparing earnings claims, financial performance representations, or similar franchise disclosures, so long as the information about Licensee's operations is not identified or indicated as pertaining to Licensee, and (ii) Sylvan may prepare a composite list of financial performances by its licensees for dissemination among the licensees, identifying key operating metrics and financial information of the Licensed Business, and (iii) Sylvan may disclose such information in response to a government or judicial subpoena, provided, however, that Sylvan shall use reasonable efforts to notify Licensee of any such subpoena so that Licensee may seek a stay of enforcement of the subpoena.

In addition to the reports described in Paragraph 6.5 and Paragraph 6.6 above, Licensee shall provide to Sylvan such additional or substitute reports, at such times and with such data and information as Sylvan may request from time to time, and in the form and manner as specified by Sylvan in the Confidential Operations Manual, which reports may be electronic reports transmitted via the Computer System as defined in Paragraph 8.1 of this Agreement, or other methods specified by Sylvan.

Sylvan may also require you to participate in brand-wide management and reporting systems, which Licensee must contribute requested data and otherwise participate in. Licensee must also execute Attachment J, the Dashboard Access Agreement, which gives Licensee access to Sylvan's current reporting system. Licensee may be required to participate in other systems in the future, which it must participate in and incorporate into its reporting procedures at its own cost and expense.

6.7 Licensee to Pay Taxes. Licensee shall pay all taxes, regardless of their nature, assessed against it when due and before delinquent except when being contested in good faith by appropriate proceedings. Licensee

agrees to pay, in addition to the monthly royalty fee, an amount equal to any sales, gross receipts, or similar tax imposed on Sylvan and calculated solely on payments required to be made by Licensee to Sylvan under this Agreement, unless such tax is an optional alternative to an income tax otherwise payable by Sylvan. Licensee shall pay such taxes on Sylvan's behalf except when being contested in good faith by appropriate proceedings. In no event shall Licensee be required to pay any income tax otherwise payable by Sylvan.

6.8 Payment of Accounts. Sylvan may, from time to time, and at its sole option and discretion, allow Licensee to purchase goods, materials, equipment, forms, printed matter, and programs on an open or revolving account, or through special installment payment plans. Any limitation on the amount Licensee may charge to an account or payment plan will be determined by Sylvan, taking into consideration the credit worthiness, financial capability, and business history of Licensee. All items charged to Licensee's account(s) shall be supported by invoice. Licensee shall promptly pay Sylvan for all charges made to Licensee's account(s). Invoiced charges are due and payable thirty (30) days after date of the invoice. If not paid by then, the unpaid balance will be considered past due, and balances not paid when due shall be subject to late charges and interest as set forth in Paragraph 6.3.1 of this Agreement. No payment by Licensee, nor any endorsement or statement on any check or writing accompanying any check or payment, may be deemed an accord and satisfaction unless agreed by Sylvan in a separate writing. Sylvan may accept any such check or payment without prejudice to Sylvan's right to recover any balance remaining or pursue any remedy available to Sylvan. Sylvan may require payment by electronic transfer of funds as provided in Paragraph 6.3.

6.9 Corporate Partnership Program. Licensee shall participate in all Corporate Partnership Program (CPP) agreements entered into by Sylvan on behalf of the Sylvan Network. Licensee acknowledges that Sylvan alone shall negotiate and establish discounts and procedures with CPP clients that will be uniformly adhered to by all CPP-participating licensees, and Licensee will offer and provide the Sylvan-established discounts from Licensee-established tuition rates as indicated in the Confidential Operations Manual. Sylvan will represent to CPP clients that the Licensed Business is a participant in the program, and will in turn authorize the CPP client to represent to members of the group defined in the CPP agreement (as examples and not as limitations, the defined group may be employees, members, and/or customers of the CPP client, consumers responding to a particular promotion, etc.) that the Licensed Business is a participant in the program. Licensee shall not be required to honor or provide any other discounts to customers who enroll in the Licensed Business pursuant to a CPP program but may do so at Licensee's discretion. Licensee may refuse to enroll CPP customers if available space or class time is limited due to full capacity enrollment. Licensee shall periodically report the number of students, newly enrolled and existing, in the Licensed Business pursuant to CPP programs.

6.10 Cost of Living Adjustments. The flat dollar amounts set forth in Paragraph 7.9.4 (Upkeep and Refurbishments), Paragraph 7.11 (Educational Programs), Paragraph 6.2.2 (Minimum Annual Royalty), Paragraph 7.8.1 (the cap on Monthly Territory Advertising Minimums), and Paragraph 6.11 (Technology) may be adjusted annually ("Cost of Living Adjustment") by Sylvan as set forth herein based upon changes in the Revised Consumer Price Index for Urban Wage Earners and Clerical Workers: All items (1982-1984 = 100) ("Consumer Price Index") published by the Bureau of Labor Statistics, United States Department of Labor. The base index ("Base Index") shall be the Consumer Price Index for January 1 of the calendar year of the Effective Date. Sylvan may adjust any, some, all, or none of the four (4) flat dollar amounts identified in this Paragraph so that the adjusted flat dollar amount for a given year shall be equal to the product of (a) a fraction, the numerator of which is the Consumer Price Index for January of the year of such adjustment, and the denominator of which is the Base Index, multiplied by (b) the flat dollar amount set forth in such Paragraph. The Cost of Living Adjustment shall apply to the flat dollar amounts in Paragraph 7.9.4 (Upkeep and Refurbishments), Paragraph 7.11 (Educational Programs), and Paragraph 6.11 (Technology) from the Effective Date, and to the flat dollar amounts in Paragraph 6.2.2 (Minimum Annual Royalty) and Paragraph 7.8.1 (the cap on Monthly Territory Advertising Minimums) beginning in the sixth calendar year of the term of this Agreement.

6.11 Technology Related Fees. Sylvan reserves the right to incorporate new technologies and charge related fees, as indicated in the Confidential Operations Manual. Licensee is required to utilize the Hub Technology Platform (or equivalent point of sale and merchant processing system, if Sylvan chooses a substitute platform), for which Licensee shall pay to Sylvan a then-current associated monthly fee indicated in the Confidential Operations Manual (as of the Effective Date, this fee is \$114 per Center). Sylvan reserves the right to charge a fee for maintenance of a toll-free number for Licensee, pursuant to Section 4.2.2. above, as indicated in the Confidential Operations Manual (as of the Effective Date, this fee is \$.20/minute). Further, All fees hereunder are subject to Paragraph 6.10 above, and may be modified from time to time due to changes in costs of third-party service providers.

6.12 Payment of Fees. Licensee must participate in Sylvan's then-current electronic funds transfer program authorizing Sylvan to utilize a pre-authorized bank draft system, and sign the ACH Authorization form attached hereto as Attachment I. All royalty and other amounts owed under this Agreement, including interest charges, are payable monthly and must be received by Sylvan or credited to Sylvan's account by pre-authorized bank debit before 5:00 p.m. on the date such payment is due, as specified in the Confidential Operations Manual (the "Due Date"). On each Due Date, Sylvan will transfer from Licensee's commercial bank operating account ("Account") the fees due pursuant to this Article 6 and elsewhere in this Agreement based on the gross revenue reported to Sylvan by Licensee or as determined by Sylvan by the records contained in the cash registers/computer terminals of the Licensed Business. Declining or revoking Licensee's participation (directly or indirectly) in Sylvan's then-current electronic funds transfer program is a material breach of this Agreement for which Sylvan may terminate Licensee's agreement.

For the sake of clarity, Licensee must include in gross revenue all revenue you receive in connection with the operation of the Licensed Business, including without limitation payments that you may receive from third parties that "host" programs and disbursements Licensee receive from any third party sales platform, in each case whether authorized or unauthorized (provided, Sylvan's acceptance of fees paid by Franchisee in connection with unauthorized programs or third party service providers will not constitute a waiver of any right or remedy of Sylvan under this Agreement or applicable law). If Licensee has not reported to Sylvan gross revenue for any reporting period, Sylvan will transfer from the Account an amount calculated in accordance with its estimate of the Licensed Business' gross revenue during the reporting period, which estimate may be based on, among other things, historical financial performance of the Licensed Business or current and historical performance of other franchisees. If, at any time, Sylvan determines that Licensee have underreported gross revenue or underpaid the Royalty Fee or other amounts due to Sylvan under this Agreement, or any other agreement, Sylvan shall initiate an immediate transfer from the Account in the appropriate amount in accordance with the foregoing procedure, including interest as provided in this Agreement. Any overpayment will be credited against future royalty and other payments due under this Agreement.

In connection with the payment by electronic funds transfer, Licensee shall: (1) comply with procedures specified by Sylvan in the Confidential Operations Manual or otherwise in writing; (2) perform those acts and sign and deliver those documents as may be necessary to accomplish payment by electronic funds transfer as described in this Paragraph 6.12; (3) give Sylvan an authorization in the form designated by Sylvan to initiate debit entries and credit correction entries to the Account for payments of the royalty and other amounts payable under this Agreement, including any interest charges; and (4) make sufficient funds available in the Account for withdrawal by electronic funds transfer no later than the Due Date for payment thereof.

Notwithstanding the provisions of this Paragraph 6.12, Sylvan reserves the right to modify, at its option, the method by which Licensee pay the royalty and other amounts owed under this Agreement, including interest charges, upon receipt of written notice by Sylvan. Licensee's failure to have sufficient funds in the Account shall constitute a default of this Agreement pursuant to Article 11. Licensee shall not be entitled to set off, deduct, or otherwise withhold any royalty, interest charges, or other monies payable to Sylvan under this Agreement on grounds of any alleged nonperformance by Sylvan of any of its obligations or for any other reason.

## 7. Licensee's Obligation to Comply with Standards of Operation.

7.1 Compliance with Standards. Licensee agrees that the Licensed Business shall be managed and administered in a competent manner, in full compliance with this Agreement and the Confidential Operations Manual to preserve, maintain, and enhance the goodwill associated with the Sylvan System, the SylvanSync System, and the Licensed Marks. Licensee shall use only the Sylvan System and SylvanSync System educational training and other programs that Sylvan licenses to it under this Agreement, or courses which Sylvan specifically approves in writing. Licensee agrees to comply with Sylvan's standards, specifications, and other requirements which Sylvan may make in writing from time to time concerning the décor, design, and layout of the Licensed Business. Sylvan may prescribe specific standards for all signs identifying the Licensed Business locations, and Licensee shall place and maintain at least one sign at each location meeting Sylvan's standards for such type of location, subject to local ordinances. Licensee agrees to offer for sale at the Center only the programs, products, and services that Sylvan designates or approves from time to time, which Sylvan may modify at its option.

Licensee shall purchase from Sylvan all required diagnostic tests, education programs, programs, and student record forms, parent information booklets, and explanatory and promotional brochures developed and copyrighted by Sylvan. These materials are unique and are available from no other source. Licensee must at all times maintain an inventory of such materials sufficient to service customers and students, and to maintain the quality standards of the Sylvan System and of the SylvanSync System.

Sylvan warrants that proprietary products purchased by Licensee from Sylvan hereunder meet Sylvan's specifications for such products. Sylvan neither makes, nor does it authorize Licensee to make any other warranties, express or implied, with respect to proprietary products delivered under the License Agreement, and Sylvan expressly excludes and disclaims all implied warranties of merchantability and fitness for a particular purpose with respect to proprietary products delivered under the License Agreement.

Licensee shall also utilize Sylvan's designated suppliers or distributors to purchase certain commercially available equipment, software, point-of-sale systems, merchant processing systems, insurance carriers or brokers, marketing services, and other products, services, and materials required by Sylvan in the Confidential Operations Manual or otherwise in writing for use in a licensed business operating the Sylvan System or the SylvanSync System. Sylvan reserves the right to modify, add, and discontinue use of such suppliers or distributors at any time at its sole discretion. Licensee agrees to promptly comply with all such requirements within Sylvan's designated timeframe, and at Licensee's sole expense. Sylvan shall designate the approved sources, suppliers, and distributors of such equipment and materials in the Confidential Operations Manual. Licensee is free to choose in accordance with the approved sources list the wholesale or retail distributor from which it purchases such equipment and materials. The equipment, materials, and furniture used by Licensee must be consistent with the type, quantity, quality, and variety as Sylvan requires in the Confidential Operations Manual or otherwise in writing. Additional sources may, in Sylvan's discretion, be approved in the future. Licensee may request that Sylvan consider a proposed additional source by following the procedure stated in the Confidential Operations Manual.

Licensee shall also purchase certain commercially available furniture products which meet the specifications of Sylvan. Sylvan will provide Licensee with specifications as set forth in the Confidential Operations Manual. If the furniture does not meet Sylvan's specifications, Licensee may not use such furniture in the Licensed Business, and a Center will not be considered open for purposes of Paragraph 1.6 unless and until such conforming furniture is installed.

Licensee shall not purchase equipment, furniture items or other materials for which Sylvan has designated specifications from any supplier which does not meet Sylvan's specifications.

Sylvan intends that Sylvan company-owned Centers comply with the foregoing standards.

## 7.2 Center Staff Requirements; Accreditation.

7.2.1 Staff Requirements. To maintain the high image and quality standards of Sylvan's proprietary programs and materials, Licensee agrees to provide sufficient and competent management (including, without limitation, operational, financial, and marketing management), staff, and Sylvan-certified personnel at the Licensed Business to deliver high-quality instruction and service across all programs. Sylvan does not permit absentee management by Licensee. Licensee or, if Licensee is a corporation, partnership, limited liability company, or limited liability partnership, Licensee's Managing Principal, shall be fully involved in the operation of the Licensed Business, providing hands-on leadership, oversight, and support to employees. The operation, growth, and success of the Licensed Business must be the Managing Principal's primary professional responsibility; the Managing Principal may serve in whichever full-time role benefits the business most. Licensee or Managing Principal must be available to engage and communicate with members of the Sylvan Corporate staff regarding the Licensed Business during the operational hours required by Sylvan. Licensee agrees that it shall comply with Sylvan's standards and requirements for staffing the Licensed Business, as designated in the Confidential Operations Manual, and any changes, additions, or modifications thereto.

7.2.2 Accreditation. Licensee agrees that if accreditation for supplemental education programs or services offered by Licensee is available from an accrediting body or organization, Licensee will at Sylvan's request comply with the standards necessary to attain and maintain such accreditation.

7.3 Advertising To Promote Sylvan System Services and SylvanSync System Services. Except for media forms whose circulation cannot be limited to Licensee's Territory, Licensee shall not, under any circumstances, place advertisements promoting and publicizing Sylvan System or SylvanSync System programs in another Licensee's territory or in the territory of a Sylvan Company-owned Center without Sylvan's prior written permission. For media forms whose circulation cannot be limited, Licensee shall conform to Sylvan's guidelines set forth in the Confidential Operations Manual or otherwise in writing.

7.3.1 Sylvan will make available to Licensee from time to time certain advertising materials which have been approved by Sylvan as being suitable for advertising and promotional purposes. Licensee shall not

make any changes to such pre-approved advertising materials without the advance written consent of Sylvan. Sylvan may subsequently withdraw its approval of any previously approved advertising materials in which event Licensee shall cease using such advertising within a reasonable period of time, which shall in no event exceed ninety (90) days.

7.3.2 Licensee shall not publish any advertising which has not been previously approved or provided by Sylvan. If Licensee wishes to publish any advertising which has not been previously approved by Sylvan, Licensee shall submit a copy of each new advertisement to Sylvan prior to the first publication of that advertisement, and Licensee shall not publish any advertising without the express written approval of Sylvan. Any advertisement submitted to Sylvan for approval shall be deemed approved if not expressly disapproved by Sylvan within twenty-one (21) calendar days after receipt by Sylvan. Failure to obtain prior approval constitutes a breach of this Agreement. Once an advertisement has been approved or deemed approved by Sylvan, Licensee may update Licensee's address, telephone number(s), fax number(s), web address(es), and operating hours on the advertisement from time to time without submitting same to Sylvan for approval, provided no material changes are made to the advertisement. Licensee shall not use the name of any public figure or celebrity in its advertising without Sylvan's prior written approval. Licensee's obligations hereunder also apply to advertising and marketing activities in which Licensee engages through any local or regional cooperative as further described in Paragraph 7.8.2.

7.3.3 In transmitting and causing any other party to transmit advertisements or solicitations by e-mail or other electronic media, Licensee shall comply with and shall cause other parties to comply with Sylvan's standards and policies and the Confidential Operations Manual.

7.4 Answering Service and Response Times. In order to assure the quality of services Licensee offers under this Agreement, all telephone calls to the Licensed Business must be answered by a live person during the period from 08:00 a.m. to 08:00 p.m. local time in the Territory during at least six (6) days of each calendar week. The live person shall be either a member of Licensee's personnel or work through an answering service or contact center. In addition, Licensee shall ensure that all web and email inquiries to the Licensed Business are responded to in an appropriately personalized and courteous manner within one (1) business day but in no event longer than two (2) calendar days and via the communications channel(s) that Sylvan reasonably designates in the Confidential Operations Manual from time to time, which may include, as examples and not as limitations, email or voice/telephone. Licensee shall maintain at Licensee's expense a telephone answering function that is active during all times when the Licensed Business is closed. The required message for the answering function shall be designated in the Confidential Operations Manual or otherwise in writing. Sylvan has established a contact center program whereby Sylvan either elects to provide certain contact center services and/or designates a third-party vendor to provide certain contact center services to Licensee (the "Contact Center Program"). Commencing on the date the Center opens for operation and continuing until the one (1)-year anniversary thereof, Licensee is required to participate in the Contact Center Program and to pay the associated fees that Sylvan designates from time to time. Licensee must also enter into the form of agreement designated by Sylvan in connection with Licensee's participation in the Contact Center Program, and Sylvan's current form of "Contact Center Franchisee Participation Agreement" is attached to this License Agreement as Attachment F. Sylvan reserves the right to modify the Contact Center Program fees, and modify the Contact Center Program agreement, from time to time. All fees that Sylvan designates in connection with the Contact Center Program shall be paid by Licensee to Sylvan or a third-party, at Sylvan's option, at such time and in such manner as Sylvan designates.

#### 7.5 Sylvan Advertising.

7.5.1 Licensee Advertising Advisory Committee. Sylvan shall establish and administer a Licensee Advertising Advisory Committee (the "Committee") that shall consult with Sylvan concerning the selection and placement of Sylvan Advertising as defined in Paragraph 7.5.2. The Committee shall be composed of three (3) licensees appointed by Sylvan. Each licensee member shall serve for a one (1) year term corresponding to the calendar year. Any licensee member may be successively reappointed, and any vacancy shall be filled by prompt appointment by Sylvan. Each licensee member must be in good standing under all of its license agreements with Sylvan during such licensee member's term on the Committee; otherwise, Sylvan may remove such licensee member from the Committee. Sylvan shall meet with the Committee as appropriate, but Sylvan shall not be obligated to participate in more than four (4) such meetings per calendar year. All meetings shall be held by telephone or other communications channel designated by Sylvan.

7.5.2 Advertising Allocation; Advertising, Marketing and Public Relations. Subject to the other provisions of this Agreement, Sylvan has the right to direct some amount (the "Advertising Allocation") of Licensee's royalty toward funding advertising and marketing programs and activities intended to increase the public's awareness

of the Sylvan Network, the Sylvan System, and the SylvanSync System generally (“Sylvan Advertising”). Sylvan undertakes no obligation to ensure that any individual licensee benefits directly or on a pro rata basis from Sylvan Advertising. The amount and frequency of the Advertising Allocation shall be determined at Sylvan’s sole discretion and are subject to change at any time. Sylvan may, in its sole discretion, modify, decrease, suspend, and/or increase expenditures and/or operations of Sylvan Advertising from time to time. Sylvan has sole discretion to determine what advertising, marketing, and public relations programs and activities Sylvan undertakes within Sylvan Advertising, and has sole discretion over the creative concepts, materials, and endorsements used in such Sylvan Advertising and the geographic, market, and media placement and allocation of advertising and marketing materials in connection with Sylvan Advertising. Licensee agrees to participate in all Sylvan Advertising activities and programs that Sylvan designates, provided that Licensee is not required to make expenditures outside of the Advertising Allocation and/or Licensee’s local advertising expenditure requirements as set forth in and limited by this Agreement. Sylvan shall report to licensees annually concerning advertising, marketing, and public relations activities conducted and proposed for Sylvan Advertising and also concerning amounts expended on same. Sylvan has no obligation to audit the amounts collected in connection with the Advertising Allocation, however, it may choose to make unaudited financial statements regarding the Advertising Allocation available upon request.

7.5.3 Website. Sylvan shall arrange for maintenance of a Website for the benefit of Sylvan and the Sylvan brand and Sylvan Network generally as funded from Advertising Allocations. Provided that Licensee is not in default under this Agreement, Sylvan shall provide one or more references or webpage(s) to Licensee’s Center, as Sylvan may periodically designate, within Sylvan’s Website. Licensee shall ensure the accuracy and timeliness of all information in all such references and webpage(s) concerning Licensee’s Center. (The term “Website” as used in this Agreement means one or more related documents, designs, pages, or other communications that can be accessed through electronic means, including but not limited to the Internet, World Wide Web, social networking sites (including but not limited to Facebook, Twitter, LinkedIn, Google Wave, YouTube, etc.), blogs, vlogs, and other applications, etc.). Licensee agrees not to establish or use any Website or authorize any other party to establish a Website that relates in any manner to the Licensed Business or refers to the Licensed Marks except with Sylvan’s prior written approval, which Sylvan may withhold in its sole discretion.

7.5.4 Legacy Forms and Alternative Funding Formula. Certain legacy license agreements provide for an “alternative funding formula” (“AFF”) that sets the level of those licensees’ spend from time to time on advertising of the type described in Paragraph 7.5.2. If an AFF is proposed to licensees in the United States pursuant to such legacy license agreements, Licensee shall be deemed to have agreed to such AFF with respect to this Agreement, and Licensee’s Advertising Allocation to Sylvan Advertising shall be in the amount set forth in the AFF for the term of the AFF, if the AFF is approved by licensees owning at least two-thirds (2/3) of outstanding license agreements in the United States. No third party is a beneficiary to the provisions in this Paragraph 7.5.4. In all other cases, Sylvan will determine the Advertising Allocation amount as described in Paragraph 7.5.2.

7.6 Licensee to Obtain Permits and Licenses. Prior to commencing business operations, Licensee shall obtain all local and state permits, licenses, and certifications necessary to operate the Licensed Business. Licensee shall also comply at all times with all educational, safety, building, or other local, state, and federal statutes, ordinances, regulations, codes, licensing requirements, or standards applicable to the Licensed Business. Sylvan shall in no manner be liable for advising Licensee of such matters or determining Licensee’s compliance therewith and Licensee will defend, indemnify, and hold Sylvan harmless from any claims or loss relating to same.

7.7 Best Efforts. Licensee shall at all times during the term hereof actively promote and sell Sylvan System and SylvanSync System services at and from the Licensed Business and will use its primary and best efforts to cultivate, develop, and expand the market for same within the Territory consistent with Sylvan’s evaluation of the potential of the Territory taking into consideration such factors as the size of population in and market potential of the Territory, competition in the marketplace, the prior performance of Licensee or other licensees in other geographic areas, and such other financial and market factors as Sylvan may deem pertinent. Licensee agrees that the Licensed Business shall be open and fully staffed during periods specified in the Confidential Operations Manual or otherwise by Sylvan in writing (subject to the limitations in the next sentence) to the extent that such hours do not violate the provisions of Licensee’s premises lease. Each Center must be open and fully staffed for instruction for at least the “Minimum Instructional Hours,” defined as not fewer than three (3) consecutive hours per day, five (5) days per week, of which one day must be a weekend day, and in no event shall Sylvan require any Center to be open in excess of the Minimum Instructional Hours during the term of this Agreement. Licensee acknowledges and agrees that the Minimum Instructional Hours are an absolute minimum and that Sylvan makes no guarantee that the Minimum Instructional Hours will result in any minimum performance, revenue, or outcome for the Licensed Business.

7.8 Monthly Territory Advertising Minimum and New Primary Center Advertising Minimum; Local and Co-operative Advertising Expenditures.

7.8.1 In order to promote its Licensed Business and the Sylvan System and SylvanSync System generally, Licensee agrees that it shall expend each month, on approved local advertising using the type of advertising specified in Paragraph 7.3 or on other marketing and advertising materials and activities approved by Sylvan, a “Monthly Territory Advertising Minimum” equal to eight percent (8%) of Licensee’s prior month’s gross revenues. Licensee shall expend not less than Ten Thousand Dollars (\$10,000) on advertising and marketing approved by Sylvan to promote the Primary Center during the three (3) month period beginning in the month before the Primary Center opens, and such expenditures shall be recognized toward the Monthly Territory Advertising Minimum for the month in which they are expended and in the subsequent month(s) until the total expenditure has been so recognized; this Primary Center expenditure obligation does not apply to relocations. Licensee shall keep appropriate records and receipts for all advertising or marketing expenditures for at least three years, and shall provide substantiating data for such expenditures upon request by Sylvan. Notwithstanding the foregoing, if and at such time as Licensee has expended Forty Thousand Dollars (\$40,000) per Territory in a given calendar year on local advertising under this Paragraph approved by Sylvan, then Licensee’s Monthly Territory Advertising Minimum obligations automatically shall be waived for the remainder of such calendar year.

7.8.2 Upon Sylvan’s request, Licensee shall be required to contribute up to one hundred percent (100%) of the amounts provided in Paragraph 7.8.1 to a local or regional advertising cooperative comprising a geographic region and such licensee operated licensed businesses and Sylvan operated licensed businesses therein as Sylvan may designate in its sole judgment. For absence of doubt, the parties agree that a cooperative may consist of a single licensed business or more than one licensed business. At Sylvan’s request, a representative of Licensee shall participate in the administration of such advertising cooperative. All advertising and marketing decisions of any such cooperative, including without limitation, content and media placement, shall be subject to Sylvan’s prior approval and shall comply with the terms and conditions of this Agreement, including without limitation Paragraph 7.3. Licensee’s payment obligations to such cooperative shall be offset by Licensee’s verified New Center Advertising expenditures described in Paragraph 7.8.1 of this Agreement.

7.9 Quality Assurance. In order to enhance the public image and reputation of the Sylvan System and the SylvanSync System and maintain and ensure the quality and consistency of services provided thereunder, Sylvan may, without notice, perform a Quality Assurance Review either remotely or by sending a Sylvan representative or other designated representative to the Licensed Business or any part thereof, and Licensee shall allow Sylvan’s and Sylvan’s representative to observe Licensee’s operation and methods. Licensee will fully cooperate with such representative and will make available any data concerning the Licensed Business and its operation as reasonably requested by such representative. For each Quality Assurance Review, Sylvan’s representative will produce and deliver to Licensee a Quality Assurance Review document which will describe the results of the Review and include a Correction Plan setting forth any material deficiencies observed and recommendations relating thereto. Licensee will, within the time limits set forth in such Correction Plan, comply with and fully implement any corrective action designated therein as mandatory or required, and will consider in good faith any other recommendations or suggestions. The representative will endeavor to minimize the disruption of the educational services being provided by Licensee while the representative is present in the Licensed Business.

7.9.1 Licensee shall maintain the Licensed Business locations, the equipment in the Licensed Business (including, without limitation, computers, computer and other software, telephones, Internet, telecommunications or other communications equipment, utilities, interior signage, fixtures, furniture, furnishings, décor, and interior), and the signs and exterior of the Licensed Business locations in good condition and repair continually during the term of this Agreement. Licensee agrees to adhere to Sylvan’s standards, specifications and procedures for signs, fixtures, furnishings, carpeting, interior paint, equipment, color schemes and trade dress for locations in the Licensed Business as described in the Confidential Operations Manual or otherwise by Sylvan in writing from time to time.

7.9.2 Notwithstanding Paragraph 7.9.1 above, in the event that Sylvan finds Licensee in default for failure to comply with the provisions of Paragraph 7.9.1, Licensee may seek suspension of such default if Licensee demonstrates that the Sylvan licensed businesses in general owned by Sylvan and its affiliates fail at that time to meet the provisions of Paragraph 7.9.1. In interpreting this Paragraph 7.9.2, the Sylvan licensed businesses owned by Sylvan

and its affiliates shall be considered generally so that Licensee may not seek suspension of its obligations under Paragraph 7.9.1 by comparing the Licensed Business to any single Sylvan licensed business or group of Sylvan licensed businesses not constituting all of the Sylvan licensed businesses in general owned by Sylvan and its affiliates.

7.9.3 Sylvan shall have the sole right to add to, modify, or delete from the standards, specifications, policies, and procedures for signs, furnishings, and equipment for the Licensed Business to conform to the trade dress, color schemes, and presentations of the marks in a manner consistent with the then-current image of Sylvan licensed businesses. If Sylvan modifies, adds to, or deletes from its standards, specifications, and procedures, Licensee agrees to update, refurbish, and improve the Licensed Business as Sylvan may require as soon as reasonably possible, or discontinue the use of equipment, furnishings, or equipment that Sylvan specifies.

7.9.4 Maintenance, refurbishment, modification, and upgrading of the Licensed Business shall be at Licensee's expense; provided, however that Sylvan shall not require Licensee to expend sums on such modifications, upgrades, additions, or deletions in excess of the following amounts:

(a) Five thousand dollars (\$5,000) per Center, not to exceed Ten Thousand dollars (\$10,000) per Territory, annually for the Computer System, excluding licensing fees;

(b) In addition to its maintenance obligations set forth in Paragraph 7.1 and 7.9.1, Five Thousand dollars (\$5,000) per Center, not to exceed Ten Thousand dollars (\$10,000) per Territory, annually for refurbishing and upgrading fixtures, furnishings, décor, and trade dress, excluding costs and expenses required under Paragraph 7.9.4(a) and (c);

(c) Once during the term of this Agreement, but not before the third (3<sup>rd</sup>) anniversary of the Effective Date hereof, and once during each renewal term, Seventy-Five Thousand dollars (\$75,000) total for the Territory, which may be divided among any number of Centers in the Territory or allocated to one Center, in Sylvan's discretion, toward bringing the Center(s) into compliance with the then-current standards for center design, layout floor plan, furnishings, signage, and trade dress ("Center Remodel"). Expenses for one relocation in each term shall count toward the expenditure cap under (c) in that term.

The expenditures required in (a) and (b) above shall not exceed thirty-six thousand dollars (\$36,000) minus expenditures on mandatory Sylvan System programs, enhancements, and updates, up to the maximum set forth in Paragraph 7.11 of this Agreement, in any three (3) year period. Each year's required expenditure cap under this Paragraph 7.9.4 shall be unique to that year and shall not be affected by expenses incurred in any other year. Licensee's voluntary (that is, not in response to a direction by Sylvan) expenditures in (a), (b), and (c) above shall count toward the maximums herein to the extent that such purchases further and do not diminish the Center's overall compliance with Sylvan's standards. No expenditure shall entitle Licensee to offset or fail to meet any other obligation pursuant to this Agreement, including without limitation obligations to meet operational requirements.

7.10 Attendance at Conferences. The Licensee shall attend national and regional conferences, and Licensee's Sylvan-certified personnel shall attend regional conferences designated as mandatory or required in the Confidential Operations Manual or otherwise by Sylvan. If Licensee is a partnership, corporation, or other business entity, the requirements of this paragraph will be met if the national conference is attended by Licensee's Managing Principal. Licensee must bear all expenses of attending such conferences, including but not limited to registration and/or attendance fees, travel, lodging, meals, and entertainment. All current registration and/or attendance fees paid to Sylvan shall be indicated in the Confidential Operations Manual or other written directive.

7.11 Compliance with Educational Standards; Mandatory Programs and Training. Sylvan has established certain defined standards in teaching methods and procedures for the delivery of its educational and instructional programs and will offer help and assistance to the Licensee in attaining and maintaining those standards. Licensee shall comply with all educational standards designated as required or mandatory by Sylvan in its Confidential Operations Manual or otherwise in writing. From time to time, Sylvan may develop or have developed for it new or enhanced programs or modules designated for use in the Sylvan System or the SylvanSync System and shall make such programs or modules available to Licensee as either mandatory or optional items. In the event a Sylvan System item is designated as mandatory, Sylvan may not require implementation of that item in the Licensed Business earlier than one hundred eighty (180) days after the item is generally made available to Sylvan's licensees. In the event that a SylvanSync System item is designated as mandatory, Sylvan may not require implementation of same earlier than thirty (30) days after the item is generally made available to Sylvan's licensees. Mandatory Sylvan System and SylvanSync System programs and enhancements or updates to same shall be provided to Licensee at Sylvan's cost. Licensee shall be required to purchase, implement, and make available to its customers each such mandatory program,

enhancement, or update to mandatory program no later than the required implementation date for each as determined by Sylvan in accordance with the provisions of this paragraph. Optional Sylvan System and SylvanSync System programs and updates to same will be made available to Licensee for such charges as Sylvan shall establish. Licensee acknowledges and agrees that Sylvan may require Licensee, Managing Principal, and/or Licensee's personnel to successfully complete designated training and/or obtain designated certifications before releasing programs, updates, or modules to Licensee. Licensee's failure to complete such requirements or cause personnel to complete such requirements (provided that the training is made available to Licensee) shall not constitute a defense of Licensee's failure to obtain and implement any mandatory program or module on or before the required implementation date. For any calendar year in which Licensee is required to expend more than Five Thousand Dollars (\$5,000) per Center, not to exceed Ten Thousand Dollars (\$10,000) per Territory, (which maximum shall be adjusted each calendar year based upon the cost of living adjustment in Paragraph 6.10 of this Agreement) altogether on mandatory Sylvan System and/or SylvanSync System programs required to be implemented beginning in that year, Licensee shall be permitted to extend payment of the amount in excess of such maximum to the following calendar year(s) for so long as Licensee's obligations in any given year exceed the maximum. Expenditures on mandatory programs, enhancements or updates purchased and implemented after their required implementation date has already passed shall not count toward the maximums in this Paragraph 7.11 and in Paragraph 7.9.4. As set forth in Paragraph 4.2.8, Sylvan shall make available to Licensee at no charge each assessment that Sylvan deems mandatory in any mandatory Sylvan System or SylvanSync System program, and Licensee may use such assessment at no charge in all Sylvan System and SylvanSync System programs, whether optional or mandatory, in which Sylvan approves use of such assessment. Optional assessments in the Sylvan System and SylvanSync System will be made available to Licensee for such charges as Sylvan shall establish.

#### 7.12 Customer Information.

7.12.1 All information that Licensee collects, receives, or otherwise possesses relating to past, current, future, or prospective customers is referred to in this Agreement as "Customer Information." Sylvan may periodically establish policies respecting the collection, maintenance, storage, and use of the Customer Information by Sylvan franchisees, including Licensee, and Licensee agrees to comply with such policies. Licensee shall input and maintain in the Computer System all Customer Information which is capable of being so stored.

7.12.2 Licensee may not use the Customer Information for any purpose other than in the normal conduct of the Licensed Business. Licensee may not sell, loan, give, or otherwise disclose any Customer Information, including customer lists, to any party without Sylvan's prior written permission except in the normal conduct of the Licensed Business. Licensee must use commercially reasonable efforts to keep the Customer Information secure at all times.

7.12.3 Sylvan may have independent access to the Customer Information via connection to the Computer System. Nevertheless, upon Sylvan's request, Licensee shall promptly provide Sylvan with a copy of all Customer Information in electronic or other format Sylvan designates.

7.12.4 Upon expiration or termination of this Agreement (except solely for termination as a result of an uncured default by Sylvan hereunder), Licensee shall send to Sylvan a true, accurate, and complete copy of all Customer Information in electronic or other format designated by Sylvan. Licensee acknowledges that, upon expiration or termination of this Agreement (except solely for termination of this Agreement as a result of an uncured default by Sylvan hereunder), Licensee shall no longer have any right to use, and Licensee shall not use, the Customer Information for any purpose whatsoever.

7.12.5 Both during and after the term of this Agreement, Sylvan may use, and authorize others to use, the Customer Information only for purposes that, in Sylvan's exclusive business judgment, will benefit the Sylvan Network or the Sylvan brand. Except for the purposes set forth in the foregoing sentence, Sylvan shall not share Customer Information with any third party, including without limitation persons or entities that, even though affiliated with Sylvan, do not operate under, or perform functions in support of, the Sylvan Network or the Sylvan brand. Before using or authorizing others to use the Customer Information for any purpose other than data analysis, research, or maintenance, Sylvan shall advise the Licensee Advertising Advisory Committee as it exists at such time, or a successor to the Licensee Advertising Advisory Committee, of how and when the Customer Information is proposed to be used or to be authorized to be used. Sylvan shall not share with any other Sylvan franchisee any segment of Customer Information that personally identifies customers of the Licensed Business, except with Licensee's written consent, and shall not require Licensee to do so except in the normal course of facilitating the instruction of a transferring student.

7.12.6 Neither Sylvan nor Licensee shall use the Customer Information in any manner that would violate any applicable laws governing the privacy rights of any customer, and their use of Customer Information is subject to the provisions of Paragraph 8.3 concerning privacy. In the event either Sylvan or Licensee provides any Customer Information to a third party, the furnishing party shall require the receiving third party to also comply with all applicable laws governing the privacy rights of any customer.

7.13 Membership in FOA during the Initial Period. The Sylvan Learning Center Franchise Owners Association (“FOA”) is an organization of Sylvan licensees that is administered by The Sylvan Franchise Owners Association, Inc., a Maryland corporation. Licensee shall become a member of the FOA on the Effective Date, and shall maintain Licensee’s FOA membership during the “Initial Period,” which is the remainder of the calendar year of the Effective Date plus the subsequent calendar year. Licensee’s membership in the FOA after the Initial Period is optional. The FOA collects annual membership dues from its members. FOA annual membership dues are based on the number of Centers a licensee is licensed to operate. Licensee is responsible for Licensee’s FOA membership costs, dues, fees, and activities. Licensee acknowledges and agrees that Sylvan does not own or control any part of the FOA or of The Sylvan Franchise Owners Association, Inc. In the event that fewer than twenty-five percent (25%) of active Sylvan licensees in the United States and Canada are members of the FOA as of December 31 of a given calendar year, Licensee’s obligations in this Paragraph shall not apply during the subsequent calendar year.

7.14 Purpose of Standards, Training, and Assistance. Sylvan and its representatives provide standards, training, and assistance to Licensee and Licensee’s employees for the sole purpose of helping Licensee to properly utilize the Sylvan System and the SylvanSync System in conducting the Licensed Business. It is understood and agreed that standards, training, and assistance from Sylvan do not constitute or create any employer/employee relationship or joint employer relationship with Licensee or Licensee’s employees. Licensee is solely responsible for all employment matters in connection with the Licensee’s business, including without limitation all hiring, termination, supervision, compensation, and discipline matters.

## 8. Technology.

8.1 Computer System. Sylvan has the right to specify certain information and communications technologies, equipment, systems, and formats, including, but not limited, to electronic personal computers, networks and network configurations, software (“Required Software”), hardware, data storage, retrieval, and transmission systems, and internet access mode and speed, and minimum operating specifications for same, that Licensee must use in connection with its operation of the Licensed Business and communications with Sylvan and others. Collectively, all of the items of hardware, software, firmware, systems, and other elements referred to above in this Paragraph 8.1 are referred to in this Agreement as the “Computer System.” Licensee agrees to comply with Sylvan’s requirements with respect to the Computer System. In this regard:

8.1.1 Sylvan has the sole right to determine and designate which elements and/or components of the Computer System are mandatory, and which are optional.

8.1.2 Licensee agrees to install and use the Computer System and Required Software in the manner that Sylvan requires.

8.1.3 Subject to the cost protections provided in Paragraph 7.9.4(a), Licensee agrees to implement and periodically upgrade, update, and make other changes to the Computer System and Required Software as Sylvan may request in writing (collectively, “Computer Upgrades”). Sylvan may, but is not obligated to, implement such required Computer Upgrades for or on behalf of Licensee, and Licensee shall reimburse Sylvan for Sylvan’s costs and expenses, under the following circumstances: (i) in the event that Licensee does not meet any obligation concerning Computer Upgrades within the time period specified by Sylvan; and (ii) for Computer Upgrades that can be remotely performed by Sylvan.

8.1.4 Licensee agrees to comply with Sylvan’s written specifications (whether in the Confidential Operations Manual or otherwise) with respect to the Computer System and the Required Software, and with respect to Computer Upgrades, at Licensee’s own expense subject to the maximums set forth in Paragraphs 7.11 and 7.9.4 of this Agreement.

8.1.5 Licensee agrees to afford Sylvan unimpeded access to Licensee’s Computer System and Required Software in the manner, form, and at the times set forth in this Agreement and the Confidential Operations Manual and otherwise upon Sylvan’s request.

8.1.6 Licensee shall establish and maintain Internet access and an electronic mail address and shall keep Sylvan informed of such address and all changes thereto during the term of this Agreement. Licensee shall use such electronic addresses or addresses and associated mailboxes that Sylvan specifies from time to time.

8.1.7 To the extent that any hardware (“Sylvan Hardware”) or software (“Sylvan Software”) for use within the Computer System is the property of Sylvan and is loaned or licensed by Sylvan to Licensee:

(a) Licensee shall maintain the Sylvan Hardware in good condition, normal wear and tear excepted. Licensee shall be responsible for loss of, or damage to, the Sylvan Hardware due to fire, theft, or other catastrophe, and agrees to keep the Sylvan Hardware insured against such catastrophic loss. Upon Sylvan’s request, Licensee shall provide Sylvan with a certificate evidencing such insurance coverage;

(b) Sylvan shall provide certain maintenance and support services for the Sylvan Hardware and for designated software loaded onto the Sylvan Hardware. The definition, scope, nature, and extent of the support services will be set forth in a written or electronic service level agreement, which agreement may be modified and updated by Sylvan from time to time. Sylvan agrees to be bound by its obligations under such service level agreement.

(c) No Warranties. LICENSEE UNDERSTANDS AND ACKNOWLEDGES THAT THE SYLVAN HARDWARE AND SYLVAN SOFTWARE IS PROVIDED TO LICENSEE “AS IS.” SYLVAN DISCLAIMS ANY AND ALL WARRANTIES AND GUARANTEES RELATED TO THE SYLVAN HARDWARE OR SYLVAN SOFTWARE, INCLUDING WITHOUT LIMITATION THE WARRANTY OF MERCHANTABILITY AND THE WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE.

(d) Such Sylvan Hardware and Sylvan Software shall remain the property of Sylvan.

8.2 Data and Reporting. Sylvan has the right to periodically specify in writing, in the Confidential Operations Manual or otherwise, the information that Licensee must collect and maintain on the Computer System, including, without limitation, the Customer Information as defined in Section 7.12, and Licensee agrees to provide Sylvan with the reports that Sylvan may reasonably request from the data so collected and maintained. Licensee agrees to: (a) upload to Sylvan daily (or at such other intervals that Sylvan may reasonably require) all information and materials that Sylvan may require in connection with Licensee’s operation of the Licensed Business; and (b) permit Sylvan access to download information from Licensee.

8.3 Privacy Laws; Laws Pertaining to E-Mails. Licensee and Sylvan agree to abide by all applicable laws pertaining to the privacy of consumer, employee, and transactional information (“Privacy Laws”).

8.3.1 Licensee agrees to comply with Sylvan’s standards and policies pertaining to Privacy Laws. If there is a conflict between Sylvan’s standards and policies pertaining to Privacy Laws and actual applicable law, Licensee shall: (i) comply with the requirements of applicable law; (ii) immediately give Sylvan written notice of said conflict, identifying the applicable law; and (iii) promptly and fully cooperate with Sylvan and Sylvan’s counsel in determining the most effective way, if possible, to meet Sylvan’s standards and policies pertaining to Privacy Laws within the bounds of applicable law.

8.3.2 Licensee agrees not to publish, disseminate, implement, revise, or rescind a data privacy policy without Sylvan’s prior written consent as to said policy.

8.3.3 In addition to any other provision of this Agreement, each party shall be responsible for its respective compliance with any laws pertaining to sending e-mails, including but not limited to the Controlling the Assault of Non-Solicited Pornography and Proprietary Marketing Act of 2003 (known as the “CAN-SPAM Act of 2003”).

8.4 License Agreements Concerning Websites. If Sylvan ever does approve in writing a request for Licensee to use a separate Website (but by including these terms, Sylvan is not deemed to have promised or represented that it will approve a separate Website for Licensee), then Sylvan has the right to require that Licensee meet any or all of the following requirements:

8.4.1 Licensee agrees that any separate Website that it owns or that is maintained for its benefit shall be deemed “advertising” under this Agreement and will be subject to, among other things, the terms and conditions of this Agreement, including, without limitation, Paragraph 7.3 above, and Sylvan’s prior written approval.

8.4.2 Licensee agrees that, before establishing any Website, Licensee shall submit to Sylvan, for Sylvan's prior written approval, a sample of the proposed Website domain name, format, visible content (including, without limitation, proposed screen shots), and non-visible content (including, without limitation, meta data and meta tags) in the form and manner Sylvan may reasonably require.

8.4.3 Licensee agrees not to use or modify any such Website without Sylvan's prior written approval as to such proposed use or modification.

8.4.4 Licensee agrees to comply with Sylvan's written standards and specifications for Websites, as set forth in the Confidential Operations Manual and otherwise, in addition to any other applicable requirements. Such standards and specifications may concern, as an example and not as a limitation, Licensee's use of social media.

8.5 Use of Licensed Marks. Licensee agrees not to use or permit the use or display of Licensed Marks as part of any Internet domain name or website, or any other electronic identifier (including but not limited to e-mail addresses, account names in a social media site, and the like) of Licensee or the Licensed Business in any forum or medium, except with Sylvan's prior written approval and in compliance with Sylvan's policies concerning same as set forth from time to time.

8.6 Changes to Technology. Because changes to technology are dynamic and not predictable within the term of this Agreement, and in order to provide for inevitable but unpredictable changes to technological needs and opportunities, Licensee agrees: (a) that Sylvan will have the right to establish, in writing, new standards to address new technologies, whether published in the Confidential Operations Manual or otherwise in writing, and that Sylvan has the right to implement those changes in technology into the Computer System and to add or modify fees accordingly, subject to the maximum required expenditures identified in this Agreement; and (b) to implement upgrades and updates to the Computer System and all other technology aspects of the Licensed Business at such times, and in the manner, specified by Sylvan.

## 9. Transfer and Assignment.

9.1 Transfer or Assignment by Sylvan. This Agreement and all rights and duties of Licensor hereunder may be freely assigned or transferred by Sylvan at its sole discretion to any person or legal entity which agrees to assume Sylvan's obligations hereunder, and shall be binding upon and inure to the benefit of Sylvan's successors and assigns including, without limitation, any entity which acquires all or a portion of the capital stock of Sylvan or any entity resulting from or participating in a merger, consolidation, or reorganization in which Sylvan is involved, and to which Sylvan's rights and duties hereunder are assigned or transferred.

9.2 Licensee's Obligations Are Personal; Approval of Transferees. Licensee understands and acknowledges that the rights and duties created by this Agreement are personal to Licensee, and that Sylvan has granted the Licenses in reliance on many factors, including, without limitation, the individual or collective character, skill, aptitude, and business and financial capacity of Licensee and Licensee's principals named on the signature page hereof. Accordingly, neither Licensee nor any person named on the signature page hereof shall, without Sylvan's prior written consent, which Sylvan may condition on such procedures as Sylvan may require, directly or indirectly sell, assign, transfer, convey, give away, pledge, mortgage, or otherwise encumber any interest in the Licenses, this Agreement or any portion or aspect thereof, or any equity or voting interest in Licensee (each a "Transfer"). Any purported Transfer occurring by operation of law or otherwise, including any assignment by a trustee in bankruptcy, without Sylvan's prior written consent shall be a material default of this Agreement. Any purchase and sale agreement entered into by Licensee for any Transfer must provide for and require that the Center must continue to operate without interruption during the Transfer.

9.3 Approval for Transfer of Majority Interest. Prior to Licensee effecting any Transfer hereunder, the effect of which would be to reduce the cumulative percentage interest of all persons named on the signature page to less than fifty-one percent (51%), Licensee must first have i) complied with all provisions and met all requirements of this Section 9, this Paragraph 9.3, and Paragraphs 9.3.1 through 9.3.10 hereto, and ii) obtained Sylvan's conditional approval of the proposed Transfer subject to compliance with this Section 9. Provided that Licensee and the proposed transferee comply with the provisions of this Section 9, Sylvan shall not unreasonably withhold its consent to a Transfer by Licensee of any interest in this License, this Agreement, or any equity or voting interest in Licensee (including, without limitation, any direct or indirect interest, such as by management contract, lease, proxy for voting of stock, or otherwise).

9.3.1 The proposed transferee shall demonstrate to Sylvan's sole satisfaction that it meets all of Sylvan's requirements for becoming a licensee, including, without limitation, that it meets Sylvan's managerial, financial, and business standards then in effect; meets the financial requirements Sylvan shall deem appropriate in light of the terms and conditions of the proposed transfer; possesses a good moral character, business reputation, and satisfactory credit rating; will comply with all instruction and training requirements of Sylvan; and has the aptitude and ability to operate the Licensed Business (as may be evidenced by prior related business experience or otherwise).

9.3.2 As of the effective date of the proposed Transfer, all obligations of Licensee under this Agreement and under any other agreements between Licensee and Sylvan, its subsidiaries and affiliates are fully satisfied. Licensee shall have paid all outstanding debts and obligations to Sylvan, its subsidiaries, and affiliates, and have brought current all accounts or balances Licensee may have with any advertising cooperative of which Licensee is a member.

9.3.3 As of the effective date of the proposed Transfer, all obligations of the proposed transferee to Sylvan, its subsidiaries, and affiliates must be fully satisfied.

9.3.4 Sylvan shall provide the prospective transferee with Sylvan's then-current form of disclosure document required by the Federal Trade Commission's Trade Regulation Rule on Franchising and/or other applicable state franchise registration/disclosure laws, and receipt for same shall be delivered to Sylvan, provided, however, Sylvan shall not be liable for any representations other than those contained in such disclosure document. Sylvan shall provide a copy of said disclosure document to Licensee upon request; provided, however, that in complying with Licensee's request, Sylvan shall not be required to register any disclosure document not then duly registered and approved by the authority having jurisdiction over said process. The transferee may be required to execute a disclosure letter concerning the Transfer and a waiver and release by the transferee of Sylvan for any amount paid to or representation made by Licensee.

9.3.5 If Sylvan is then offering license agreements to new licensees, the proposed transferee must execute such documents as are then required by Sylvan including Sylvan's then-current form of license or franchise agreement (or equivalent) which may contain terms and conditions different from those in this Agreement. If Sylvan is not then offering License Agreements to new licensees, Licensee must execute Sylvan's most recent form of License Agreement offered to new licensees, which may contain terms, conditions, and fees substantially different from those in this Agreement. Further, upon Transfer, when the transferee executes Sylvan's then-current form of Agreement, the transferee shall obtain the remaining term under this Agreement and not a new 10-year term.

9.3.6 Licensee shall pay to Sylvan a transfer fee in the amount of 50% of the then-current initial license fee for the proposed transfer if the proposed transferee is not currently a qualified Sylvan licensee, or 25% of the then-current initial license fee for a proposed transfer to a licensee with a Sylvan License Agreement in effect at the time of the Transfer; provided, however, to qualify for such reduced transfer fee, such qualified Sylvan proposed licensee must have (1) completed the initial training requirements, and (2) operated a separate Sylvan Learning Center for at least six (6) months prior to the date of the Transfer. The transferee agrees to complete, to Sylvan's satisfaction, the training required by Sylvan, and agrees to pay the fee that Sylvan designates for such training (the "Supplemental Training and Administrative Fee").

9.3.7 Sylvan may perform a Quality Assurance Review with respect to the Licensed Business to be transferred and will make the results thereof available to Licensee and the proposed transferee, provided, however, that if Sylvan has not performed a Quality Assurance Review within one (1) year of the proposed transfer date, Sylvan shall perform such review. Thereafter, Licensee shall prepare and deliver to Sylvan, prior to the transfer, a written statement specifying how any deficiencies set forth in the Review will be corrected, and whether the expense thereof will be borne by Licensee or the proposed transferee; provided, however, that Sylvan assumes no liability or responsibility to Licensee or the proposed transferee with respect thereto.

9.3.8 Licensee agrees in writing to transfer to the proposed transferee all books, programs, materials, and other items reasonably necessary to operate the Licensed Business, as set forth in the Quality Assurance Review referenced in Paragraph 9.3.7 above.

9.3.9 Licensee shall have executed a general release under seal where required, in the then-current form satisfactory to Sylvan, of any and all claims against Sylvan, its current and former affiliates, and their respective past and present owners, officers, directors, agents, representatives, heirs, administrators, successors, and assigns, including, without limitation, claims arising under federal, state, and local laws, rules, and ordinances arising out of, or connected with, the performance of this Agreement.

9.3.10 Sylvan's consent to a transfer of any interest in the Licenses granted herein shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be deemed a waiver of Sylvan's right to demand exact compliance with any of the terms of this Agreement by the transferee.

9.3.11 If Licensee elects to participate in Sylvan's resale program in connection with the transfer of the Licensed Business pursuant to this Section 9.3., Licensee must comply with Franchisor's then-current resale program requirements, which may include the execution of Franchisor's then-current resale program agreement and payment of the then-current resale program administration fee and other fees.

9.3.12 At Franchisor's sole discretion, Franchisor may require the Territory be split into two or more smaller protected areas (each a "Fractional Area"), each of which shall meet the then-current standards for a Territory set forth in Item 12 of the Franchise disclosure document that existed as of the Effective Date of this Agreement. The Fractional Area that contains the Primary Center shall serve as the new Territory (or similarly described territory) in the transferee's franchise agreement and shall be the only territory transferred under the purchase agreement between the Licensee and transferee. Sylvan, at its sole discretion, may offer the remaining Fractional Areas to transferee or Licensee under a separate then-current license agreements, if Licensee or transferee meet Sylvan's then-current standards for multi-unit development; if transferee or Licensee undertakes development of the remaining Fractional Areas, they shall pay the Territory Split Fee for each Fractional Area in lieu of an initial license fee. If the Licensee's Territory is split into a Fractional Area, then i) the Licensee shall not be required to pay a Transfer Fee with respect to the transfer that resulted in the Fractional Area and ii) Sylvan will provide the purchasing franchisee a right of first refusal to purchase the newly created Fractional Areas not subject of their license agreement. The term of such right of first refusal will commence upon closing of the Transfer and shall expire ninety days later.

9.4 Record of Ownership. Without regard to whether Sylvan's consent to the transfer is or may be required, Licensee shall submit to Sylvan prior to any proposed transfer of any equity or voting interest in Licensee, and at any other time upon request, a list of all holders of direct or indirect equity and voting interests of record reflecting their respective present and/or proposed direct or indirect interests in Licensee, in such form as Sylvan may require.

9.5 Rights of Licensee's Heirs or Personal Representative upon the Death, Absence, or Incapacity of Licensee. This Agreement shall inure to and bind the respective heirs, executors, administrators, or successors of Licensee. In the event of death or incapacity of the Licensee or the death or absence from active participation in the business of any individual upon whose ability or experience Sylvan relied in granting the licenses of Paragraphs 1.1 and 1.2, Sylvan shall have the right, upon written notice to Licensee (or heirs), to assist the Licensee in providing for an orderly transition in finding a satisfactory substitute to assume control of the Licensed Business. Mutual agreement shall be reached in the selection of the individual to assume control of the Licensed Business. Failure of Licensee to provide an agreeable substitute shall be considered a breach hereof and cause for termination, unless cured as provided herein. During any period in which the Licensed Business is not being operated as required herein by a person upon whose ability or experience Sylvan relied in granting the licenses, Sylvan shall have the right to enter upon the Licensee's premises to manage the Licensed Business on an interim basis in return for a management fee to be paid to Sylvan as invoiced by Sylvan. The heirs or personal representatives of Licensee have the same rights and obligations as Licensee if they desire to sell or transfer the License Agreement.

9.6 Right of First Refusal. Before any Transfer described in Paragraph 9.2 or 9.3 above, other than a Transfer to an existing holder of a minority interest in Licensee which results in such transferee holding a minority interest in Licensee, and other than a transfer to an heir of the first degree of the holder of a majority interest in Licensee, to be exercised once only, Licensee must advise Sylvan in writing of the proposed transfer, including the name and background experience of the proposed transferee and all terms of the proposal set forth in a binding agreement. Sylvan shall have the right of first refusal, to be exercised within thirty (30) days of Sylvan's receipt of Licensee's written notice, to acquire such interest on the identical bona fide terms proposed by the transferee, or, at Sylvan's option, for the cash equivalent thereof. Licensee may not agree to a closing date for the transfer that is less than forty-five (45) days after Sylvan's receipt of Licensee's notice. If Sylvan exercises its right of first refusal, Licensee agrees to assign to Sylvan all of the rights Licensee granted to the transferee under the acquisition documents, and Sylvan agrees to assume transferee's obligations thereunder. In the event Sylvan does not elect to exercise its right of first refusal as provided, the other conditions of a sale, assignment or transfer stated herein must nevertheless be met, and Licensee may conclude the proposed transfer, but only if such transaction is closed within sixty (60) days of Sylvan's election not to purchase, and only if the transaction closes on the same terms and conditions as was advised

to Sylvan. In the event the transaction is not so closed, Licensee must again comply with all of the terms of this right of first refusal before transferring to the proposed transferee or any other transferee.

9.7 Pledge of the License Agreement. The restrictions of Paragraph 9.2 to the contrary notwithstanding, Licensee may, from time to time, pledge its rights under this Agreement as collateral for the benefit of a bank or other commercial lender, but only with the prior written consent of Sylvan, which consent may be conditioned upon the requirement that the security agreement or other document evidencing the pledge or granting of a security interest in the License shall contain the following language:

“The sale, transfer or assignment of the security interest created hereunder in and to Sylvan License Agreement No. \_\_\_\_\_, dated \_\_\_\_\_, (the “franchise”) together with the rights created hereunder or by law authorizing the Secured Party to repossess or foreclose, and subsequently retain or sell or dispose of said franchise, shall be subject to all those restrictions contained in Section 9 and Section 11 of said License Agreement.

The referenced provisions of the License Agreement are incorporated herein by reference to the same extent as if fully set forth herein at length, such that any sale, transfer or assignment of the security interest created hereunder, or any sale of the franchise, the licensed rights or interest of Licensee under said License Agreement pursuant to or following foreclosure or repossession under this security agreement, shall be void if made without the express written consent of the Licensor under the franchise, pursuant to said License Agreement provisions.”

Any purported assignment of the interest of the secured party, or foreclosure of the security interest, by operation of law or otherwise, without Sylvan’s written consent shall not be binding upon Sylvan and shall be a material default of this Agreement. Unless otherwise agreed to in writing, Sylvan shall not be obligated to provide any notice required to be provided to Licensee under this Agreement to any secured party or pledgee claiming any interest in this Agreement, under this paragraph or otherwise.

## 10. Term and Renewal.

10.1 Expiration Date. The initial term of this Agreement shall begin on the Effective Date indicated on the Summary Page and shall expire at midnight on the date ten (10) years thereafter. Notwithstanding the foregoing, nothing contained in this paragraph will limit Sylvan’s termination rights set forth in Paragraph 11 of this Agreement

10.2 Renewal of License. Subject to this Paragraph 10.2, Licensee may serially renew the licenses granted pursuant to this Agreement for two additional, consecutive five (5)-year renewal terms. Without waiving its rights not to renew as provided in this paragraph, Sylvan will notify Licensee of the upcoming expiration date, and the procedures for securing approval of renewal, at least two hundred seventy (270) days prior to the expiration date. Renewal will be granted provided that Licensee meets the following conditions:

10.2.1 Licensee is in full compliance with all conditions and terms of this Agreement at the time of renewal.

10.2.2 Licensee has, during the last three years of the term of this Agreement, never failed to timely cure any default as to which Licensee was given a Notice of Default.

10.2.3 Licensee has never, during the term of this Agreement, committed a material breach of this Agreement which cannot be cured and as to which Licensee was given a Notice of Default.

10.2.4 Licensee gives Sylvan notice of its intention to renew in the last year of the ten (10) year term of the Agreement, but not less than one hundred eighty (180) days prior to the scheduled final day of the term. If Licensee fails to give such notice or to so agree, this Agreement shall expire on the expiration date of the term without further notice to Licensee.

10.2.5 Licensee has complied with Sylvan’s requirements for additional performances or obligations of Licensee other than those set forth herein such as correction of deficiencies, modernization or updating, which Sylvan believes in its good faith judgment shall be required and which may require significant additional capital expenditures by Licensee.

10.2.6 Licensee has paid Sylvan a renewal fee of Six Thousand Dollars (\$6,000). If Sylvan is then offering license agreements to new licensees, then Licensee must execute Sylvan's then-current form of license agreement, which may contain terms, conditions, and fees substantially different from those in this Agreement. If Sylvan is not then offering License Agreements to new licensees, Licensee must execute Sylvan's most recent form of License Agreement offered to new licensees, which may contain terms, conditions, and fees substantially different from those in this Agreement.

10.2.7 Licensee shall have executed a general release under seal where required, in the then-current form satisfactory to Sylvan, of any and all claims against Sylvan, its current and former affiliates, and their respective past and present owners, officers, directors, agents, representatives, heirs, administrators, successors, and assigns, including, without limitation, claims arising under federal, state, and local laws, rules, and ordinances arising out of, or connected with, the performance of this Agreement.

This Agreement does not grant any automatic rights to a renewal term and Sylvan is not obligated to offer Licensee a renewal term if the requirements of this Paragraph 10.2. are not strictly and timely met.

10.3 Month-To-Month License. If Licensee fails to give notice of its election to renew the Licenses as provided in Paragraph 10.2 and Sylvan nonetheless permits Licensee to continue to operate the Licensed Business under the Licensed Marks and/or Sylvan System and/or the SylvanSync System, all terms of this Agreement shall be deemed to be extended on a month-to-month basis. In that event either party may terminate this Agreement effective the last day of any calendar month, upon thirty (30) days' notice to the other party.

10.4 Termination before Expiration. Notwithstanding Paragraphs 10.1 and 10.2, this Agreement may be terminated as provided in Section 11 hereof.

## 11. Termination.

11.1 Default and Termination Notices. If Licensee is in breach of any material provision of this Agreement, including, but not limited to Paragraphs 11.2.1 to 11.2.21 of this Agreement, Sylvan may give a Notice of Default and Opportunity to Cure which shall be not less than ten (10) days with respect to curable monetary defaults and thirty (30) days with respect to curable non-monetary defaults, after the date of the Notice. In no event, however, shall the number of days of notice be less than that required by any applicable statute or regulation of the state in which the Territory lies. If Licensee is determined by Sylvan to have cured the breach before the date stated in the Notice, such Notice shall be of no further effect. If the breach has not been cured before the cure date stated in the Notice, then Sylvan may give a Notice of Termination stating its intention to terminate on a certain date. With respect to breaches stated herein or otherwise determined to be incurable, Sylvan need not provide a period for cure.

11.2 Material Breaches That May Be Cured. Sylvan may terminate this Agreement, by delivery of written notice of default, upon the occurrence of any of the following events of default and Licensee's failure to take appropriate corrective action during the applicable cure period. Provided, however, that although Sylvan intends to allow Licensee to cure the defaults listed hereunder, if in Sylvan's good faith judgment, reasonably exercised, such default cannot reasonably be cured (such as, but not limited to damages to Sylvan from misrepresentations or warranties referenced in Paragraph 11.2.2), then such breaches shall be deemed incurable under Paragraph 11.3 hereof, and same shall be grounds for termination, effective on the earlier of delivery or three days after mailing by Sylvan of a written declaration of termination to Licensee.

11.2.1 To offer programs in the Licensed Business that are not approved by Sylvan or not part of the Sylvan System or the SylvanSync System.

11.2.2 Expressly or impliedly to misrepresent, warrant or guarantee the results of the licensed programs, except as specifically authorized by Sylvan.

11.2.3 To fail to pay when due any invoice of Sylvan or of any third party for goods or services Licensee has received; or any sales or other taxes when due and before delinquent, except when being contested in good faith by appropriate proceedings; or any rental or other amount due under a lease covering the premises of the Licensed Business.

11.2.4 To fail to provide at the Licensed Business adequately trained personnel as required by this Agreement, or to fail to cause the Licensee or its Managing Principal to attend and successfully complete Sylvan's initial training program.

11.2.5 To fail to resolve disputes among the Owners of Licensee respecting conduct of the Licensed Business.

11.2.6 Notorious behavior by a principal, director, officer, agent, or employee of Licensee which would tend to bring the Licensed Business or Sylvan's techniques of instruction into disrepute. If the activity is the type described in this subparagraph, Sylvan may require Licensee, in order to cure the breach adequately, to sever its relationship with the person whose behavior is offensive.

11.2.7 Absentee management of the Licensed Business. As used in this Paragraph, "absentee management" means that the Licensee or Managing Principal is not fully engaged in the operation of the Licensed Business, is not providing hands on leadership, oversight, and support to staff members on a full-time basis, or is not available to engage and communicate with members of the Sylvan Corporate staff regarding the Licensed Business during normal working hours.

11.2.8 To fail to open and commence full and continuous operation of the Center within one hundred eighty (180) days from the Effective Date of this Agreement or other mutually agreed required opening date that Sylvan approves in writing.

11.2.9 To fail to provide when due any Gross Revenue Report, any profit and loss statement, or any tax return as required under this Agreement or to fail to pay when due any royalty payment or any other fee or payment due hereunder, including, as an example and not as a limitation, any fee due to an advertising cooperative, but expressly excluding any failure to meet the Minimum Annual Royalty, which failure is a separate breach as described in Paragraph 11.2.20. In the event that Licensee fails four (4) times within any twelve (12) month period to pay any one or more of such sums or to provide any gross revenue report within ten days after the date same are due, and has each time been notified by Sylvan of said failure, Licensee may be deemed by Sylvan to have committed an incurable breach of this Agreement.

11.2.10 To fail to comply with mandatory or required standards and policies set forth in the Confidential Operations Manual and any changes, additions or modifications thereto, or to fail to implement a required or mandatory program, module or other materials, or to adhere to mandatory or required educational policies or standards, or to implement new mandatory programs, modules or materials as required by Sylvan.

11.2.11 To operate the Licensed Business without obtaining and maintaining all necessary permits and licenses, or to fail to comply with applicable laws.

11.2.12 To fail to permit Sylvan to inspect the premises, or observe the operation, or conduct an audit of the Licensed Business.

11.2.13 To allow unlawful activities to occur or to sell, utilize or exchange any unauthorized or illegal material at the Licensed Business.

11.2.14 To fail to maintain insurance as required by this Agreement.

11.2.15 To fail to provide a suitable individual to assume control of the Licensed Business in the event of death or incapacity of the Licensee or the death or absence from active participation in the Licensed Business of any individual upon whose ability or expertise Sylvan relied in granting the Licenses.

11.2.16 To fail to obtain Sylvan's written approval of the site, design, and layout for each Center and Satellite that is opened within the Territory.

11.2.17 To fail to implement or fully comply within the time prescribed, any items designated as mandatory or required on a Correction Plan delivered to Licensee pursuant to Paragraph 7.9 hereof.

11.2.18 To place an advertisement or cause an advertisement to be circulated in another Licensee's exclusive territory or in the territory of a Sylvan owned licensed business without the prior written approval of Sylvan, except pursuant to Paragraph 7.3 hereof, or to violate Sylvan's policies, as established from time to time, regarding advertising.

11.2.19 To fail to obtain Sylvan's prior approval, if Sylvan has asserted its approval right in accordance with Paragraph 7.8.2, for content and media placement by the cooperative in which Licensee is a member, and to which Licensee has not objected in writing.

11.2.20 Each of the first two failures during the initial term or during a renewal term of this Agreement to generate sufficient gross revenues in a calendar year such that the royalty fees that Licensee pays to Sylvan under Paragraph 6.2.1 meet or exceed the Minimum Annual Royalty.

11.2.21 To fail to adhere to the requirements under Paragraph 6.12, including failing to provide or maintain a valid ACH Authorization form with Sylvan;

11.2.22 To fail to adhere to any other material provision of this Agreement, any other agreements between Licensee and Sylvan, its subsidiaries or affiliates, or any authorized specification, standard, policy or operating procedure prescribed by Sylvan as mandatory or required.

11.3 Material Breaches That Cannot Be Cured. Sylvan may terminate this Agreement, effective on the sooner of delivery or three days after mailing a written declaration of termination to the Licensee if any one or more of the following material, non-curable breaches of this Agreement occur:

11.3.1 An assignment or sale without Sylvan's prior written consent which is prohibited under Section 9 of this Agreement.

11.3.2 Any incurable breach of Licensee's confidentiality obligations under Paragraph 3 of this Agreement.

11.3.3 Any act causing a tarnishment of Sylvan's reputation.

11.3.4 Assuming that Licensee operates but one Center in the Territory, the abandonment of the Center, including any closing of the Center for a period of ten (10) or more consecutive days, without the written approval of Sylvan. Sylvan's approval shall be given in those instances when the Center has been closed as the result of an act of God, fire or weather-related catastrophe, condemnation, or illness of Licensee, but only on the condition Licensee shall submit to Sylvan a plan for re-opening the Center within ninety (90) days of its closing. Sylvan's consent shall not be given in the event Licensee's closing of the Center is related to or pursuant to the events described in Paragraphs 11.3.5 to 11.3.7 below, or due to any adverse financial or economic condition suffered by Licensee.

11.3.5 The insolvency, bankruptcy, or reorganization of the Licensee under the bankruptcy laws.

11.3.6 The making by Licensee of an assignment for the benefit of creditors.

11.3.7 The appointment of a receiver or trustee of all or any part of the assets of Licensee or the Licensed Business.

11.3.8 Any act by Licensee or any person listed on the signature page hereof that a) results in a charge of, conviction of or pleading of nolo contendere or no contest to: (i) a misdemeanor relevant to the operation of the Licensed Business, (ii) a misdemeanor that involves moral turpitude, or (iii) a misdemeanor that involves a person under the age of 19; b) results in any charge of, conviction of or pleading of nolo contendere to a felony; c) results in any civil or regulatory action that involves a person under the age of 19; or d) in Sylvan's sole judgment impairs the goodwill of the Licensed Marks. In the event of a charge filed pursuant to subparagraph a) or b) above without plea or conviction, Sylvan may require Licensee during a period of twelve (12) months to sell the Licensed Business at no less than fair market value. Fair market value shall be determined by the previous twelve-month average licensed business sales prices for the Sylvan system. If Licensee fails to sell the Licensed Business in such twelve (12) month period, Sylvan may terminate this Agreement.

11.3.9 A third or any subsequent failure during an initial term or during a renewal term of this Agreement to generate sufficient gross revenues in a calendar year such that the royalty fees that Licensee pays to Sylvan under Paragraph 6.2.1 meet or exceed the Minimum Annual Royalty, whether or not the earlier such breaches were cured or waived, each such breach, if not waived, having been the subject of a separate notice by Sylvan to Licensee, but subject to the process set forth in Paragraph 6.2.3.

11.3.10 The breach of any of the terms of this Agreement four (4) or more times within any twelve (12) month period, whether or not such breach was cured, each breach having been the subject of a separate notice by Sylvan to Licensee.

11.3.11 Failure of the Licensee to attend at least two (2) mandatory national conferences out of any three (3) consecutive national conferences.

11.3.12 Failure of the Licensee's Director or Director of Education to attend at least two (2) mandatory regional conferences out of any three (3) consecutive regional conferences.

11.3.13 Licensee, or anyone acting on Licensee's behalf, maintains books or records which in Sylvan's judgment are intentionally false, submits reports to Sylvan which in Sylvan's judgment are intentionally false, or submits revenue reports that understate gross revenues or are otherwise substantially incorrect, provided that the foregoing shall not apply in the first instance if Licensee discovers, discloses to Sylvan, corrects all false reports, and promptly, though in no event later than thirty (30) days after the discovery, remits all amounts due to Sylvan, pursuant to such corrected reports and this Agreement, before receiving notification thereof from Sylvan.

11.4 Remedies. The remedies hereby reserved are independent, cumulative, and concurrent, and the exercise of any one shall not preclude the simultaneous or subsequent exercise of the same, or any other remedy. Sylvan's right of termination is in addition to any other rights or remedies it may have under Paragraph 11.1, 11.2 or 11.3. Sylvan's failure to exercise any remedy available to it shall not be deemed a waiver of its right to exercise any other right or remedy under this Agreement.

11.5 Licensee's Notice of Breach by Sylvan. It is the intention of Sylvan to comply with all obligations, performances and duties required of it under this Agreement. In the event that Licensee shall claim that Sylvan has failed to meet any obligation under this Agreement, Licensee shall provide Sylvan with a notice of such claim. Licensee's notice shall describe Sylvan's alleged deficiency and shall provide Sylvan with an opportunity to cure same within at least thirty (30) days from the date of receipt of the notice by Sylvan.

## 12. Relationship After Expiration or Termination.

12.1 Obligations of Licensee. Upon the expiration or termination of this Agreement, Licensee agrees that it shall immediately take the following actions:

12.1.1 Licensee shall cease to do business under any name incorporating or similar to SYLVAN LEARNING CENTER or SYLVANSYNC and shall cease to use any and all of the Sylvan System, the SylvanSync System, the Licensed Marks, proprietary programs, systems, techniques, or materials.

12.1.2 Licensee shall promptly return to Sylvan all proprietary, confidential or trade secret materials in its possession, custody, or control, including without limitation, the Confidential Operations Manual, all computer software and database material, customer lists, customer records and customer files. Licensee hereby covenants and agrees that it will not destroy, damage, hide or take any steps so as to prevent Sylvan from obtaining any such information, nor will Licensee retain any printouts, disks or tapes containing any of the programs or data stored in its computer system. Licensee shall retain no copy or record of any of the foregoing, except Licensee's copy of this Agreement, any correspondence between the parties and any other documents which Licensee reasonably needs for compliance with any provision of law. Licensee expressly affirms and agrees that the foregoing software, materials, lists, records, and files shall be deemed to be the property of Sylvan, and that Sylvan shall have the right to enter upon Licensee's premises and to remove such materials.

12.1.3 Licensee shall immediately remove and destroy within thirty (30) days after such termination all signs, designs and insignia in any way indicating or suggesting that Licensee's business establishment is related to or connected with Sylvan, its subsidiaries or affiliates, or any of Sylvan's licensees.

12.1.4 Licensee acknowledges that there will be substantial confusion in the mind of the public if, after the expiration or termination of the License Agreement, Licensee continues to use any listed or unlisted telephone numbers, email addresses, social media accounts or (if any) Internet domain names or the like (each a "Communications Account" and collectively the "Communications Accounts") used in the Licensed Business and/or listed in any directory under the name "Sylvan" or some other name confusingly similar thereto. Therefore, Licensee agrees that promptly after the expiration or termination of this Agreement for any reason whatsoever, Licensee will forthwith cease and desist using such Communications Accounts and, upon written demand of Sylvan, direct the provider(s) servicing the Licensed Business to transfer the Communications Accounts and their listings to Sylvan, or to such other person and at such location as Sylvan may direct. If Licensee does not promptly so direct the provider(s), Licensee irrevocably appoints Sylvan as its attorney-in-fact to so direct the provider(s) to make such transfers under the terms of this Agreement.

12.1.5 Except as provided in Paragraph 12.2 below, Licensee shall immediately refrain from engaging in any and all contacts with customers, whether with respect to providing service to customers, or for any other purpose whatsoever.

12.2 Settlement of Outstanding Contracts with Students. Licensee agrees that it is solely responsible to settle all claims of students enrolled in courses taught by Licensee whose courses of instruction are not completed on the effective date of expiration or termination of this Agreement. Upon termination, Licensee may not in any event accept any new students in the Licensed Business. However, if in Sylvan's sole judgment, the breach that led to termination is not such that Licensee should be immediately prevented from any further instruction of students, Sylvan may, in writing, allow Licensee to continue to complete the instruction for some or all of Licensee's existing students. Sylvan may in its sole discretion waive the application of Paragraph 12.1 for a period not to exceed thirty (30) days, to the extent necessary to allow Licensee to complete the students' course of instruction.

12.3 Cessation of Sales Activities. If Licensee is in breach of any material provision of this Agreement which is incurable or which has not been cured after Sylvan has given Licensee a Notice of Default and Opportunity to Cure, Sylvan shall have no obligation whatsoever to sell any products, equipment, or services to Licensee on cash or credit. Licensee shall not thereafter have any right to offer or sell Sylvan System or SylvanSync System products or services, and Licensee shall not, as a result thereof, have a defense at law or equity based upon impossibility of Licensee's performance, nor will Licensee as a result have any claim against Sylvan.

12.4 Payment of All Obligations Due. The expiration or termination of this Agreement shall not relieve Licensee from its obligation to pay Sylvan and other creditors when due any and all obligations and indebtedness incurred, or license fee accrued, as of the effective date of termination, and Licensee's obligations under Paragraph 3 and Paragraph 6 shall remain in full force and effect.

12.5 Licensee and Principals Not to Compete. Licensee and its Owners, shareholders, partners, and/or members (collectively, "shareholders"), if any, acknowledge that they are to receive information which Sylvan has developed over time at great expense, including but not limited to methods of site selection; marketing methods; diagnostic techniques; prescription writing methods; and service methods and skills. They further acknowledge that this information is not generally known in the industry and is beyond their own present skills and experience, and that to develop it themselves would be expensive, time-consuming and difficult. They further acknowledge that Sylvan's information provides a competitive advantage and will be valuable to them in the development of their business, and that gaining access to it is the primary reason they are entering into this Agreement. Accordingly, Licensee and its shareholders, if any, agree that Sylvan's information as described above constitutes trade secrets belonging to Sylvan. In consideration of Sylvan's confidential disclosure of these trade secrets, Licensee, for itself, and if a corporation or a partnership, for its partners, directors, officers, and stockholders as well, covenants, individually:

12.5.1 During the term of this Agreement:

(a) To use its best efforts in operating the Licensed Business and in recommending, promoting, and encouraging patronage of all Sylvan Network businesses; and

(b) Not to engage as an owner, operator, or in any managerial capacity in any educational business, whether or not such business is not-for-profit, including, without limitation, any preschool, daycare, tutoring, test preparation, study skills, college advisory, technology-based instruction, blended instruction or other similar goods or services, other than as a licensee of the Sylvan System and the SylvanSync System, whether directly or indirectly (including through a spouse, parent, or child), unless such business is associated with an affiliate of Sylvan under a separate franchise agreement.

12.5.2 In the event this Agreement is terminated, expires, or is not renewed, or if Licensee assigns or transfers its interest herein to any person or business organization, then in such event Licensee covenants, for a period of two (2) years after such termination, expiration, nonrenewal, transfer or assignment, not to engage as an owner, operator, or in any managerial capacity, whether directly or indirectly (including through a spouse, parent, or child), in any educational business offering individualized diagnostic tests or academic or prescriptive educational programs which are designed to be taught, supervised, or administered by trained instructors, or in any educational business offering programs or services competitive with programs or services available at any Center or Satellite during the term of this Agreement and at the time of termination or expiration of this Agreement, and which programs or services Licensee offered in the Licensed Business during the two (2) year period prior to the termination or expiration of this Agreement, within the Territory or at any location less than fifty (50) miles from the Territory boundary or less than twenty-five (25) miles from any other corporate-affiliate-owned or licensee-owned Sylvan Learning Center business, other than as an authorized licensee of another Sylvan System and/or SylvanSync licensed business.

12.5.3 This Paragraph 12.5 shall not prevent any person affiliated with Licensee from accepting employment in any Center, Satellite or school which is licensed by state governmental authorities to provide a curriculum required by law, as an instructor in an established course of instruction previously offered at that Center, Satellite, or school. However, this exception shall not relieve Licensee of its obligation under Paragraph 3. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. Should any part of the restrictions contained in this Paragraph 12.5 be found to be unenforceable by virtue of its scope in terms of area, business activity prohibited or length of time, and should such part be capable of being made enforceable by reduction of any or all thereof, Licensee and Sylvan agree that the same shall be enforced to the fullest extent permissible under the law. Sylvan may, unilaterally, at any time, in its sole discretion, revise any of the covenants in this Paragraph 12.5 so as to reduce the obligations of Licensee hereunder. The running of any period of time specified in this Paragraph 12.5 shall be tolled and suspended for any period of time in which the Licensee is found by a court of competent jurisdiction to have been in violation of any such restrictive covenant. Licensee expressly agrees that the existence of any claim it may have against Sylvan, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Sylvan of the covenants in this Paragraph 12.5.

12.5.4 If any part of these restrictions contained in this Paragraph 12.5 is found to be unreasonable in time or distance, each month of time or mile of distance may be deemed a separate unit so that the time or distance may be reduced by appropriate order of the court or arbiter to that deemed reasonable. If, at any time during the two-year period following the expiration, termination, or approved transfer of this Agreement or the date any Owner ceases to be an Owner under this Agreement, Licensee or any of its Owners fails to comply with its obligations under this Article 12, that period of non-compliance will not be credited toward satisfaction of the two-year period. Licensee understands and acknowledges that Sylvan shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Paragraph 12.5, or any portion thereof, without Licensee's consent, effective immediately upon receipt by Licensee of written notice thereof; and Licensee agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Articles 14, 21, and 23 hereof.

12.6 Territory upon Termination. Upon termination of this Agreement for any reason, Sylvan may immediately license the Territory or any portion thereof to another person or may itself operate a licensed business within the Territory.

13. Injunctive Relief and Liquidated Damages.

Licensee acknowledges that Sylvan's remedy at law for Licensee's breach of Paragraph 3, Paragraph 12.1, or Paragraph 12.5 would be inadequate and that, accordingly, in such events, Sylvan shall be entitled to immediate injunctive relief. In addition to, and not in derogation of, the right to obtain an injunction, Sylvan shall be entitled to liquidated damages until such injunction issues. Due to the difficulties of computing actual damages from any such breach, damages shall be fixed in an amount equal to twenty-four (14) multiplied by the average monthly royalty Licensee had paid Sylvan over the thirty-six (36) month period (or such shorter period if Licensee held this Agreement for a lesser period) preceding termination or expiration of this Agreement for each month or part thereof that Licensee is in breach of Paragraph 3, Paragraph 12.1, or Paragraph 12.5. The parties agree that the stated sum is not a penalty, but reasonably represents the actual damages Sylvan will suffer in the event of a breach of any one of the enumerated paragraphs.

Licensee further acknowledges that Sylvan will suffer lost future profits in the event that Licensee ceases operation of the Licensed Business prior to the expiration or renewal of the term of this Agreement. Due to the difficulties of computing actual damages to Sylvan based on such early closure, damages shall be fixed in an amount equal to the average monthly royalty Licensee had paid Sylvan over the thirty-six (36) month period (or such shorter period if Licensee held this Agreement for a lesser period) preceding Licensee's closure of the Licensed Business, multiplied by twenty-four (24), or if there are fewer than twenty-four (24) months remaining until the expiration of the term of this Agreement, multiplied by the number of months remaining of the term. The parties agree that the stated sum is not a penalty, but reasonably represents Sylvan's actual damages under the circumstances.

14. Hold Harmless, Indemnification and Insurance.

14.1 Hold Harmless and Indemnification. **LICENSEE SHALL DEFEND AT ITS OWN COST AND INDEMNIFY AND HOLD HARMLESS TO THE FULLEST EXTENT PERMITTED BY LAW, SYLVAN AND ITS AFFILIATES, AND THEIR RESPECTIVE PARENTS, SUBSIDIARIES, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, DESIGNEES, AND REPRESENTATIVES**

(COLLECTIVELY, THE “FRANCHISOR INDEMNITEES”) FROM ALL LOSSES AND EXPENSES INCURRED IN CONNECTION WITH ANY ACTION, SUIT, PROCEEDING, CLAIM, CAUSE OF ACTION, DEMAND, INVESTIGATION, OR FORMAL OR INFORMAL INQUIRY (REGARDLESS OF WHETHER ANY OF THE FOREGOING IS REDUCED TO JUDGMENT), OR ANY SETTLEMENT OF THE FOREGOING, WHICH ACTUALLY OR ALLEGEDLY, DIRECTLY OR INDIRECTLY, ARISES OUT OF, IS BASED UPON, IS A RESULT OF, OR IS IN ANY WAY RELATED TO ANY OF THE FOLLOWING: (1) ANY ACTUAL OR ALLEGED INFRINGEMENT OR ANY OTHER ACTUAL OR ALLEGED VIOLATION OF ANY PATENT, TRADEMARK, COPYRIGHT, OR OTHER PROPRIETARY RIGHT OWNED OR CONTROLLED BY THIRD PARTIES BY LICENSEE OR THE LICENSED BUSINESS OR ANY OF ITS OR ITS RESPECTIVE OWNERS, OFFICERS, DIRECTORS, MANAGEMENT PERSONNEL, EMPLOYEES, AGENTS, SERVANTS, CONTRACTORS, SUBCONTRACTORS, PARTNERS, PROPRIETORS, AFFILIATES OR REPRESENTATIVES, OR ANY THIRD PARTY ACTING ON BEHALF OF OR AT THE DIRECTION OF SUCH PERSONS OR ENTITIES, WHETHER IN CONNECTION WITH THE LICENSED BUSINESS OR OTHERWISE (COLLECTIVELY, THE “LICENSEE INDEMNITORS”); (2) ANY ACTUAL OR ALLEGED VIOLATION OR BREACH OF ANY CONTRACT, FEDERAL, STATE, OR LOCAL LAW, REGULATION, RULING, STANDARD, OR DIRECTIVE OF ANY INDUSTRY STANDARD BY LICENSEE OR ANY OF THE OTHER LICENSEE INDEMNITORS; (3) ANY ACTUAL OR ALLEGED LIBEL, SLANDER, OR ANY OTHER FORM OF DEFAMATION BY LICENSEE OR ANY OF THE OTHER LICENSEE INDEMNITORS; (4) ANY ACTUAL OR ALLEGED VIOLATION OR BREACH OF ANY WARRANTY, REPRESENTATION, AGREEMENT, OR OBLIGATION IN THIS AGREEMENT BY LICENSEE OR ANY OF THE OTHER LICENSEE INDEMNITORS; (5) ANY AND ALL ACTS, ERRORS, OR OMISSIONS ENGAGED IN BY LICENSEE OR ANY OF THE OTHER LICENSEE INDEMNITORS, ARISING OUT OF OR RELATED TO THE DESIGN, CONSTRUCTION, CONVERSION, BUILD OUT, OUTFITTING, REMODELING, RENOVATION, UPGRADING, OR OPERATION OF THE LICENSED BUSINESS, WHETHER ANY OF THE FOREGOING WAS APPROVED BY SYLVAN, INCLUDING, BUT NOT LIMITED TO, ANY PERSONAL INJURY, DEATH, OR PROPERTY DAMAGE SUFFERED OR CAUSED BY ANY CUSTOMER, VISITOR, OPERATOR, EMPLOYEE, OR GUEST OF THE LICENSED BUSINESS; (6) ANY PERSONAL INJURY, DEATH, OR PROPERTY DAMAGE SUFFERED OR CAUSED BY LICENSEE OR ANY OF THE OTHER LICENSEE INDEMNITORS; (7) ALL LIABILITIES ARISING FROM OR RELATED TO ITS MARKETING, ADVERTISING, PROMOTION, OFFER, SALE, OR DELIVERY OF PRODUCTS OR SERVICES AS CONTEMPLATED BY THIS AGREEMENT; (8) ANY AND ALL LATENT OR OTHER DEFECTS IN THE LICENSED BUSINESS, WHETHER OR NOT DISCOVERABLE BY SYLVAN OR LICENSEE; (9) THE INACCURACY OR LACK OF AUTHENTICITY OF ANY INFORMATION DISCLOSED TO ANY CUSTOMER OF THE LICENSED BUSINESS; (10) CRIMES COMMITTED ON OR NEAR ANY OF THE PREMISES OR FACILITIES OR VEHICLES USED BY ITS LICENSED BUSINESS; (11) ANY SERVICES OR PRODUCTS PROVIDED BY ANY AFFILIATED OR NONAFFILIATED PARTICIPATING ENTITY; (12) ANY ACTION BY ANY CUSTOMER, VISITOR, OPERATOR, EMPLOYEE, OR GUEST OF THE LICENSED BUSINESS OR ANY OTHER FACILITY OF ITS LICENSED BUSINESS; (13) ANY AND ALL ACTS, ERRORS, OR OMISSIONS ENGAGED IN BY LICENSEE OR ANY OF THE OTHER LICENSEE INDEMNITORS, ARISING OUT OF OR RELATED TO ANY DISCRIMINATION, HARASSMENT, DISABILITY, HOUR AND WAGE CLAIMS, OR OTHER EMPLOYMENT PRACTICES IN ANY WAY RELATED TO THE OPERATION OF THE LICENSED BUSINESS, WHETHER ANY OF THE FOREGOING WAS APPROVED BY SYLVAN, (14) ANY AND ALL CLAIMS RELATED TO ITS NONCOMPLIANCE OR ALLEGED NONCOMPLIANCE WITH ANY LAW, ORDINANCE, RULE OR REGULATION, INCLUDING ANY ALLEGATION THAT WE ARE A JOINT EMPLOYER OR OTHERWISE RESPONSIBLE FOR ITS ACTS OR OMISSIONS RELATING TO ITS EMPLOYEES, AND (15) ANY DAMAGE TO THE PROPERTY OF LICENSEE OR SYLVAN, ITS AND OUR RESPECTIVE AGENTS, OR EMPLOYEES, OR ANY THIRD PERSON, FIRM, OR CORPORATION, WHETHER OR NOT SUCH LOSSES, CLAIMS, COSTS, EXPENSES, DAMAGES, OR LIABILITIES WERE ACTUALLY OR ALLEGEDLY CAUSED WHOLLY OR IN PART THROUGH THE ACTIVE OR PASSIVE NEGLIGENCE OF SYLVAN OR ANY OF ITS AGENTS OR EMPLOYEES, OR RESULTED FROM ANY STRICT LIABILITY IMPOSED ON SYLVAN OR ANY OF ITS AGENTS OR EMPLOYEES.

THE INDEMNIFICATION REQUIRED UNDER THIS PARAGRAPH 14.1 SHALL APPLY TO ALL CLAIMS, INCLUDING THOSE THAT ARISE, OR ARE ALLEGED TO ARISE, AS A RESULT OF

**SYLVAN'S OWN NEGLIGENCE OR GROSS NEGLIGENCE, IF ANY, REGARDLESS OF WHETHER SYLVAN'S NEGLIGENCE OR GROSS NEGLIGENCE IS ALLEGED TO BE THE SOLE, CONTRIBUTING, OR CONCURRING CAUSE OF SUCH ALLEGED DAMAGES THAT MIGHT BE ASSERTED.**

For purposes of this Agreement, the term "Losses and Expenses" means, without limitation, all claims, losses, liabilities, costs, and expenses including compensatory, exemplary, incidental, consequential, statutory, or punitive damages or liabilities; fines, penalties, charges, expenses, lost profits, attorneys' fees, expert fees, costs of investigation, court costs, settlement amounts, judgments, compensation for damages to Sylvan's reputation and goodwill, costs of or resulting from delays, and financing; travel, food, lodging, and other expenses necessitated by Sylvan's need or desire to appear before, or witness the proceedings of, courts or tribunals (including arbitration tribunals), or governmental or quasi-governmental entities, including those incurred by Sylvan's attorneys or experts to attend any of the same; costs of advertising material and media/time/space, and costs of changing, substituting, or replacing the same; and any and all expenses of recall, refunds, compensation, public notices, and all other amounts incurred by Sylvan in connection with the matters described above. All such Losses and Expenses incurred by Sylvan will be chargeable to and payable by Licensee pursuant to this Paragraph 14.1, regardless of any actions, activities, or defenses undertaken by Sylvan or the subsequent success or failure of such actions, activities, or defenses.

Licensee shall give Sylvan written notice of any event of which Licensee is aware for which indemnification is required within three days of its actual or constructive knowledge of such event. At its expense and risk, Sylvan may elect to assume (but under no circumstance is obligated to undertake) the defense or settlement thereof, provided that Sylvan will seek Licensee's advice and counsel. Any assumption by Sylvan shall not modify Licensee's indemnification obligation. Sylvan may, in its sole and absolute discretion, take such actions as it deems necessary and appropriate to investigate, defend, or settle any event, or take other remedial or corrective actions with respect thereof as may be, in Sylvan's sole and absolute discretion, necessary for the protection of the Franchisor Indemnities or the System. Under no circumstances will Sylvan or the Franchisor Indemnities be required to seek recovery from third parties or to otherwise mitigate their losses to maintain a claim against Licensee; in no event will a failure to pursue recovery from third parties or to mitigate loss reduce the amounts recoverable by Sylvan or the Franchisor Indemnities from Licensee. The indemnification obligations provided by this Paragraph 14.1 will survive the expiration or termination of this Agreement.

14.2 Insurance. Licensee shall, at its expense and no later than upon commencement of the business contemplated by this Agreement, produce and maintain in full force and effect throughout the term of this Agreement the types of insurance enumerated in the Confidential Operations Manual which shall be in such amounts as may from time to time be required by Sylvan, including but not limited to worker's compensation insurance, all risk protection with replacement cost coverage on equipment, furnishings, fixtures, and building, and comprehensive public liability insurance. Licensee may, but is not required to, also secure teacher's professional errors and omission coverage if available. Sylvan may at any time amend the amount of insurance Licensee is required to carry. Sylvan shall be named as an insured under the comprehensive public liability insurance policies, and otherwise as its interest may appear. Licensee shall keep and maintain any and all insurance required hereunder, and under any lease or any loan agreement, in full force and effect at all times during the term of this Agreement. Licensee shall make timely delivery of certificates of all required insurance to Sylvan, each of which shall contain a statement by the insurer that the policy will not be cancelled or materially altered without at least thirty (30) days prior written notice to Sylvan, and other evidence of coverage that Sylvan may require from time to time. The procurement and maintenance of such insurance shall not relieve Licensee of any liability to Sylvan under any indemnity requirement of this Agreement. In the event that Licensee fails to carry and maintain any and all insurance as required hereunder, Licensee authorizes Sylvan to secure such insurance for Licensee and to charge Licensee for such premiums.

15. Parties as Independent Contractors.

The parties acknowledge and agree that this Agreement does not create a fiduciary relationship between them, that Licensee shall operate the Licensed Business as an independent contractor, Sylvan and Licensee do not intend to be partners, associates, joint venturer, employee, employer, agents, or joint employers in any way, Sylvan shall not be construed to be jointly liable for any of Licensee's acts or omissions under any circumstances, and that nothing in this Agreement shall be construed to create a partnership, joint venture, agency, employment, fiduciary relationship, master-servant relationship, or legal relationship of any kind. Sylvan shall have no relationship with Licensee's employees and Licensee have no relationship with Sylvan's employees.

None of Licensee's employees will be considered employees of Sylvan or its affiliates. Neither Licensee nor any of Licensee's employees whose compensation Licensee pay may in any way, directly or indirectly, expressly or by implication, be construed to be an employee of Sylvan or its affiliates for any purpose, including with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state, or federal governmental agency. Neither Sylvan nor its affiliates will have the power to hire or fire Licensee's employees. Sylvan has no right or duty to supervise, manage, control or direct Licensee's employees in the course of their employment for Licensee. Licensee expressly agree, and will never contend otherwise, that Sylvan's authority under this Agreement to certify certain of Licensee's employees for qualification to perform certain functions for Licensee's Licensed Business does not directly or indirectly vest in Sylvan or its affiliates the power to hire, fire, or control any such employee. Licensee further acknowledge and agree, and will never contend otherwise, that Licensee alone will exercise day-to-day control over all operations, activities, and elements of Licensee's Licensed Business and that under no circumstance shall Sylvan or its affiliates do so or be deemed to do so. Licensee further acknowledge and agree, and will never contend otherwise, that the various requirements, restrictions, prohibitions, specifications, and procedures of Sylvan System which Licensee is required to comply with under this Agreement, whether set forth in the Confidential Operations Manual or otherwise, do not directly or indirectly constitute, suggest, infer, or imply that Sylvan or its affiliates controls any aspect or element of the day-to-day operations of Licensee's Licensed Business, which Licensee alone control, but constitute only standards to which Licensee must adhere when exercising Licensee's control of the day-to-day operations of Licensee's Licensed Business. Licensee is solely responsible for all terms and conditions of employment of Licensee's employees.

Except as otherwise expressly authorized by this Agreement, neither party hereto will make any express or implied agreements, warranties, guarantees, or representations or incur any debt in the name of or on behalf of the other party, or represent that the relationship between Sylvan and Licensee is other than that of franchisor and franchisee. Sylvan does not assume any liability, and will not be deemed liable, for any agreements, representations, or warranties made by Licensee which are not expressly authorized under this Agreement, nor will Sylvan be obligated for any damages to any person or property which directly or indirectly arise from or relate to the operation of the Licensed Business.

During the term of this Agreement, Licensee shall identify itself as the owner of the Licensed Business operating under a franchise granted by Sylvan, and shall apply for all permits, certificates of occupancy, and business licenses in Licensee's own name. Additionally, Licensee's individual name (if Licensee is an individual) or Licensee's corporate name (if Licensee is a Business Entity) must appear prominently on all invoices, order forms, receipts, business stationery, and contracts. Licensee shall not use the Licensed Marks to incur or secure any obligation or indebtedness on behalf of Sylvan. In all dealings with third parties including, without limitation, employees, suppliers, and customers, Licensee shall disclose in an appropriate manner acceptable to Sylvan that it is an independent entity licensed by Sylvan. Licensee shall prominently indicate on all letterheads, business forms, and the like that it is a Licensee of Sylvan by using language substantially stating Licensee is "A Licensee of Sylvan Learning, LLC."

16. Notices.

Any notice required or permitted by this Agreement shall be in writing, addressed to a party at the address given above, or to such other address as the party by notice informs the other, shall be mailed by registered or certified mail if not hand delivered or transmitted via facsimile or electronically, and shall be effective on the sooner of delivery or three (3) days after mailing. Licensee authorizes the transmission of e-mail by Sylvan and Sylvan's employees, vendors, and affiliates (on matters pertaining to the business contemplated hereunder) to Licensee and Licensee's employees and designees during the term of this Agreement, and agrees that such persons shall not opt-out, or otherwise ask to no longer receive e-mails, during the term of this Agreement or, concerning Licensee's employees and designees, during the term of their employment with or designation by Licensee, respectively.

17. Attorneys' Fees.

In the event either Sylvan or Licensee institutes a suit or action to enforce any term or provision of this Agreement, the most prevailing party in the suit or action, or on appeal, shall be entitled to recover from the losing party attorneys' fees, costs, and expenses (and interest on such fees, costs, and expenses) to be set by the trial or appellate court in addition to costs or disbursements provided by law.

18. Construction; Severability.

All captions and headings are for reference purposes only and shall not be deemed to be a part of this Agreement. If any part of this Agreement shall, for any reason whatsoever, be declared invalid or unenforceable, the

affected portion shall nevertheless be enforced to the fullest extent allowed by law, and such declaration shall not affect the validity of the remaining provisions, which shall remain in full force and effect. The parties hereby declare their intention that they would have executed the remaining portion of this Agreement without including herein any portions which may, for any reason, be declared invalid in the future; provided, however, that if Sylvan determines that such finding of invalidity or illegality adversely affects the basic consideration of this Agreement, Sylvan, at its option, may terminate this Agreement..

## 19. Organization of the Licensee

19.1 Representations. If the Agreement was signed under the Licensee's individual capacity and Licensee then utilizes a Business Entity to operate under this Agreement, then such individuals are required to execute the Sylvan's form of the assignment and assumption agreement assigning this Agreement to the Business Entity within 30 days of the Effective Date. If Licensee is a Business Entity, Licensee makes the following representations and warranties: (1) the Business Entity is duly organized and validly existing under the laws of the state of its formation; (2) it is qualified to do business in the state or states in which the Licensed Business is located; (3) execution of this Agreement and the development and operation of the Licensed Business is permitted by its governing documents; and (4) unless waived in writing by Sylvan, its charter documents and its governing documents shall at all times provide that the activities of the Business Entity are limited exclusively to the development and operation of The Little Gym businesses. If Licensee is an individual, or a partnership comprised solely of individuals, Licensee make the following additional representations and warranties: (1) each individual has executed this Agreement; (2) each individual shall be jointly and severally bound by, and personally liable for the timely and complete performance and a breach of, each and every provision of this Agreement; and (3) notwithstanding any transfer for convenience of ownership pursuant to Article 9 of this Agreement, each individual shall continue to be jointly and severally bound by, and personally liable for the timely and complete performance and a breach of, each and every provision of this Agreement. "Business Entity" means a corporation, limited liability company, limited partnership, or other entity created pursuant to statutory authority.

19.2 Governing Documents. If Licensee is a corporation, copies of its Articles of Incorporation, bylaws, other governing documents, and any amendments, including the resolution of the Board of Directors authorizing entry into and performance of this Agreement, and all shareholder agreements, including buy/sell agreements, must be furnished to Sylvan. If Licensee is a limited liability company, copies of its Articles of Organization, operating agreement, other governing documents, and any amendments, including the resolution of the managers authorizing entry into and performance of this Agreement, and all agreements, including buy/sell agreements, among the members must be furnished to Sylvan. If Licensee is a general or limited partnership, copies of its written partnership agreement, other governing documents and any amendments, as well as all agreements, including buy/sell agreements, among the partners must be furnished to Sylvan, in addition to evidence of consent or approval of the entry into and performance of this Agreement by the requisite number or percentage of partners, if that approval or consent is required by its written partnership agreement or applicable law. When any of these governing documents are modified or changed, Licensee must promptly provide copies of the modifying documents to Sylvan.

19.3 Ownership Interests. If Licensee is a Business Entity, Licensee represents that all of its equity interests are owned as set forth on Attachment B to this Agreement. In addition, if Licensee is a corporation, Licensee shall maintain a current list of all Owners, including owners of record and all beneficial owners of any class of voting securities of the corporation (and the number of shares owned by each). If Licensee is a limited liability company, Licensee shall maintain a current list of all members (and the percentage membership interest of each member). If Licensee is a partnership, Licensee shall maintain a current list of all owners of an interest in the partnership (and the percentage ownership interest of each general and limited partner). Licensee shall comply with Article 9 of this Agreement prior to any change in ownership interests and shall execute any necessary addenda to Attachment C as changes occur to ensure the information contained in Attachment B is true, accurate, and complete at all times. Licensee must also provide a copy of the Business Entity's EIN and execute a new ACH Authorization Agreement (Attachment I), if the EIN changes. "Owner(s)" means you if you are an individual, or each individual or entity holding more than a ten percent equity interest in you if you are a Business Entity (regardless of voting rights), and the licensee individual(s) or entity(ies) that enter into the License Agreement if you are a Business Entity. It includes all officers, directors, and shareholders of a corporation, all managers and members of a limited liability company, all general and limited partners of a limited partnership, and the grantor and the trustee of the trust. If any Owner is a Business Entity, then the term "Owner" also includes the Owners of that Business Entity.

19.4 Restrictive Legend. If Licensee is a corporation, Licensee shall maintain stop-transfer instructions against the transfer on Licensee's records of any voting securities, and each stock certificate of the corporation shall have conspicuously endorsed upon its face the following statement: "Any assignment or transfer of this stock is subject to the restrictions imposed on assignment by the Sylvan® License Agreement(s) to which the corporation is a party." If Licensee is a limited liability company, each membership or management certificate or other evidence of interest in the limited liability company shall have conspicuously endorsed upon its face the following statement: "Any assignment or transfer of an interest in this limited liability company is subject to the restrictions imposed on assignment by the SylvanM® License Agreement(s) to which the limited liability company is a party." If Licensee is a partnership, Licensee's written partnership agreement shall provide that ownership of an interest in the partnership is held subject to, and that further assignment or transfer is subject to, all restrictions imposed on assignment by this Agreement.

19.5 Guarantees. If Licensee is a Business Entity, each Owner (and if Licensee is a limited partnership, each of Licensee's general partner's Owners) shall execute the Undertaking and Guaranty attached hereto as Attachment C and the Confidentiality and Non-Competition Agreement attached hereto as Attachment D.

20. Time is of the Essence.

Time is of the essence of this Agreement.

21. Jurisdiction and Venue.

21.1. Governing Law. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act), the Federal Arbitration Act, the Copyright Act, or the Patent Act, this Agreement (and all matters arising out of or relating to this Agreement) are governed by, and shall be construed in accordance with, the laws of the State of Texas, without giving effect to the conflict of laws provisions thereof to the extent such principles or rules would require or permit the application of the laws of any jurisdiction other than those of the State of Texas. By agreeing to the application of Texas law, the parties do not intend to make this Agreement or their relationship subject to any franchise, distributorship, business opportunity, or similar statute, rule, or regulation of the State of Texas to which this Agreement or the parties' relationship otherwise would not be subject. As of the Effective Date, Sylvan has a place of business in the State of Texas, and Texas otherwise bears a reasonable relationship to this Agreement, the parties' relationship established by this Agreement, and the parties. Licensee and Sylvan acknowledge and agree that the choice of applicable state law set forth in this Section provides each of the parties with the mutual benefit of uniform interpretation of this Agreement and the parties' relationship created by this Agreement. Licensee and Sylvan further acknowledge the receipt and sufficiency of mutual consideration for such benefit, and that each party's agreement regarding applicable state law has been negotiated in good faith and is part of the benefit of the bargain reflected in this Agreement.

21.2. Consent to Jurisdiction. Subject to the arbitration obligations in Article 23 below, any judicial action must be brought in a court of competent jurisdiction in the state, and in (or closest to) the county, where Franchisor's principal place of business is then located. Each of the parties irrevocably submits to the jurisdiction of such courts and waives any objection to such jurisdiction or venue. Notwithstanding the foregoing, Sylvan may bring an action for a temporary restraining order or for temporary or preliminary injunctive relief, or to enforce an arbitration award or judicial decision, in any federal or state court in the county in which Licensee resides or the Licensed Business is located.

22. Waiver of Damages.

**SYLVAN AND LICENSEE HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY PUNITIVE, SPECIAL, CONSEQUENTIAL, OR EXEMPLARY DAMAGES AGAINST THE OTHER, AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM EACH SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY IT.**

23. Dispute Resolution by Binding Arbitration.

23.1.1 Any dispute or claim between (A) Licensee and/or any Owner and (B) Sylvan or any Franchisor Indemnitee, including but not limited to any dispute or claim arising out of or relating in any way to

23.1.1.2 this Agreement or any other agreement between Licensee and/or any Owner and Sylvan or any Franchisor Indemnitee,

23.1.1.3 the offer and sale of the franchise opportunity,

23.1.1.4 any representations made prior to the execution of this Agreement,

23.1.1.5 the validity, enforceability, or scope of this Agreement and this arbitration agreement, and

23.1.1.6 the relationship of the parties

must be submitted to binding arbitration before the American Arbitration Association (“AAA”) pursuant to its Commercial Arbitration Rules in effect at the time the arbitration demand is filed. The AAA rules are available online at [www.adr.org](http://www.adr.org). The only disputes or claims that shall not be subject to arbitration shall be those that relate to the protection or enforcement of Sylvan’s or Franchisor Indemnitees’ rights in and to Intellectual Property (including, but not limited to, the Licensed Marks). The number of arbitrators shall be one. This arbitration agreement and the arbitration shall be subject to and governed by the Federal Arbitration Act, and not any state arbitration law.

23.1.2 Licensee, the Owners, Sylvan, and the Franchisor Indemnitees agree that arbitration will be conducted on an individual, not a class-wide or representative basis, that only Licensee, the Owners, Sylvan, and the Franchisor Indemnitees may be the parties to any arbitration proceeding described in this Paragraph, and that no such arbitration proceeding may be consolidated or joined with another arbitration proceeding involving Licensee, the Owners, Sylvan, the Franchisor Indemnitees or any other person or entity. The arbitrator shall have no power to preside over or consider any form representative, joint, consolidated, collective or class proceeding. Despite the foregoing or anything to the contrary in this Paragraph, if any court or arbitrator determines that all or any part of this Paragraph is unenforceable with respect to a dispute that otherwise would be subject to arbitration, then Sylvan and Licensee agree that this arbitration clause will not apply to that dispute, and such dispute will be resolved in a judicial proceeding in accordance with Paragraph 23.H.

23.1.3 Sylvan and Licensee will be bound by any limitation under this Agreement or applicable law, whichever expires first, on the timeframe in which claims must be brought. Sylvan and Licensee further agree that, in connection with any arbitration proceeding, each must submit or file any claim constituting a compulsory counterclaim (as defined by the then-current Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim not submitted or filed in the proceeding will be barred. The arbitrator does not have the right to consider any settlement discussions or offers either Sylvan and Licensee made.

23.1.4 Unless prohibited by law, the arbitration shall occur in Tarrant County, Texas. The arbitrator will have no authority to select a different hearing locale other than as described in the prior sentence.

23.1.5 Except as may be required by law, neither Licensee, its Owners, nor an arbitrator may disclose the existence, content, or results of any arbitration under this Paragraph without the prior written consent of all parties.

23.1.6 The arbitrator must follow, and may not disregard, the applicable law.

23.1.7 The arbitrator has the right to award any relief he or she deems proper in the circumstances, including money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys’ fees and costs (in accordance with Paragraph 17.), provided that: (i) the arbitrator has no authority to declare any Licensed Mark generic or otherwise invalid; and (ii) Sylvan and Licensee waive to the fullest extent the law permits any right to or claim for any punitive, exemplary, treble, and other forms of multiple damages against the other. The arbitrator’s award and decision will be conclusive and bind all parties covered by this Paragraph, and judgment upon the award may be entered in a court specified or permitted in Paragraph 21 above.

23.1.8 The decision of the arbitrator will be final and binding on all parties to the dispute. A judgment may be entered upon the arbitration award in any federal or state court having jurisdiction.

23.1.9 Despite the existence of the arbitration clause, the parties shall have the right to seek temporary restraining orders, preliminary injunctions, and similar equitable relief from a court pending arbitration of the merits of the claims. Any injunctive relief may be given without the necessity of Sylvan posting bond or other security and any such bond or other security is hereby waived.

23.1.10 To the fullest extent permitted by law, the parties agree that any actions permitted to be brought under this Agreement by either party in any court may only be brought in a federal or state court serving the

judicial district in which Sylvan's principal headquarters is located at the time litigation is commenced. Licensee hereby irrevocably submits to the jurisdiction of the federal and state courts serving the judicial district in which Sylvan's principal headquarters is located at the time litigation is commenced and waive any objection Licensee may have to the jurisdiction of or venue in such courts.

24. Acceptance by Licensee.

This Agreement shall be binding upon Licensee at the time it is signed by Licensee, and delivered to Sylvan at its principal place of business. This Agreement shall not be binding upon Sylvan until it is accepted in writing by a principal officer of Sylvan.

25. No Waiver.

Sylvan reserves the right and privilege, in its sole discretion, to vary standards for any licensee based upon the peculiarities of a particular site or circumstance, demographics, or any other conditions which Sylvan deems to be of importance to the successful operation of a Sylvan licensed business. Licensee shall have no recourse against Sylvan on account of any licensee and shall not be entitled to require Sylvan to grant Licensee a like or similar variation hereunder. No failure of Sylvan to exercise any power reserved to it by this Agreement, or to insist upon strict compliance by Licensee with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of Sylvan's right to demand exact compliance with any of the terms herein. Sylvan's waiver of any particular default by Licensee shall not affect or impair Sylvan's rights with respect to any subsequent default of the same, similar, or different nature, nor shall any delay, forbearance, or omission of Sylvan to exercise any power or right arising out of any breach or default by Licensee of any of the terms, provisions, or covenants hereof affect or impair Sylvan's right to exercise the same, nor shall such constitute a waiver by Sylvan of any right hereunder or the right to declare any subsequent breach or default and to terminate this Agreement prior to the expiration of its term. Subsequent acceptance by Sylvan of any payments due to it hereunder shall not be deemed to be a waiver by Sylvan of any preceding breach by Licensee of any terms, covenants, or conditions of this Agreement.

26. Modification; Entire Agreement.

Except as otherwise provided herein, neither Sylvan nor Licensee may modify this Agreement except by an instrument in writing between Sylvan and Licensee. This Agreement, all attachments to this Agreement, and all ancillary agreements executed contemporaneously with this Agreement constitute the final and fully integrated agreement between the parties regarding the subject matter of this Agreement and supersede any and all prior negotiations, understandings, representations and agreements. Nothing in this agreement or any related agreement is intended to disclaim the representation made in the disclosure document provided to Licensee and Sylvan.

27. Class Action Waiver.

Any action brought by Licensee or Sylvan shall be conducted on an individual basis, and not as part of a consolidated, common, or class action, and Licensee and Licensee's owners waive any and all rights to proceed on a consolidated, common, or class basis. **LICENSEE HEREBY AGREES NOT TO SEEK JOINDER OF ANY OF CLAIMS WITH THOSE OF ANY OTHER PARTY.**

28. Waiver of Jury Trial.

**TO THE FULLEST EXTENT PERMITTED BY LAW, LICENSEE, EACH OWNER, AND THE FRANCHISOR INDEMNITIES KNOWINGLY, WILLINGLY, AND VOLUNTARILY, WITH FULL AWARENESS OF THE LEGAL CONSEQUENCES, AFTER CONSULTING WITH COUNSEL (OR AFTER HAVING WAIVED THE OPPORTUNITY TO CONSULT WITH COUNSEL) AGREE TO WAIVE THEIR RIGHT TO A JURY TRIAL OF ANY DISPUTE BETWEEN THEM. THE RIGHT TO A TRIAL BY JURY IS A RIGHT SUCH PARTIES WOULD OR MIGHT OTHERWISE HAVE HAD UNDER THE CONSTITUTIONS OF THE UNITED STATES OF AMERICA AND THE STATE IN WHICH THE LICENSED BUSINESS IS LOCATED.**

29. Limitation on Claims.

Except for those Claims brought under the indemnification or insurance coverage provisions of this Agreement (including, but not limited to, those provisions contained in Paragraph 14), upon expiration or termination of this Agreement, neither party will commence any Claim related to or arising out of this Agreement, unless commenced within one (1) year following the effective date of expiration or termination. "Claims" means any

allegation, challenge, demand, cause of action, lawsuit, arbitration, dispute, controversy, investigation or administrative proceeding.

30. Attachments. The following Attachments are a part of this Agreement and are incorporated herein by reference:

- Attachment A – Territory
- Attachment B – Licensee’s Owners and Key Personnel
- Attachment C – Undertaking and Guaranty
- Attachment D – Confidentiality and Non-Competition Agreement
- Attachment E - Acknowledgment of Request to Contribute to Advertising Cooperative
- Attachment F – Contact Center Franchisee Participation Agreement
- Attachment G – SylvanSync Educational Software License and Terms of Use Agreement
- Attachment H – Telephone Numbers Assignment Agreement
- Attachment I – ACH Authorization Agreement
- Attachment J – Dashboard Access Agreement
- Attachment K – Bright Horizons Participation Agreement
- Attachment L – mySylvan Marketplace+ Franchisee Participation Pilot Agreement

31. Acknowledgements.

31.1 Reasonable Restrictions.

You have carefully considered the nature and extent of the restrictions upon you set forth in this Agreement, including, without limitation, the covenants not to compete, the restrictions on assignment, and the rights, obligations, and remedies conferred upon you under this Agreement. You acknowledge that such restrictions, rights, obligations, and remedies: (1) are reasonable, including, but not limited to, their term and geographic scope; (2) are designed to preclude competition which would be unfair to Sylvan; (3) are fully required to protect Sylvan’s legitimate business interests; and, (4) do not confer benefits upon Sylvan that are disproportionate to your detriment.

**[Please initial to acknowledge that you have read and understand this Paragraph 31.1] \_\_\_\_\_**

31.2 Patriot Act.

You represent and warrant that to your actual knowledge: (i) neither Licensee, nor its officers, directors, managers, members, partners or other individual who manages the affairs of Licensee, nor any Licensee affiliate or related party, or any funding source for the Licensed Business, is identified on the lists of Blocked Persons, Specially Designated Nationals, Specially Designated Terrorists, Specially Designated Global Terrorists, Foreign Terrorists Organizations, and Specially Designated Narcotics Traffickers at the United States Department of Treasury’s Office of Foreign Assets Control (OFAC), or the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, commonly known as the “USA Patriot Act,” as such lists may be amended from time to time (collectively, “Blocked Person(s)”); (ii) neither Licensee nor any Licensee affiliate or related party is directly or indirectly owned or controlled by the government of any country that is subject to an embargo imposed by the United States government; (iii) neither Licensee nor any Licensee affiliate or related party is acting on behalf of the government of, or is involved in business arrangements or other transactions with, any country that is subject to such an embargo; (iv) neither Licensee nor any Licensee affiliate or related party are on the United States Department of Commerce Denied Persons, Entity and Unverified Lists, or the United States Departments of State’s Debarred List, as such lists may be amended from time to time (collectively, the “Lists”); (v) neither Licensee nor any Licensee affiliate or related party, during the term of this Agreement, will be on any of the Lists or identified as a Blocked Person; and (vi) during the term of this Agreement, neither Licensee nor any Licensee affiliate or related party will sell products, goods or services to, or otherwise enter into a business arrangement with, any person or entity on any of the Lists or identified as a Blocked Person. You agree to notify Sylvan in writing immediately upon the occurrence of any act or event that would render any of these representations incorrect.

**[Please initial to acknowledge that you have read and understand this Paragraph 31.2] \_\_\_\_\_**

**The acknowledgments in clauses 30.3 through 30.8 below apply to all franchisees and franchises except not to any franchisees and franchises that are subject to the state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.**

31.3 Receipt of Disclosure Document.

You hereby acknowledge that you received from Sylvan its current franchise disclosure document, together with a copy of all proposed agreements related to the sale of the Franchise, at least 14 calendar days prior to the execution of this Agreement or at least 14 days before you paid us any consideration in connection with the sale or proposed sale of the Franchise granted by this Agreement.

**[Please initial to acknowledge that you have read and understand this Paragraph 31.3]** \_\_\_\_\_

31.4 Receipt of Agreement.

You hereby acknowledge that you received from Sylvan this Agreement with all blanks filled in at least seven calendar days prior to the execution of this Agreement. You represent that you have read this Agreement in its entirety and that you have been given the opportunity to clarify any provisions that you did not understand and to consult with an attorney or other professional advisor. You further represent that you understand the terms, conditions, and obligations of this Agreement and agree to be bound thereby.

**[Please initial to acknowledge that you have read and understand this Paragraph 31.4]** \_\_\_\_\_

31.5 Independent Investigation.

You acknowledge and represent that you are entering into this Agreement, all attachments hereto, and all ancillary agreements executed contemporaneously with this Agreement, as a result of your own independent investigation of all aspects relating to the Licensed Business, and not as a result of any representations about Sylvan or your reliance on any such representations (if made) by its stakeholders, officers, directors, employees, agents, representatives, independent contractors, or franchisees which are contrary to the terms set forth in this Agreement or any franchise disclosure document required or permitted to be given to you pursuant to applicable law. You have been advised and given the opportunity to independently investigate, analyze, and construe the business opportunity being offered under this Agreement, the terms and provisions of this Agreement, and the prospects for the Licensed Business, using the services of legal counsel, accountants, or other advisers of your own choosing; you have either consulted with these advisors or have deliberately declined to do so. You further recognize that the business venture contemplated by this Agreement involves business risks and that its success will be largely dependent upon your skills and ability as an independent business person. This offering is not a security as that term is defined under applicable federal and state securities laws.

**[Please initial to acknowledge that you have read and understand this Paragraph 31.5]** \_\_\_\_\_

31.6 No Representations; No Reliance.

You acknowledge and represent that, except for representations made in Sylvan’s current franchise disclosure document, neither Sylvan nor its Affiliates, nor any of their respective stakeholders, officers, directors, employees, agents, representatives, independent contractors, has made any representations, warranties, or guarantees, express or implied, as to the potential revenues, profits, expenses, sales volume, earnings, income, or services of the business venture contemplated under this Agreement, and that you have not relied on any such representations (if made) in making your decision to purchase an Sylvan Learning® and SylvanSync® franchise. You further acknowledge and represent that neither Sylvan nor its representatives have made any statements inconsistent with the terms of this Agreement.

**[Please initial to acknowledge that you have read and understand this Paragraph 31.6]** \_\_\_\_\_

31.7 No Financial Performance Representations; No Reliance.

You specifically acknowledge that the only financial performance information furnished by Sylvan is set forth in Item 19 of its current franchise disclosure document; that no officer, director, employee, agent, representative or independent contractor of Sylvan is authorized to furnish you with any other financial performance information; that, if they nevertheless do, you will not rely on any such financial performance information given to you by any such individual; and, that if any such individual attempts to or actually does give you any such financial performance information in contravention of this provision, you will immediately communicate such activity to us. For the purpose of this Paragraph 24.G., “financial performance information” means information given, whether orally, in writing, or visually which states, suggests or infers a specific level or range of historic or prospective sales, expenses and/or profits of franchised or Sylvan-owned facilities.

**[Please initial to acknowledge that you have read and understand this Paragraph 31.7]** \_\_\_\_\_

31.8 No Licensure Representations; No Reliance.

You acknowledge that neither Sylvan nor its Affiliates, nor any of their respective stakeholders, officers, directors, employees, agents, representatives, independent contractors, has made any representation or statement on which you have relied regarding your ability to procure any required license, permit, certificate or other governmental authorization that may be necessary or required for you to carry out the activities contemplated by this Agreement

**[Please initial to acknowledge that you have read and understand this Paragraph 31.8]** \_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have set their respective hands, as of the Effective Date indicated on the Summary Page.

**LICENSOR:**

SYLVAN LEARNING, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
John McAuliffe, Chief Executive Officer

**LICENSEE:**

a limited liability company,

By: \_\_\_\_\_  
, its Member

**CALIFORNIA RIDER TO THE SYLVAN LEARNING, LLC LICENSE AGREEMENT**

This Amendment pertains to franchises sold in the State of California that are subject to the California Franchise Investment Law (the “Act”) and is for the purpose of complying with California statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act, as set forth in this Amendment, or otherwise. Notwithstanding anything which may be contained in the body of the License Agreement to the contrary, the Agreement is amended to include the following:

Franchisor and Franchisee hereby agree that the License Agreement dated \_\_\_\_\_, will be amended as follows:

1. Whenever the provisions of this Rider conflict with provisions contained elsewhere in this License Agreement, the provisions of this Rider shall prevail to the extent of such conflict.
2. Covenants not to compete which extend beyond the term of the License Agreement may not be enforceable under California law.
3. To the extent the California Franchise Investment Law applies, it shall prevail over any conflicting provisions of the License Agreement.
4. No disclaimer, questionnaire, clause or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee’s investment. Any statements or representations signed by a franchisee purporting to understand any fact or its legal effect shall be deemed made only based upon the franchisee’s understanding of the law and facts as of the time of the franchisee’s investment decision. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.
5. The following statement shall be deemed to amend the License Agreement:

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.

**LICENSOR:**

SYLVAN LEARNING, LLC,  
a Delaware limited liability company

**LICENSEE:**

[\_\_\_\_],  
a [\_\_\_\_\_]

By: \_\_\_\_\_  
John McAuliffe, Chief Executive Officer

By: \_\_\_\_\_  
[\_\_\_\_], its [\_\_\_\_\_]

**HAWAII RIDER TO THE SYLVAN LEARNING, LLC LICENSE AGREEMENT**

This Amendment pertains to franchises sold in the State of Hawaii that are subject to the Franchise Investment Law of the State of Hawaii ("the Act") and is for the purpose of complying with Hawaii statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the License Agreement to the contrary, the Agreement is amended to include the following:

The parties to the License Agreement dated \_\_\_\_\_, \_\_\_\_\_, hereby agree that the License Agreement will be amended as follows:

In recognition of the requirements of the Franchise Investment Law of the State of Hawaii, the parties to the Sylvan License Agreement (the "Agreement") agree as follows:

1. The following statement shall be deemed to amend the License Agreement:

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.

**LICENSOR:**

SYLVAN LEARNING, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
John McAuliffe, Chief Executive Officer

**LICENSEE:**

[\_\_\_\_\_] ,  
a [\_\_\_\_\_]

By: \_\_\_\_\_  
[\_\_\_\_\_] , its [\_\_\_\_\_]

**ILLINOIS RIDER TO THE SYLVAN LEARNING, LLC LICENSE AGREEMENT**

This Amendment pertains to franchises sold in the State of Illinois that are subject to the Illinois Franchise Disclosure Act (the “Act”) and is for the purpose of complying with Illinois statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the License Agreement to the contrary, the Agreement is amended to include the following:

The parties to the License Agreement dated \_\_\_\_\_, \_\_\_\_\_, hereby agree that the License Agreement will be amended as follows:

1. Illinois law governs the License Agreement.
2. 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.
3. Your rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.
4. 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.
5. The following statement shall be deemed to amend the License Agreement:

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.

**LICENSOR:**

SYLVAN LEARNING, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
John McAuliffe, Chief Executive Officer

**LICENSEE:**

[\_\_\_\_\_] ,  
a [\_\_\_\_\_]

By: \_\_\_\_\_  
[\_\_\_\_\_] , its [\_\_\_\_\_]

**MARYLAND RIDER TO THE SYLVAN LEARNING, LLC LICENSE AGREEMENT**

This Amendment pertains to franchises sold in the State of Maryland that are subject to the Maryland Franchise Registration and Disclosure Law (the “Act”) and is for the purpose of complying with Maryland statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the License Agreement to the contrary, the Agreement is amended to include the following:

Franchisor and Franchisee hereby agree that the License Agreement dated \_\_\_\_\_, 20\_\_\_, will be amended as follows:

1. Whenever the provisions of this Rider conflict with provisions contained elsewhere in this License Agreement, the provisions of this Rider shall prevail to the extent of such conflict.
2. Section 9.3.9 of this License Agreement is hereby deleted in its entirety and the following is inserted in its place:

9.3.9 The transferor shall have executed a general release under seal where required, in a form satisfactory to Sylvan, of any and all claims against Sylvan, its subsidiaries, affiliates and their officers and directors, including, without limitation, claims arising under federal, state, and local laws, rules, and ordinances arising out of, or connected with, the performance of this Agreement; provided, however, any such general release executed by the licensee upon transfer of the License Agreement shall not include any waiver of rights to which the licensee may be entitled under the Maryland Franchise Registration and Disclosure Law.

3. The following statement shall be deemed to amend the License Agreement:

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.

4. Section 30 of this License Agreement is modified as described below.

a. Sections 30.2, 30.3, and 30.6 are hereby deleted in their entirety.

b. Sections 30.1 and 30.4 are hereby deleted in their entirety and replaced by the following new Sections 30.1 and 30.4:

30.1 LICENSEE HAS CONDUCTED AN INDEPENDENT INVESTIGATION OF THE BUSINESS CONTEMPLATED BY THIS AGREEMENT AND UNDERSTANDS AND ACKNOWLEDGES THAT THE SUCCESS OF THE BUSINESS VENTURE IS DEPENDENT IN PART UPON THE BUSINESS ABILITIES AND PARTICIPATION OF LICENSEE AND ITS EFFORTS AS AN INDEPENDENT BUSINESS OPERATOR. SYLVAN EXPRESSLY DISCLAIMS THE MAKING OF, AND LICENSEE ACKNOWLEDGES THAT IT HAS NOT RECEIVED OR RELIED UPON, ANY WARRANTY OR GUARANTEE, EXPRESS OR IMPLIED, AS TO THE SUITABILITY OF THE SITE AS A SUCCESSFUL LOCATION FOR THE LICENSED BUSINESS.

30.4 LICENSEE ACKNOWLEDGES THAT SYLVAN OR ITS AGENT HAS PROVIDED LICENSEE WITH A FRANCHISE DISCLOSURE DOCUMENT NOT LATER THAN THE EARLIER OF THE FIRST PERSONAL MEETING HELD TO DISCUSS THE SALE OF A LICENSE (IF LICENSEE IS IN IOWA OR NEW YORK), OR FOURTEEN (14) DAYS

BEFORE THE EXECUTION OF THIS AGREEMENT OR BEFORE ANY PAYMENT OF ANY CONSIDERATION (TEN (10) BUSINESS DAYS IF LICENSEE IS IN NEW YORK).

5. With respect to Section 30 in the License Agreement, as written in the License Agreement, and not amended by this Rider, Franchisor may review the questions and acknowledgments with you during our pre-closing meeting, and may take notes of your verbal responses for our records.

**LICENSOR:**

SYLVAN LEARNING, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
John McAuliffe, Chief Executive Officer

**LICENSEE:**

[\_\_\_\_\_] ,  
a [\_\_\_\_\_]

By: \_\_\_\_\_  
[\_\_\_\_\_] , its [\_\_\_\_\_]

**MINNESOTA RIDER TO THE SYLVAN LEARNING, LLC LICENSE AGREEMENT**

This Amendment pertains to franchises sold in the State of Minnesota that are subject to the Minnesota Franchise Act (Minn. Stat. Sec. 80C.1 et seq., the “Act”) and is for the purpose of complying with Minnesota statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the License Agreement to the contrary, the Agreement is amended to include the following:

The parties to the License Agreement dated \_\_\_\_\_, \_\_\_\_\_, hereby agree that the License Agreement will be amended as follows:

1. Whenever the provisions of this Rider conflict with provisions contained elsewhere in this License Agreement, the provisions of this Rider shall prevail to the extent of such conflict.

2. Notwithstanding the provisions of Section 11 of this License Agreement, in the event of Licensee's breach of this License Agreement, Licensor may terminate or cancel the License if (i) Licensor gives Licensee written notice setting forth all the reasons for such termination or cancellation to the Licensee at least ninety (90) days in advance of such termination or cancellation, and (ii) Licensee fails to correct the reasons stated for termination or cancellation in the notice within sixty (60) days of receipt of the notice; except that the notice shall be effective immediately upon receipt where the alleged grounds are:

- (i) Voluntary abandonment of the licensed business or license relationship by the Licensee;
- (ii) The conviction of the Licensee in a court of competent jurisdiction of an offense directly related to the business conducted pursuant to the License; or
- (iii) Failure to cure a default under the License Agreement which materially impairs the goodwill associated with the Licensor's trade name, trademark, service mark, logotype or other commercial symbol after the Licensee has received written notice to cure at least twenty-four (24) hours in advance of such termination.

3. Licensor may not terminate or cancel a License except for good cause, which shall be defined as failure by the Licensee substantially to comply with those reasonable requirements imposed by the License Agreement including, but not limited to, (1) the bankruptcy or insolvency of Licensee; (2) assignment for the benefit of creditors or similar disposition of the assets of the licensed business; (3) voluntary abandonment of the licensed business; (4) conviction or a plea of guilty or no contest to a charge of violating any law relating to the licensed business; or (5) any act by or conduct of Licensee which materially impairs the goodwill associated with the Licensor's trademark, trade name, service mark, logotype or other commercial symbol.

4. Section 3 of the License Agreement shall be amended by adding the following additional Subparagraph 3.3:

Sylvan reserves the right, in its sole discretion, to designate one or more new, modified or replacement Names or Marks for use by Licensee and to require the use by Licensee of any such new, modified or replacement Names or Marks in addition to or in lieu of any previously designated Names or Marks.

Sylvan will indemnify a Minnesota Licensee for damages for which such Licensee is held liable in any proceeding arising out of the use of the "Sylvan Learning Center" mark provided that the Licensee has used the mark properly and has notified Sylvan of any claim against the Licensee within ten days of Licensee's knowledge of such claim. Sylvan shall have sole control of any litigation involving the marks. Sylvan's indemnification obligation shall not apply to any licensee residing outside the State of Minnesota who purchases a license to be located outside of Minnesota.

5. Section 13 of the License Agreement is hereby deleted in its entirety and the following inserted in lieu thereof:

13. Remedies.

Nothing herein contained shall bar Licensor's right to seek to obtain injunctive relief against threatened conduct that may cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

6. The provisions of Section 20 of the License Agreement shall not in any way abrogate or reduce any rights of the licensee as provided for in Minnesota Statutes 1992, Chapter 80C, including the right to submit matters to the jurisdiction of the court of Minnesota.

7. Minnesota Rule 2860.4400D (the “Rule”) provides that it is unfair or inequitable to require a franchisee to assent to a release, assignment, novation or waiver that would relieve any person from liability under Minnesota Statutes. To the extent of a conflict between the Rule and any provision of the Franchise Agreement, the Rule shall prevail.

8. The following statement shall be deemed to amend the License Agreement:

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.

**LICENSOR:**

SYLVAN LEARNING, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
John McAuliffe, Chief Executive Officer

**LICENSEE:**

[\_\_\_\_\_] ,  
a [\_\_\_\_\_]

By: \_\_\_\_\_  
[\_\_\_\_\_] , its [\_\_\_\_\_]

**NEW YORK RIDER TO THE SYLVAN LEARNING, LLC LICENSE AGREEMENT**

This Amendment pertains to franchises sold in the State of New York that are subject to the New York Franchise Act (New York State General Business Law, Article 33, Sec. 680 et seq., the "Act") and is for the purpose of complying with New York statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the License Agreement to the contrary, the Agreement is amended to include the following:

The parties to the License Agreement dated \_\_\_\_\_, \_\_\_\_\_, hereby agree that the License Agreement will be amended as follows:

1. Whenever the provisions of this Rider conflict with provisions contained elsewhere in this License Agreement, the provisions of this Rider shall prevail to the extent of such conflict.

2. Notwithstanding the provisions of Section 9.3.4 of the License Agreement, the Parties agree that all rights enjoyed by the Licensee and any cause of action arising in its favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force, it being the intent of this provision that the non-waiver provisions of GBL Sections 687.4 and 687.5 be satisfied.

3. Section 20 of the License Agreement is hereby amended by adding the following additional sentence at the end thereof: "The foregoing choice of law should not be considered a waiver of any rights conferred upon Licensee by the provisions of Art. 33 of the New York G.B.L."

4. Paragraph 9.3.9 of the License Agreement is hereby deleted in its entirety and the following is inserted in its place: "The transferor shall have executed a general release under seal where required, in a form satisfactory to Sylvan, of any and all claims against Sylvan its subsidiaries, affiliates and their officers and directors, including, without limitation, claims arising under federal, state, and local laws, rules, and ordinances arising out of, or connected with, the performance of this Agreement; provided, however, that all rights enjoyed by the Franchisee and any causes of action arising in its favor from the provisions of Article 33 of the General Business Law of New York State and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of Sections 687.4 and 687.5 of the General Business Law of New York State be satisfied."

5. The first sentence of Section 11.5 of the License Agreement is amended to read: "Licensee may terminate this License Agreement for any reason by giving of a one hundred twenty (120) day written notice to Sylvan; however, the Licensee may utilize whatever legal right he may possess to suspend or discontinue operations due to a material breach by Sylvan."

6. Section 9.1 of the License Agreement is hereby amended by adding the following additional sentence at the end thereof: "Sylvan shall make a good faith effort to ascertain that any such successor or assign possesses the economic resources to fulfill Sylvan's obligations to its licensees."

**LICENSOR:**

SYLVAN LEARNING, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
John McAuliffe, Chief Executive Officer

**LICENSEE:**

[\_\_\_\_\_] ,  
a [\_\_\_\_\_]

By: \_\_\_\_\_  
[\_\_\_\_\_] , its [\_\_\_\_\_]

## NORTH DAKOTA RIDER TO THE SYLVAN LEARNING, LLC LICENSE AGREEMENT

This Amendment pertains to franchises sold in the State of North Dakota that are subject to the North Dakota Franchise Investment Law (the “Act”) and is for the purpose of complying with North Dakota statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the License Agreement to the contrary, the Agreement is amended to include the following:

The License Agreement between \_\_\_\_\_ (“Franchisee” or “You”) and \_\_\_\_\_ (“Franchisor”) dated as of \_\_\_\_\_, 20\_\_ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

1. Whenever the provisions of this Rider conflict with provisions contained elsewhere in this License Agreement, the provisions of this Rider shall prevail to the extent of such conflict.

2. To the extent that Section 12 of this License Agreement conflicts with the provisions of North Dakota law regarding restrictive covenants (N.D.C.C., Sec. 9-08-06), such restrictive covenants may not be enforceable by Sylvan, in which event Sylvan shall otherwise retain its rights and remedies at common law.

3. Section 13 is deleted and the following is substituted in lieu thereof:

13. Remedies.

Licensee acknowledges that Sylvan's remedy at law for Licensee's breach of Sections 3, 12.1 or 12.5 would be inadequate and that, accordingly, in such events, Licensor shall be entitled to immediate injunctive relief. In addition to, and not in derogation of, the right to obtain an injunction, Sylvan shall be entitled to any other legally available damages or relief.

4. The License Agreement is hereby modified to add the first paragraph below to the end of the first paragraph of Section 20 and the second paragraph below as a new second paragraph of Section 20:

"Notwithstanding the foregoing, to the extent the requirement that venue lies with courts in Texas in the event that you bring suit against Sylvan violates applicable North Dakota law, such requirement shall be void.

The parties hereto agree that it is in their best interest to resolve disputes between them in an orderly fashion and in a consistent manner. Therefore, the parties irrevocably constitute and appoint the Securities Commissioner, State of North Dakota, State Capitol, Bismarck, North Dakota 58505, to be their true and lawful agent, to receive service of any lawful process in any civil litigation or proceeding arising under this Agreement, and service upon such agent shall have the same force and validity as if personal service had been obtained on the other party; provided that notice of service and a copy of any process served shall be sent by registered or certified mail, addressed to the other party at the address specified under Section 16 hereof."

5. Section 24 of the License Agreement is amended by adding a new Section 26.14 reading as follows:

"Notwithstanding anything to the contrary in this Section 26, to the extent North Dakota law applies, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Franchise Investment Law of North Dakota or any rule or order thereunder is void."

6. The License Agreement requires the licensee to consent to a limitation of claims within one year. To the extent this requirement conflicts with North Dakota law, North Dakota law will apply.

**LICENSOR:**

SYLVAN LEARNING, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
John McAuliffe, Chief Executive Officer

**LICENSEE:**

[\_\_\_\_\_] ,  
a [\_\_\_\_\_]

By: \_\_\_\_\_  
[\_\_\_\_\_] , its [\_\_\_\_\_]

**RHODE ISLAND RIDER TO THE SYLVAN LEARNING, LLC LICENSE AGREEMENT**

This Amendment pertains to franchises sold in the State of Rhode Island that are subject to the Rhode Island Franchise Investment Act (the "Act") and is for the purpose of complying with Rhode Island statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the License Agreement to the contrary, the Agreement is amended to include the following:

The parties to the License Agreement dated \_\_\_\_\_, \_\_\_\_ hereby agree that the License Agreement will be amended as follows:

1. Whenever the provisions of this Rider conflict with provisions contained elsewhere in this License Agreement, the provisions of this Rider shall prevail to the extent of such conflict.

2. Section 20 of the License Agreement is amended by adding the following language at the end thereof:

“Notwithstanding the foregoing, to the extent Rhode Island law applies and so requires, nothing herein shall require Licensee to bring suit only in a forum outside of Rhode Island or operate to limit Licensee's rights under the Rhode Island Franchise Act.”

**LICENSOR:**

SYLVAN LEARNING, LLC,  
a Delaware limited liability company

**LICENSEE:**

[\_\_\_\_],  
a [\_\_\_\_\_]

By: \_\_\_\_\_  
John McAuliffe, Chief Executive Officer

By: \_\_\_\_\_  
[\_\_\_\_], its [\_\_\_\_\_]

**SOUTH DAKOTA RIDER TO THE SYLVAN LEARNING, LLC LICENSE AGREEMENT**

This Amendment pertains to franchises sold in the State of South Dakota that are subject to the South Dakota Franchise Investment Law (the "Act") and is for the purpose of complying with South Dakota statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the License Agreement to the contrary, the Agreement is amended to include the following:

The parties to the License Agreement dated \_\_\_\_\_, \_\_\_\_ hereby agree that the License Agreement will be amended as follows:

1. Whenever the provisions of this Rider conflict with provisions contained elsewhere in this License Agreement, the provisions of this Rider shall prevail to the extent of such conflict.

2. Notwithstanding the provision in Section 11 of the License Agreement providing that Sylvan give at least 10 days' notice of termination for monetary defaults by Licensee, Sylvan shall give Licensee a Notice of Default providing Licensee at least thirty (30) days to cure such defaults. If Licensee cures a non-payment default before the cure date stated in the Notice of Default, the Notice of Default shall no longer be effective.

3. Section 12 of the License Agreement is amended by the addition of the following language as Paragraph 12.7:

"Notwithstanding the foregoing, to the extent the provisions of Section 12 concerning restrictive covenants conflict with South Dakota law, South Dakota law shall prevail."

4. Section 13 is amended to read as follows:

"Licensee acknowledges that Licensor's remedy at law for Licensee's breach of Section 3, 12.1 or 12.5 would be inadequate and that, accordingly, in such events, Licensor shall be entitled to immediate injunctive relief. In addition to, and not in derogation of, the right to obtain an injunction, Licensor shall be entitled to any damages available under the law."

5. Section 20 of the License Agreement is amended by the addition of the following language at the end of it:

"Notwithstanding the foregoing, (i) the law regarding license registration, employment, covenants not to compete, and other matters of local concern will be governed by the laws of the State of South Dakota; but as to contractual and other matters, this Agreement and all provisions of this instrument will be and remain subject to the application, construction, enforcement, and interpretation under the governing law of the State of Texas; and (ii) any provision which designates jurisdiction or venue or requires the licensee to agree to jurisdiction or venue in a forum outside of South Dakota is void with respect to any cause of action which is otherwise enforceable in South Dakota."

6. Every contract in which the amount of damage or compensation for breach of an obligation is determined in anticipation thereof is void to that extent except the parties may agree therein upon an amount presumed to be the damage for breach in cases where it would be impractical or extremely difficult to fix actual damages. SDCL 53-9-5.

**LICENSOR:**

SYLVAN LEARNING, LLC,  
a Delaware limited liability company

**LICENSEE:**

[\_\_\_\_],  
a [\_\_\_\_\_]

By: \_\_\_\_\_  
John McAuliffe, Chief Executive Officer

By: \_\_\_\_\_  
[\_\_\_\_], its [\_\_\_\_\_]

**VIRGINIA RIDER TO THE SYLVAN LEARNING, LLC LICENSE AGREEMENT**

This Amendment pertains to franchises sold in the State of Virginia that are subject to the Virginia Retail Franchising Act (the “Act”) and is for the purpose of complying with Virginia statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the License Agreement to the contrary, the Agreement is amended to include the following:

The parties to the License Agreement dated \_\_\_\_\_, \_\_\_, hereby agree that the License Agreement will be amended as follows:

1. Whenever the provisions of this Rider conflict with provisions contained elsewhere in this License Agreement, the provisions of this Rider shall prevail to the extent of such conflict.

2. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

“According to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.”

3. The following statement shall be deemed to amend the License Agreement:

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.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective as of the Effective Date.

**LICENSOR:**

SYLVAN LEARNING, LLC,  
a Delaware limited liability company

**LICENSEE:**

[\_\_\_\_\_] ,  
a [\_\_\_\_\_]

By: \_\_\_\_\_  
John McAuliffe, Chief Executive Officer

By: \_\_\_\_\_  
[\_\_\_\_\_] , its [\_\_\_\_\_]

**WASHINGTON ADDENDUM TO THE LICENSE AGREEMENT, ACKNOWLEDGEMENT AND REPRESENTATIONS STATEMENT, AND RELATED AGREEMENTS**

This Amendment pertains to franchises sold in the State of Washington that are subject to the Washington Franchise Investment Protection Act (the “Act”) and is for the purpose of complying with Washington statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the License Agreement to the contrary, the Agreement is amended to include the following:

The parties to the License Agreement dated \_\_\_\_\_, \_\_\_\_ hereby agree that the License Agreement will be amended as follows:

Notwithstanding anything to the contrary contained in the License Agreement, to the extent that the License Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

RCW 19.100.180 may supersede the License Agreement in your relationship with the licensor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the License Agreement in your relationship with the licensor including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator at the time of arbitration. In addition, if litigation is not precluded by the franchise agreement, a licensee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

A release or waiver of rights executed by a licensee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the licensor’s reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee’s earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor’s earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the License Agreement or elsewhere are void and unenforceable in Washington.

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.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective as of the Effective Date.

**LICENSOR:**

SYLVAN LEARNING, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
John McAuliffe, Chief Executive Officer

**LICENSEE:**

[\_\_\_\_\_] ,  
a [\_\_\_\_\_]

By: \_\_\_\_\_  
[\_\_\_\_\_] , its [\_\_\_\_\_]

**SYLVAN LEARNING® AND SYLVANSYNC®  
LICENSE AGREEMENT**

**ATTACHMENT A**

**TERRITORY**

Section 1.3 The boundaries of the Territory include the following portions of the zip codes and the map, where boundaries of the map control if there is a conflict with the zip codes: .

[To Be Attached.]

Section 1.6 Primary Center address:

Section 1.7 Additional Center address, if applicable:

IN WITNESS WHEREOF, the undersigned, intending to be legally bound, have executed this Attachment A to be effective as of the Effective Date.

**LICENSOR:**

SYLVAN LEARNING, LLC,  
a Delaware limited liability company

**LICENSEE:**

a , limited liability company

By: \_\_\_\_\_  
John McAuliffe, Chief Executive Officer

By: \_\_\_\_\_  
, its Member

**SYLVAN LEARNING® AND SYLVANSYNC®  
LICENSE AGREEMENT**

**ATTACHMENT B**

**LICENSEE’S OWNERS AND KEY PERSONNEL**

- A. The following is a list of all shareholders, partners, members, or other investors owning a direct or indirect interest in the Licensee (“Owners”), and a description of the nature of their interest, each of whom shall execute the Undertaking and Guaranty substantially in the form set forth in Attachment C to the License Agreement:

NAME, ADDRESS, TELEPHONE NUMBER, AND EMAIL	OWNERSHIP INTEREST IN LICENSEE	NATURE OF INTEREST
	%	
	%	
	%	
	%	
	%	
	%	

- B. The following is a list of all of Licensee’s Owners and key personnel, each of whom shall execute the Confidentiality Agreement and Non-Competition Agreement substantially in the form set forth in Attachment D to the License Agreement:

NAME, ADDRESS, TELEPHONE NUMBER, AND EMAIL	POSITION

- C. Licensee’s Managing Principal is: .  
Telephone Number: .  
Email Address: .
- D. Licensee represents to Licensor that the persons identified in this Attachment B, Sections A and B reflect a true and correct listing of the shareholders, partners, members, or other persons/companies owning a direct or indirect interest in the Licensee and a true and correct description of the nature of their interest.

**LICENSEE:**

a limited liability company

By: \_\_\_\_\_,  
its Member

**SYLVAN LEARNING® AND SYLVANSYNC®  
LICENSE AGREEMENT**

**ATTACHMENT C**

**UNDERTAKING AND GUARANTY**

By virtue of executing a Sylvan License Agreement (“License Agreement”) dated , (“Licensee”) has acquired the right and franchise from Sylvan Learning, LLC (“Licensor”) to establish and operate a SYLVAN and SYLVANSYNC licensed business (“Licensed Business”) and the right to use in the operation of the Licensed Business the Licensed Marks and the Sylvan System, as they may be changed, improved, and further developed from time-to-time in Licensor’s sole discretion. Terms not defined herein have the same meaning as defined in the License Agreement.

Pursuant to the terms and conditions of the License Agreement, each of the undersigned hereby acknowledges and agrees as follows:

1. I have read the terms and conditions of the License Agreement and acknowledge that the execution of this Undertaking and Guaranty and the undertakings of the Owners in the License Agreement are in partial consideration for, and a condition to, the granting of the rights under the License Agreement. I understand and acknowledge that Licensor would not have granted such rights without the execution of this Undertaking and Guaranty and the other undertakings of the Owners in the License Agreement.
2. I own a beneficial interest in the Licensee, and I am included within the term “Owner” as defined in the License Agreement.
3. I, individually and jointly and severally with the other Owners, hereby make all of the covenants, representations, warranties, and agreements of the Owners set forth in the License Agreement, and agree that I am obligated to and will perform thereunder, including, without limitation, the provisions regarding the use of confidential information in Article 4, compliance with the License Agreement and standards of operation in Article 7, the transfer provisions in Article 9, the restrictive covenants in Article 12, the indemnification obligations in Article 14, the choice of law and venue provisions in Article 21, and dispute resolution provisions in Article 23.
4. I, individually and jointly and severally with the other Owners, unconditionally and irrevocably guarantee to Licensor and its successors and assigns that all obligations of the Licensee under the License Agreement will be punctually paid and performed. Upon default by the Licensee or upon notice from Licensor, I will immediately make each payment and perform each obligation required of the Licensee under the License Agreement. Without affecting the obligations of any Owner under this or any other Undertaking and Guaranty, Licensor may, without notice to any Owner, waive, renew, extend, modify, amend, or release any indebtedness or obligation of the Licensee or settle, adjust, or compromise any claims that Licensor may have against the Licensee. I waive all demands and notices of every kind with respect to the enforcement of this Undertaking and Guaranty, including notices of presentment, demand for payment or performance by the Licensee, any default by the Licensee or any guarantor, and any release of any guarantor or other security for this Undertaking and Guaranty or the obligations of the Licensee. Licensor may pursue its rights against me without first exhausting its remedies against the Licensee and without joining any other guarantor and no delay on the part of Licensor in the exercise of any right or remedy will operate as a waiver of the right or remedy, and no single or partial exercise by Licensor of any right or remedy will preclude the further exercise of that or any other right or remedy. Upon Licensor’s receipt of notice of the death of any Owner, the estate of the deceased will be bound by the foregoing Undertaking and Guaranty, but only for defaults and obligations under the License Agreement existing at the time of death, and in that event, the obligations of the Owners who survive such death will continue in full force and effect.
5. No modification, change, impairment, or suspension of any of Licensor’s rights or remedies shall in any way affect any of my obligations under this Undertaking and Guaranty. If the Licensee has pledged other security or if one or more other persons have personally guaranteed performance of the Licensee’s obligations, I agree that Licensor’s release of such security will not affect my liability under this Undertaking and Guaranty.
6. I agree that any notices required to be delivered to me will be deemed delivered at the time delivered by hand; at the time delivered through e-mail; one Business Day after delivery by Express Mail or other recognized, reputable overnight courier; or three Business Days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to the address identified on the signature line below. I may change this address only by delivering to Licensor written notice of the change.

7. I understand that Licensor’s rights under this Undertaking and Guaranty shall be in addition to, and not in lieu of, any other rights or remedies available to Licensor under applicable law.

8. I agree to be bound individually to all of the provisions of the License Agreement including, without limitation, the litigation and dispute resolution provisions set forth in Article 23 and I irrevocably submit to the jurisdiction of the state and federal courts serving the judicial district in which Licensor’s principal headquarters are located at the time litigation is commenced. I hereby irrevocably submit to the exclusive jurisdiction of such courts and specifically waive any objection I may have to either the jurisdiction or exclusive venue of such courts.

9. **I WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, INVOLVING LICENSOR, WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THE LICENSE AGREEMENT, THE PERFORMANCE OF ANY PARTY UNDER THE LICENSE AGREEMENT, AND/OR THE OFFER OR GRANT OF THE FRANCHISE.**

10. This Agreement shall be construed under the laws of the State of Texas. The only way this Agreement can be changed is in writing signed by Licensor. Any capitalized terms contained in but not defined by this Guaranty and Personal Undertaking shall have the same meaning prescribed to that word in the License Agreement.

11. Should this Agreement be signed or endorsed by more than one person or entity, all of the obligations herein contained shall be considered the joint and several obligations of each signatory.

IN WITNESS WHEREOF, the undersigned, intending to be legally bound, has executed this Undertaking and Guaranty to be effective on the day and year first written above.

**OWNER**

_____	_____
_____	_____
_____	_____

**SYLVAN LEARNING® AND SYLVANSYNC®  
LICENSE AGREEMENT**

**ATTACHMENT D**

**CONFIDENTIALITY AND NON-COMPETITION AGREEMENT**

In consideration of my being an Owner of [ ] (“Licensee”) and by virtue of executing a Sylvan Learning® and SylvanSync® License Agreement dated [ ] (“License Agreement”) and this Confidentiality and Non-Competition Agreement (herein, “Agreement”), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree as follows:

1. Through the License Agreement, Licensee has acquired the right and license from SYLVAN LEARNING, LLC (“Licensor”) to establish and operate a Sylvan Learning® and SylvanSync® license facility (“Licensed Business”) and the right to use in the operation of the Licensed Business the Licensed Marks and the Sylvan System, as they may be changed, improved, and further developed from time-to-time in Licensor’s sole discretion.
2. Licensor possesses certain proprietary and confidential information, knowledge, elements, and know-how which is utilized in the operation of the Sylvan System, including, without limitation, the Confidential Operations Manual, proprietary products and services, intellectual property, confidential information and other techniques and know-how which concerns Licensor’s systems of operation, programs, services, products, customers, practices, materials, books, records, financial information, manuals, computer files, databases, or software, as further described in the License Agreement.
3. In addition to the Confidential Information identified in the License Agreement, any and all manuals, trade secrets, copyrighted materials, methods, information, knowledge, know-how, and techniques which Licensor specifically designates as confidential shall be deemed to be “Confidential Information” for purposes of this Agreement.
4. I acknowledge that, in my position with the Licensee, Licensor and Licensee have or will furnish me with valuable specialized training and will disclose Confidential Information to me in furnishing to me the training program and subsequent ongoing training and other general assistance during the term of this Agreement.
5. I will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Licensed Business during the term hereof, and I acknowledge that the use or duplication of the Confidential Information for any use outside the Sylvan System would constitute an unfair method of competition.
6. The Confidential Information is proprietary, involves trade secrets of Licensor, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information and all other information designated by Licensor as confidential. Unless Licensor otherwise agrees in writing, I will not disclose and/or use the Confidential Information except in connection with the operation of the Licensed Business as an Owner of the Licensee, and then only in strict compliance with the Confidential Operations Manual and Sylvan System and only to such employees having a need to know; I will not directly or indirectly imitate, duplicate, or “reverse engineer” any Confidential Information or any other information designated by Licensor as confidential or aid any third party in such actions; and I will continue not to disclose and/or use any Confidential Information or any other information designated by Licensor as confidential even after I cease to be in that position unless I can demonstrate that such information has become generally known or easily accessible other than by the breach of an obligation of Licensee under the License Agreement.
7. Except as otherwise approved in writing by Licensor, I will not (either directly or indirectly, for myself or through, on behalf of, or in conjunction with any person, or legal entity) at any time while I am the Owner of, employed by, or associated with the Licensee, or at any time during the uninterrupted two (2)-year period (which will be tolled during any period of noncompliance) after I cease to be the Owner of, employed by, or associated with the Licensee (or the two (2)-year period after the expiration or earlier termination of the License Agreement, whichever occurs first):

- (a) Divert or attempt to divert any present or prospective customer of any Sylvan Learning® and SylvanSync® business to any Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act that is harmful, injurious, or prejudicial to the goodwill associated with the Licensed Marks and the Sylvan System defined and described in the License Agreement; or
- (b) Own, maintain, advise, operate, engage in, be employed by, make loans to, invest in, provide any assistance to, or have any direct or indirect interest in (as owner or otherwise) or relationship or association with, any Competitive Business other than Sylvan Learning® and SylvanSync® businesses pursuant to a then-currently effective License Agreement with Licensor. While I am the Owner of, employed by, or associated with the Licensee, this restriction shall apply to any location within the United States, its territories or commonwealths, and any other country, province, state, or geographic area in which Licensor or its Affiliates have used, sought registration of, or registered the Licensed Marks or similar marks, or have operated or licensed others to operate a business under the Sylvan System or the Licensed Marks or similar marks. After I cease to be the Owner of, employed by, or associated with the Licensee (or after the expiration or earlier termination of the License Agreement, whichever occurs first), this restriction shall apply to any Competitive Business that either: (i) fifty (50) miles from the Territory boundary or less than twenty-five (25) miles from any other corporate-affiliate-owned or licensee-owned Sylvan Learning Center business, other than as an authorized licensee of another Sylvan System and/or SylvanSync licensed business in existence or under development at the time of such termination or transfer; or (ii) delivers services through the internet or mobile channels to customers within a 25-mile radius of the Sylvan Learning Center business.

I acknowledge that for purposes of this Agreement, “Competitive Business” means any business or enterprise that is the same or similar to Sylvan Learning® and SylvanSync® businesses, including without limitation any business or enterprise, franchised or non-franchised, that operates or grants franchises or licenses for the operation of any educational business offering individualized diagnostic tests or academic or prescriptive educational programs which are designed to be taught, supervised, or administered by trained instructors, or in any educational business offering programs or services competitive with programs or services available at any Sylvan Learning® and SylvanSync® business.

- 8. I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an un-appealed final decision to which Licensor is a party, I expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.
- 9. I understand and acknowledge that Licensor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof, and I agree to comply forthwith with any covenant as so modified.
- 10. Licensor is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Licensee. I am aware that my violation of this Agreement will cause Licensor and the Licensee irreparable harm; therefore, I acknowledge and agree that the Licensee and/or Licensor may apply for the issuance of an injunction preventing me from violating this Agreement, and I agree to pay the Licensee and Licensor all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to the Licensee and Licensor, any claim I have against the Licensee or Licensor is a separate matter and does not entitle me to violate or justify any violation of this Agreement.
- 11. This Agreement shall be construed under the laws of the State of Texas. The only way this Agreement can be changed is in writing signed by both the Licensee and me. Any capitalized terms contained in but not defined by this Confidentiality and Non-Competition Agreement shall have the same meaning prescribed to that word in the License Agreement.

12. With respect to all claims, controversies and disputes, I irrevocably consent to personal jurisdiction and submit myself to the jurisdiction of the federal and state courts serving the judicial district in which Licensor's principal headquarters are located at the time litigation is commenced. I hereby irrevocably submit to the exclusive jurisdiction of such courts and specifically waive any objection I may have to either the jurisdiction or exclusive venue of such courts. Further, I acknowledge that this Agreement has been entered into in the State of Texas, and that I am to receive valuable information emanating from Licensor's headquarters in Bedford, Texas. In recognition of the information and its origin, I hereby irrevocably consent to the personal jurisdiction of the state and federal courts of Texas. Notwithstanding the foregoing, I acknowledge and agree that Licensor may bring and maintain an action against me in any court of competent jurisdiction for injunctive or other extraordinary relief against threatened conduct that will cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary and permanent injunctions.

13. **I WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, INVOLVING LICENSOR, WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE LICENSE AGREEMENT, THE PERFORMANCE OF ANY PARTY UNDER THE LICENSE AGREEMENT, AND/OR THE OFFER OR GRANT OF THE LICENSE.**

14. Should this Agreement be signed or endorsed by more than one person or entity, all of the obligations herein contained shall be considered the joint and several obligations of each signatory.

IN WITNESS WHEREOF, the undersigned, intending to be legally bound, have executed this Confidentiality and Non-Competition Agreement to be effective on the day and year first written above.

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

**ACKNOWLEDGED BY LICENSEE:**

a \_\_\_\_\_, limited liability company

By: \_\_\_\_\_  
\_\_\_\_\_, its Member

**SYLVAN LEARNING® AND SYLVANSYNC®  
LICENSE AGREEMENT**

**ATTACHMENT E**

Acknowledgment of Request to Contribute to Advertising Cooperative

**Licensee:**

**License Agreement and Center #:**

1. Recitals:

- a) A local advertising cooperative (the “Co-op”) may exist in Licensee’s Direct Marketing Area (“DMA”), having as its purpose, among others, the joint funding of advertising purchases to market the services of Sylvan Network licensed businesses in the DMA.
- b) Pursuant to Paragraph 7.8.2 of the License Agreement, upon Sylvan’s request, Licensee shall contribute to such Co-op in accordance with the terms and conditions of Licensee’s License Agreement.

2. Request to Participate:

Pursuant to Paragraph 7.8.2 of the License Agreement, Sylvan Learning, LLC hereby requests that Licensee contribute to such Co-op in accordance with the terms and conditions of Licensee’s License Agreement.

3. Contribution Alternatives:

Licensee acknowledges that Sylvan has requested that it make a monthly contribution to the Co-op, pursuant to either one of the following funding alternatives:

Alternative A: Monthly contribution on the same basis as a majority of other Co-op members;

Alternative B: 8% of Licensee’s Gross Revenues, such funding not to exceed the maximum of Forty Thousand Dollars (\$40,000) in each calendar year, as more extensively described in Paragraph 7.8.1 of the Agreement.

4. Licensee acknowledges that it has read this form and understands that Sylvan has requested that Licensee contribute to the Co-op in Licensee’s DMA. Licensee understands that it is not making a contribution election by executing this document.

**LICENSEE:**

a     , limited liability company

By: \_\_\_\_\_  
          , its Member

**SYLVAN LEARNING® AND SYLVANSYNC®  
LICENSE AGREEMENT**

**ATTACHMENT F**

Contact Center  
[New] Licensee Participation Agreement

This Contact Center Licensee Participation Agreement (the “Agreement”) is entered into as of \_\_\_\_\_ (the “Effective Date”) by and between Sylvan Learning, LLC (“Sylvan”), a Delaware limited liability company, with a principal place of business at 2350 Airport Freeway, Suite 505, Bedford, TX 7602, and \_\_\_\_\_ (“Licensee”), with a principal place of business at \_\_\_\_\_, Center #: AgrmtNo., Payment Option (Model A or B): \_\_\_\_\_.

WHEREAS, Sylvan is a leading provider of remedial, enrichment and test preparation tutoring services to students in Kindergarten through Grade 12 through a network of independent franchisees; and

WHEREAS, Sylvan has entered into an agreement (the “Master Services Agreement”) with WSOL, LLC (“Working Solutions”), under which Working Solutions shall provide contact center services (“Services”) to participating Sylvan franchisees, including Licensee; and

WHEREAS, Licensee is an independent licensee of Sylvan authorized to provide Sylvan services and programs in one (1) or more licensed Territory or Territories, pursuant to one (1) or more Sylvan License Agreement(s) (the “License Agreement(s)”), as set forth in Attachment A, which is attached hereto and incorporated herein by reference;

WHEREAS, Licensee desires to have Working Solutions provide Services on its behalf in connection with certain Sylvan Learning Centers (each a “Participating Center” and, collectively, the “Participating Centers”) within the Territory or Territories, such Participating Center(s) listed on Attachment A to this Agreement, pursuant to the terms and conditions contained herein.

NOW, THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

- Services.** During the Term hereof, Sylvan shall cause Working Solutions to provide, on behalf of Licensee for the Territories and Participating Center(s) set forth in this Agreement, the Services specified in Attachment A which is attached hereto and incorporated herein by reference, and which may be revised from time to time as indicated in Sylvan’s operations manual or other written notice. Licensee acknowledges that Working Solutions is responsible for all Services; Sylvan assumes no liability hereunder for any failure by Working Solutions to perform the Services.
- Payment; Billing.** Licensee shall select one of the two payment options set forth below each Participating Center by selecting the full-service (low variable fee) option (“Model A”), or the full service (low fixed fee) option (“Model B”) as indicated in the header of this Agreement:

<b>Fee Type</b>	<b>Model A - Low Variable Fee</b>	<b>Model B – Low Fixed Fee</b>
<b>Flat Fee</b>	<b>\$700 per Month</b>	<b>\$350 per Month</b>
<b>Variable Fee</b>	<b>\$10 per Inquiry</b>	<b>\$30 per Inquiry</b>

Licensee shall have the option to modify its selection one (1) time for each Participating Center during the Initial Term hereof by providing thirty (30) days’ prior written notice to Sylvan. Licensee may elect to add one (1) or more Center(s) to participate to receive Services pursuant to this Agreement after the Effective Date hereof by providing thirty (30) days’ prior written notice to Sylvan (email notice shall be deemed sufficient). Sylvan shall invoice Licensee monthly for Services provided to each Participating Center under this Agreement during any portion of the preceding month; Sylvan shall not prorate the payments due under any circumstances. Payments shall be due in accordance with Licensee’s obligations concerning payment of accounts as set forth in the License Agreement(s).

If Licensee closes one (1) or more of the Participating Centers during the Term hereof, Licensee shall provide at least ninety (90) days’ prior written notice to Sylvan and Working Solutions prior to such closure(s), and Licensee shall not be invoiced for Services following the month that such Participating Center(s) closed. For avoidance of doubt, Licensee shall be responsible for all amounts billed through the time of closure.

If Licensee fails to provide such notice as required above, and Sylvan terminates Licensee’s License Agreement(s) as a result of such closure(s), Licensee shall be charged an “Early Termination Fee” equal to the sum of the payments

owed by Licensee under this Agreement for each such closed Participating Center during the two (2) months preceding the closure(s).

3. **Term.** Unless terminated earlier pursuant to the provisions of this Agreement, the term of this Agreement shall commence on the Effective Date and terminate after the expiration of twelve (12) months (the “Initial Term”). This Agreement may be renewed at the parties’ discretion by mutual written agreement; provided, however, that this Agreement shall automatically renew in twelve-month increments if either party does not provide notice of its intention not to renew prior to the expiration of the Initial Term or any then-current renewal term. The Initial Term and any renewal terms of this Agreement shall collectively be referred to as the “Term” of this Agreement.

4. **Termination.**

a) **Termination of License Agreement.** This Agreement shall automatically terminate in the event that Licensee’s License Agreement(s) is or are terminated. If Licensee retains at least one (1) of the License Agreements following the termination of one (1) or more other License Agreement(s), then this Agreement shall remain in full force and effect as it pertains to Licensee’s remaining Territory or Territories.

b) **Termination of Master Services Agreement.** This Agreement shall automatically terminate in the event that the Master Services Agreement is terminated, and Sylvan does not transfer the rights and obligations of Working Solutions to an alternative third-party contact center services provider. Sylvan agrees to provide Licensee with as much notice as practicable in the event that the Master Services Agreement is terminated.

c) **Termination for Convenience.** Licensee may not terminate this Agreement during the Initial Term hereof. Thereafter, during any renewal term, Licensee may terminate this Agreement for convenience by providing Sylvan with thirty (30) days’ prior written notice.

d) **Termination by Sylvan.** Sylvan shall have the right at any time during the Term of this Agreement, upon at least one (1) day’s prior written notice to Licensee, to discontinue the Services provided by Working Solutions and to terminate this Agreement.

5. **Agave Pay Gateway Prerequisite.** Licensee must set up and enable an Agave Pay online payment gateway account for each Participating Center pursuant to a separate agreement between Licensee and Agave Pay in order for Working Solutions to provide Services to the Participating Center(s). Licensee must comply with all modifications to Sylvan’s standards, specifications, and systems upon thirty (30) days’ prior written notice.

6. **Monthly Survey.** Sylvan may require Licensee to take an online satisfaction survey (the “Survey”) each month regarding the Services received by Licensee under this Agreement for the previous month in connection with each Participating Center. The Survey may be accessible by a hyperlink delivered by Sylvan to Licensee via email, or via the Sylvan Advisor website, at Sylvan’s sole discretion. Sylvan intends to use the results of the Survey to improve the quality of the Services delivered by Working Solutions (or any alternative third-party contact center services provider) to Licensee. Licensee must complete and submit the Survey to Sylvan within ten (10) days of the date that Sylvan opens the Survey to Licensee and notifies Licensee in writing that the Survey is ready. Licensee, or an employee of Licensee acting on Licensee’s behalf, must submit to Sylvan a separate Survey for each Participating Center enrolled under this Agreement. Failure to timely complete and submit the Survey for each Participating Center shall constitute a material breach of this Agreement.

7. **No Guarantee or Warranty.** SYLVAN DOES NOT GUARANTY OR WARRANT THAT THE SERVICES PROVIDED BY WORKING SOLUTIONS WILL RESULT IN ANY MINIMUM VOLUME OF SALES OR ANY MINIMUM NUMBER OF CONVERSIONS FROM CALLS TO SALES, NOR THAT WORKING SOLUTIONS WILL BE ABLE TO RESOLVE ALL ISSUES PRESENTED BY FRANCHISEES. EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT, ALL SERVICES ARE BEING PROVIDED BY WORKING SOLUTIONS “AS IS.” SYLVAN EXPRESSLY DISCLAIMS ALL REPRESENTATIONS, WARRANTIES, AND CONDITIONS, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OR CONDITIONS OF MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE.

8. **Exclusive Remedy.** Licensee’s exclusive remedy against Sylvan relating to the performance of Services hereunder by Working Solutions shall be the right to terminate this Agreement in accordance with Paragraph 4(c) above.

9. **Default.** A breach by Licensee of any of its obligations set forth in this Agreement shall constitute a default by Licensee under the License Agreement(s).

10. **Licensee Cooperation.** Licensee acknowledges that Sylvan shall manage the relationship between Licensee and Working Solutions, or any alternative third-party contact center services provider. Notwithstanding the foregoing, Licensee agrees to cooperate with Working Solutions in the performance of this Agreement and agrees to provide Working Solutions with all information reasonably necessary for Working Solutions to provide Services on behalf of Licensee.

11. **Notice.** Any notice from Sylvan to Licensee, or from Licensee to Sylvan, shall be deemed duly served if delivered, mailed, or sent in accordance with the terms set forth in the License Agreement(s), or if sent by email, provided that the delivery and receipt of such email is confirmed by recipient or recipient's email system.

12. **Assignment.** This Agreement shall not be assigned by Licensee without the prior written consent of Sylvan. If Licensee transfers its Sylvan Learning business(es) to a third-party purchaser approved by Sylvan, such third-party purchaser shall assume Licensee's rights and obligations under this Agreement for the remainder of the Term hereof. This Agreement may be assigned by Sylvan to Sylvan's successor or to any subsidiary or affiliate of Sylvan and their respective successors. Licensee acknowledges that Sylvan may also transfer the rights and obligations of Working Solutions hereunder to a separate third-party contact center services provider in the event that Working Solutions fails to meet its obligations to Sylvan under the Master Services Agreement; provided, however, that such alternative third-party services provider shall be obligated to perform at a minimum the obligations set forth in Attachment A hereto, and to meet or exceed the service levels outlined in Attachment A hereto. Sylvan shall provide notice to Licensee of the migration to the alternative third-party contact center services provider as soon as is practicable.

13. **Integration.** This Agreement constitutes the entire agreement between the parties related to the subject matter hereof and supersedes all prior agreements and understandings. This Agreement may be amended or modified only in writing executed by both parties.

14. **Binding Agreement.** This Agreement shall inure to the benefit of, and be binding on Sylvan's and Licensee's respective heirs, executors, administrators, successors, and assigns.

15. **Litigation.** If Sylvan or Licensee brings an action in connection with, or to enforce its rights under, this Agreement, such litigation shall be brought in accordance with the venue provisions set forth in the License Agreement(s).

16. **Waiver.** No delay or omission on the part of any party hereto in exercising any right hereunder shall operate as a waiver of such right or any other right under this Agreement.

17. **Headings.** The Article and Section headings used herein are for reference and convenience only and shall not limit or control any term or provision of this Agreement or the interpretation or construction thereof.

18. **Applicable Law.** This Agreement shall be deemed to be entered into and shall be interpreted and construed in accordance with the internal laws of the State of Texas, without giving effect to its conflict of laws rules.

19. **Attachments.** All schedules, attachments, or attachments, if any, referred to in or attached to this Agreement are and shall be deemed to be an integral part of this Agreement as if fully set forth herein.

20. **Signatures.** A faxed, photocopied, scanned-in PDF format, or electronic signature shall have the same effect for all purposes as an ink-signed original.

IN WITNESS WHEREOF, the parties have hereunto set their hands on the date(s) set forth below.

**LICENSOR:**

SYLVAN LEARNING, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
John McAuliffe, Chief Executive Officer

**LICENSEE:**

,  
a limited liability company

By: \_\_\_\_\_  
, its Member

## ATTACHMENT A to CONTACT CENTER PARTICIPATION AGREEMENT

WORKING SOLUTIONS will provide Licensee with the following baseline services:

- **Telephone Number Provision** – WORKING SOLUTIONS will provide local telephone number(s) to Licensee for each Participating Center. Licensee must use and advertise the telephone number(s) provided by WORKING SOLUTIONS as its inquiry telephone number on any marketing media controlled by the Licensee.
- **Inbound Inquiry Handling** - WORKING SOLUTIONS will handle inbound calls and web-form inquiries from consumers.
- **Web-form Follow-up** – WORKING SOLUTIONS will follow-up via telephone with consumers who submit inquiries via web-form.
- **Outbound Follow-Up Calls** - WORKING SOLUTIONS will make consistent outbound follow-up calls to reach each consumer within a specified period of time from consumer’s initial inquiry (the “Response Period”). If WORKING SOLUTIONS is unable to reach a consumer within the Response Period, WORKING SOLUTIONS will provide consumer’s information to Licensee to allow Licensee to reach out to consumer directly. WORKING SOLUTIONS will not contact consumer following transfer of consumer’s information to Licensee.
- **Disposition Reporting** – WORKING SOLUTIONS will provide to Sylvan data containing the disposition of each inbound call, web-form, and email contact following the expiration of the applicable Response Period for each inquiry handled by WORKING SOLUTIONS. Sylvan will provide to Licensee, via SLCLink, a report concerning the disposition of contacts related to its Participating Center(s).
- **Call Recordings** – WORKING SOLUTIONS will provide Sylvan with access to recordings of all calls between agents and consumers. Sylvan will provide Licensee with access to all call recordings related to its Participating Center(s) for thirty (30) days from the date of the call.

### **Hours of Operation**

#### **Normal Hours:**

Dedicated Agent Services: Monday through Friday, 8:00 a.m. – 8:00 p.m., and Saturday 8:00 a.m. - 12:00 p.m. (local time of the applicable Territory)

#### **Holiday Hours:**

WORKING SOLUTIONS may be closed during normal operating hours on the following Holidays: New Year’s Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Eve, Christmas Day, and New Year’s Eve; if so, WORKING SOLUTIONS will provide a closed message announcement and voicemail box to be used in connection with all inbound calls.

### **Facilities**

Services are to be provided from WORKING SOLUTIONS’ facilities and other remote locations, as designated by WORKING SOLUTIONS.

**Pursuant to the Master Services Agreement between WORKING SOLUTIONS and Sylvan, WORKING SOLUTIONS shall comply with the following service levels (to be measured monthly by Sylvan):**

- *Percentage of calls answered within 20 seconds > 80%*
- *Average abandonment rate of all Sylvan calls <5%*
- *Forced Busies or disconnects = 0*
- *Average time on-hold of all Sylvan calls = 20 seconds*
- *Web-form response time < 15 minute*

**SYLVAN LEARNING® AND SYLVANSYNC®  
LICENSE AGREEMENT**

**ATTACHMENT G**

**SylvanSync Software License Agreement and Terms of Use**



**SYLVANSYNC EDUCATIONAL SOFTWARE**

**License and Terms of Use Agreement**

**Parties: Sylvan Learning, LLC, as “Licensor,” and  
\_\_\_\_\_, as “Licensee”**

**IMPORTANT - READ CAREFULLY: This License and Terms of Use (this “License”) sets forth the rights and obligations of a Sylvan licensee (“Franchisee” or “Licensee”) and of each guarantor (the “Guarantors,” collectively with Licensee, “You” or “Your”) of Licensee’s obligations pursuant to a License Agreement between the Licensee and Sylvan (“License Agreement”), on the one hand and Sylvan Learning, LLC (“Sylvan”), on the other hand, for the license of Sylvan’s proprietary educational software for use in connection with delivering SylvanSync services (“SylvanSync Services”), installed on servers and/or on computer systems, and any associated user manuals and other explanatory documentation or materials, regardless of form or media, (all of the foregoing, including all versions thereof and modifications thereto, are collectively referred to as the “Software”), and the terms governing Your use of the Software.**

**1. LICENSE GRANT.** Sylvan hereby grants You, as an active Sylvan and SylvanSync franchisee, limited rights (the “Grant”) to use the Software solely for the operation of your Sylvan Learning business. The Software is licensed, not sold. Any third-party components embedded, included or otherwise provided with the Software that may be used when accessing or using the Software are also subject to the terms of this License.

**2. LICENSE RESTRICTIONS.** The License granted in Section 1 above is subject to the following restrictions. You may not: (a) copy all or any part of the Software; (b) permit use of the Software other than for its designated purpose, such prohibited uses to include, without limitation, use of the Software to sell or provide tutoring services except in the operation of SylvanSync Services in connection with your Sylvan Learning Center business in accordance with your Sylvan and SylvanSync franchise License Agreement (the “License Agreement”); (c) copy the Software, other than to make one copy of the Software for archival purposes; (d) sell, give, or otherwise distribute the Software to a third party; (e) separate the components of the Software for use individually or separately from the Software as a whole; (f) transfer, modify, reverse engineer, decompile, or disassemble the Software; (g) create derivative works or reduce the object code of the Software to human readable form; (h) sell, rent, lease, lend, distribute, market or create a lien or security interest against the Software; (i) transfer all or any part of Your rights under this License; or (j) remove any copyright, trademark or other proprietary or confidentiality notices, labels or markings. If Sylvan has provided the Software to You for evaluation and testing purposes, whether a pre-release or commercial version, You may only use the Software to determine its compatibility and/or feasibility of use for the evaluation period designated by Sylvan.

You may make one copy of the written documentation that accompanies the Software in support of authorized use of the Software. You may make one archival copy of the Software.

**3. RESERVATION OF RIGHTS/OWNERSHIP CONCERNING THE SOFTWARE. ALL RIGHTS NOT EXPRESSLY GRANTED HEREIN ARE RESERVED BY SYLVAN.** The Software is protected by all United States and international patent and copyright laws and treaties, as well as all other intellectual property laws and

treaties. All title, copyrights, patent and other proprietary rights, including trade secrets rights, in and to the Software and all accompanying materials, and any copies thereof in any media or format are owned by Sylvan, its designees or suppliers, as applicable. **YOU MAY NOT COPY ANY PART OF THE SOFTWARE OR TRANSFER THE SOFTWARE TO ANOTHER COMPUTER OR NETWORK.**

**4. TERM AND TERMINATION.** Unless earlier terminated in accordance with this License, the term of this License shall be coterminous with Your License Agreement, after which time this License terminates and You must stop using the Software. Without prejudice to any other rights it may have, Sylvan may terminate this License if You fail to comply with this License and the terms and conditions of any other agreement You may have with Sylvan. Sylvan may terminate this License if it determines that the Software no longer will be used in the operation of SylvanSync Services. Upon termination of this License, You may no longer access or use the Software regardless of whether or not it remains installed on Your computer. You must comply with all obligations with respect to Customer Information as set forth in Section 8 of this Agreement.

**5. CONFIDENTIALITY/PRIVACY.** The Software and all materials and information relating to the Software is proprietary to, and constitute trade secrets of, Sylvan. You must maintain the secrecy of the Software.

**6. LIMITED WARRANTY.** Sylvan warrants to You that, in the case of Software that is its own property, that Software will substantially conform to the applicable Sylvan specifications in effect at the date of installation. Sylvan's sole obligation under this warranty is limited to using commercially reasonable efforts to correct reported problems by supplying You with a corrected version of the Software. The Software may contain nonconformities, defects, errors or omissions.

**TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, THE FOREGOING SHALL BE YOUR SOLE AND EXCLUSIVE REMEDY AND SYLVAN'S TOTAL LIABILITY FOR A DEFECTIVE SOFTWARE. SYLVAN AND/OR ITS SUPPLIERS DISCLAIM ALL WARRANTIES, DUTIES AND CONDITIONS, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY, FITNESS FOR PARTICULAR OR ANY PURPOSE, RELIABILITY, ACCURACY, LACK OF VIRUSES OR MALICIOUS CODE, NEGLIGENCE, TITLE AND NON-INFRINGEMENT AND ALL LIABILITY ARISING OUT OF OR RELATED TO THE PROVISION OF TECHNICAL SUPPORT OR OTHER SERVICES. SYLVAN AND ITS SUPPLIERS SHALL HAVE NO LIABILITY TO YOU FOR QUIET ENJOYMENT, POSSESSION OR INFRINGEMENT OF PROPRIETARY RIGHTS BY YOUR USE OF THE SOFTWARE OR ANY PORTION THEREOF. YOU ACKNOWLEDGE THAT THE INTERNET IS NOT SECURE AND YOUR USE OF THE SOFTWARE THROUGH THE INTERNET MAY CREATE SECURITY AND OTHER RISKS. YOU AGREE AND ACCEPT THE ENTIRE RISK OF ANY SECURITY BREACHES OF ANY KIND OR NATURE, WHETHER INTENTIONAL OR INADVERTENT, ARISING FROM YOUR ACTS OR OMISSIONS CONNECTED WITH YOUR USE OF THE SOFTWARE, INCLUDING ANY CLAIMS RELATED TO PRIVACY OR LOSS OF PRIVACY, DISCLOSURE OF PERSONAL INFORMATION, ADVERSE EFFECT ON YOUR NETWORK, SOFTWARE, HARDWARE OR DATABASE AND YOU WAIVE ANY CLAIMS YOU MAY HAVE OR ASSERT AGAINST SYLVAN WITH RESPECT THERETO. OTHER THAN AS SET FORTH HEREIN, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT SHALL SYLVAN OR ITS SUPPLIERS BE LIABLE TO YOU OR ANY OTHER THIRD PARTY FOR ANY DAMAGES WHATSOEVER, BE THEY DIRECT, SPECIAL, INCIDENTAL, INDIRECT, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL (INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LACK OF ACADEMIC IMPROVEMENT, FAILURE TO MEET ANY DUTY OF GOOD FAITH OR REASONABLE CARE, LOSS OF PROFITS, BUSINESS INTERRUPTION, PERSONAL INJURY OR PROPERTY DAMAGE, LOSS OF INFORMATION OF ANY SORT, OR ANY OTHER PECUNIARY LOSS) ARISING OUT OF THE USE OF OR INABILITY TO USE THE SOFTWARE AND/OR THE PROVISION OF OR FAILURE TO PROVIDE TECHNICAL SUPPORT SERVICES EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.**

**7. CUSTOMER INFORMATION; USE IN NORMAL COURSE; RESTRICTIONS ON SYLVAN'S USE.** For the purposes of this Agreement, "Customer Information" shall mean all information relating to past, current or prospective customers of Your Sylvan Learning Center which is stored on or contained in the Software, including without limitation, student demographic and academic data.

You may not use the Customer Information for any purpose other than in the normal conduct of operating SylvanSync Services in connection with a Sylvan Learning Center business in accordance with your License Agreement. By way of

example, You may not sell a mailing list containing Customer Information to a third-party marketing company. You may not sell, loan, give or otherwise disclose Customer Information, including customer lists, to any party without Sylvan's prior written permission. Sylvan may have access to the Customer Information via the Software. Nevertheless, upon Sylvan's request, You must provide Sylvan a copy of all Customer Information in electronic or other format as designated by Sylvan. Sylvan may periodically establish policies respecting the use of the Customer Information by Sylvan franchisees, including You.

Upon expiration or termination of this License or of Your License Agreement, You shall send to Sylvan a true, accurate and complete copy of all Customer Information in electronic or other format as reasonably designated by Sylvan. You hereby covenant and agree that you shall not destroy, damage, hide or take any steps so as to prevent Sylvan from receiving a true, accurate and complete copy of all Customer Information, nor shall You retain any printouts, disks or tapes containing any of the Customer Information except as set forth in this Section 7. Notwithstanding Your rights of use during the terms of this License, You expressly affirm and agree that, upon the expiration or termination of Your License Agreement, Your rights to Customer Information are controlled by the Your License Agreement, and You shall not use the Customer Information for any purpose except to the extent provided for pursuant to the License Agreement provisions concerning the period following expiration or termination of the License Agreement. Notwithstanding the foregoing, in the event that this License expires or terminates prior to the expiration or termination of the License Agreement, You shall have the right to continue to use the Customer Information in the normal conduct of a Sylvan Learning Center in accordance with the License Agreement for so long as You remain a Sylvan licensee pursuant to the License Agreement. Nothing in this License shall be construed to supersede or modify Your post-termination obligations under the License Agreement, including without limitation Your covenant not to compete and Your obligation not to contact former Customers as defined in the License Agreement.

Both during and after the term of this License, Sylvan may disclose, use, and authorize others to disclose and use, the Customer Information only for: (i) research, evaluation, and analysis in connection with the SylvanSync Services, and (ii) purposes that, in Sylvan's exclusive business judgment, will benefit the Sylvan system and the Sylvan brand. In no event shall Sylvan share Customer Information with any third party, including without limitation persons or entities that, even though affiliated with Sylvan, do not operate under or perform functions in support of the Sylvan system or the Sylvan brand, except for the purposes set forth in the foregoing sentences. Before using or authorizing others to use the Customer Information for any purpose other than data analysis, research or maintenance, Sylvan shall advise the franchisee members of the National Advertising Committee as it exists at such time, or a successor to the National Advertising Committee (collectively for the purposes hereof, the "NAC"), of how and when the Customer Information is proposed to be used or to be authorized to be used.

Sylvan shall not share with any other Sylvan franchisee any segment of Customer Information that personally identifies customers of Your Sylvan Learning Center, except with Your written consent.

Neither Sylvan nor You shall use the Customer Information in any manner that would violate any applicable laws governing the security and/or privacy rights of any customer, including but not limited to The Controlling the Assault of Non-Solicited Pornography And Marketing Act of 2003 ("CAN-SPAM" Act) (15 USCA § 7701 et seq.); The Telemarketing and Consumer Fraud Abuse Prevention Act. ("Do Not Call" Law) (15 USCA § 6101 et seq.); and, in Canada, The Personal Information Protection and Electronic Documents Act ("PIPEDA"). Both Sylvan and you must require any third party to whom it or you transfers Customer Information to also comply with all applicable laws governing the privacy rights of any customer.

With respect only to Customer Information, in the event of a conflict between the terms of this License and the terms of the License Agreement, the terms of this License shall govern.

**8. MISCELLANEOUS.** This License is personal to You, is specific to a single Sylvan territory, and is not transferable. You may not assign or otherwise transfer Your rights or delegate Your obligations under this License and these Terms of Use in whole or in part, and any attempt to do so is void. This License is governed by the laws of the State of Texas without giving effect to principles of conflict of laws and the applicable State or Federal court situated in the City of Bedford, State of Texas shall have exclusive jurisdiction. The provisions of this section notwithstanding, You agree that Sylvan may seek equitable relief in any court of competent jurisdiction to prevent or enjoin misappropriation, misuse, unauthorized disclosure of Software or infringement of any intellectual property rights in addition to any other remedies or damages to which Sylvan may be entitled. You agree to provide Sylvan with reasonable access to the Software to audit Your compliance with this License. The Software is subject to U.S. export control laws and regulations. Portions of the Software may be licensed from third party suppliers and, if so, Your use will be governed by any such third party's licensing terms in addition to this License. This License and any

Software enrollment terms constitute the complete agreement between You and Sylvan and supersede all prior or contemporaneous agreements or representations, written or oral, concerning its subject matter. Only the English version of this License is binding. Versions in other languages merely constitute a convenience translation for You and shall not be legally binding. Pre-printed terms and conditions contained in any purchase order or other ordering document shall have no force or effect. The provisions of Section 2 through and including Section 8 hereof shall survive expiration or termination of this License.

IN WITNESS WHEREOF, the undersigned, intending to be legally bound, have executed this Attachment G to be effective as of the Effective Date.

**LICENSOR:**

SYLVAN LEARNING, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
John McAuliffe, Chief Executive Officer

**LICENSEE:**

,  
a limited liability company

By: \_\_\_\_\_  
, its Member

**SYLVAN LEARNING® AND SYLVANSYNC®  
LICENSE AGREEMENT**

**ATTACHMENT H**

**TELEPHONE NUMBERS ASSIGNMENT AGREEMENT**

This Telephone Numbers Assignment Agreement is made on \_\_\_\_\_, by and between \_\_\_\_\_ (“Assignor”) and Sylvan Learning, LLC or its designee (“Assignee”).

**BACKGROUND**

- A. The Assignee has developed and owns the proprietary system (“System”) for the operation of a facility under the trademark and logo SYLVAN LEARNING, LLC (“Licensed Business”);
- B. The Assignor has been granted a license to operate a Licensed Business pursuant to a License Agreement dated \_\_\_\_\_, in accordance with the System;
- C. To operate its Licensed Business, the Assignor shall be acquiring one or more telephone numbers, telephone listings and telephone directory advertisements; and
- D. As a condition to the execution of the License Agreement, the Assignee has required that the Assignor assign all of its right, title and interest in its telephone numbers, telephone listings and telephone directory advertisements to the Assignee in the event of a termination of the License Agreement.

**AGREEMENT**

In consideration of the foregoing, the mutual premises herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

- 1. Assignment. In the event of termination of the License Agreement, and in order to secure continuity and stability of the operation of the System, the Assignor hereby sells, assigns, transfers and conveys to the Assignee all of its rights, title and interest in and to certain telephone numbers, telephone listings and telephone directory advertisements pursuant to which Assignor shall operate its Licensed Business in accordance with the terms of the License Agreement; provided, however, such Assignment shall not be effective unless and until the License Agreement is terminated in accordance with the provisions thereof.
- 2. Representation and Warranties of the Assignor. The Assignor hereby represents, warrants and covenants to the Assignee that:
  - (a) As of the effective date of the Assignment, all of the Assignor’s obligations and indebtedness for telephone, telephone listing services and telephone directory advertisement services shall be paid and current;
  - (b) As of the date hereof, the Assignor has full power and legal right to enter into, execute, deliver and perform this Agreement;
  - (c) This Agreement is a legal and binding obligation of the Assignor, enforceable in accordance with the terms hereof;
  - (d) The execution, delivery and performance of this Assignment does not conflict with, violate, breach or constitute a default under any contract, agreement or instrument to which the Assignor is a party or by which the Assignor is bound, and no consent of nor approval by any third party is required in connection herewith; and
  - (e) The Assignor has the specific power to assign and transfer its right, title and interest in its telephone numbers, telephone listings and telephone directory advertisements, and the Assignor has obtained all necessary consents to this Assignment.

3. Miscellaneous. The validity, construction and performance of this Assignment shall be governed by the laws of the State of Texas. All agreements, covenants, representations, and warranties made herein shall survive the execution hereof. All rights of the Assignee shall inure to its benefit and to the benefit of its successors and assigns.

In witness whereof, the undersigned, intending to be legally bound, have executed this Telephone Numbers Assignment Agreement to be effective on the day and year first written above.

**ASSIGNEE:**

SYLVAN LEARNING, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
John McAuliffe, Chief Executive Officer

**ASSIGNOR:**

,  
a limited liability company

By: \_\_\_\_\_  
, its Member

**SYLVAN LEARNING® AND SYLVANSYNC®  
LICENSE AGREEMENT**

**ATTACHMENT I**

**ACH AUTHORIZATION AGREEMENT**

(VER. 08052021)

By executing below, the undersigned Licensee authorizes Sylvan Learning, LLC (“Licensor”) to credit or debit the account identified below to pay all fees, charges, and any other amounts Licensee owes Licensor or its parents, affiliates, or subsidiaries pursuant to the applicable License Agreement, as amended, and any other agreements entered into between Licensor and Licensee, including, but not limited to, reimbursable or pass through expenses, the cost of any products or services Licensee purchases from Licensor, and, if necessary, to initiate adjustments for any transactions debited or credited in error. These debits and credits are related to the operation of the Licensed Business and the amount of each debit or credit will vary from month-to-month. This authorization will remain in full force and effect until Licensor has received written notification from Licensee of its termination in such time and in such manner as to afford Licensor a reasonable opportunity to act on it. Termination of this authorization may result in your License Agreement being terminated unless an alternate means of payment acceptable to Licensor is provided.

**TERMS OF BILLING:**

Starting immediately and continuing thereafter until your License Agreement has expired or been terminated or alternate means of payment are approved by Licensor, Licensee authorizes Licensor to initiate either an electronic debit or credit or to create and process a demand draft against my bank account listed below on or about the 15<sup>th</sup> day of each month for those sums authorized herein.

Licensee’s Bank Name: \_\_\_\_\_

Bank ABA Number (Routing Number): \_\_\_\_\_

Bank Account Number: \_\_\_\_\_

Bank Account Type (Checking/Savings): \_\_\_\_\_

Licensee Federal Tax ID Number: \_\_\_\_\_

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

Licensee: (Insert legal name): \_\_\_\_\_

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

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

Title: \_\_\_\_\_

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

**SYLVAN LEARNING® AND SYLVANSYNC®  
LICENSE AGREEMENT**

**ATTACHMENT J**

**DASHBOARD ACCESS AGREEMENT**

This Dashboard Access Agreement (“Agreement”) is entered into by Licensor and Licensee on the last date of execution below and amends the terms of the license agreement entered into by the parties (“License Agreement”). Capitalized terms not defined herein have the meaning ascribed in the License Agreement.

WHEREAS, Licensor created an online dashboard through Microsoft’s Power BI to provide Sylvan Learning and SylvanSync licensees access to certain data, including, but not limited to, sales, operating expenses, membership sales and data, net promoter score, labor costs, and such other information as identified by Licensor (“Data”); and

WHEREAS, Licensee is indicating its desire to acquire a license for Power BI through Licensor, view the Data provided by Licensee and others, and share its Data on Power BI such that it is visible to other Sylvan Learning and SylvanSync licensees.

In light of the foregoing recitals and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. LICENSE. Licensee acknowledges its desire to purchase \_\_\_\_\_ (insert number of licenses to be purchased) twelve-month Power BI license(s) and agrees to reimburse Licensor the License Fee (as defined below) charged by Microsoft for each Power BI license purchased. The “License Fee” shall equal \$10.00 per month per license plus applicable taxes, as such fee may be increased by Microsoft from time-to-time. Licensor acknowledges the License Fee does not include any markup or rebate. Licensee agrees Licensor may bill the License Fee through the monthly royalty invoice and collect the License Fee pursuant to Licensee’s ACH Authorization on file. If there is no ACH Authorization on file, then Licensee shall remit payment to Licensor by the deadline by which royalties are due Licensor under the License Agreement. Time is of the essence in the performance of the payment obligations hereunder, and violations of this Agreement constitute a violation under the License Agreement. Access to Power BI is subject to all restrictions set forth in the Operations Manual and Microsoft’s terms, conditions, and license agreement available at <https://powerbi.microsoft.com/en-us/windows-license-terms>, which is incorporated herein. If Microsoft audits Licensor’s account and determines additional fees are due do to your violation of the terms, conditions, and license agreement, then Licensee agrees to pay such sum to Franchisor upon request.

2. SHARING OF AND ACCESS TO DATA. Licensee acknowledges (a) Licensor may share Licensee’s Data with other Sylvan Learning and SylvanSync licensees through the Power BI platform and such other platforms as identified by Licensor and (b) such Licensee’s Data will be anonymous on the Power BI platform. Licensor makes no warranty or representation the Data will be representative of all Sylvan Learning and SylvanSync licensees. Further, Licensee acknowledges and agrees it will access and use the Data solely with its efforts to improve the operation of its Licensed Business pursuant to the License Agreement, and such Data is not provided in connection with the offer or sale of a franchise.

3. CONFIDENTIALITY. Licensee agrees all Data Licensor makes available to Licensee through Power BI is Confidential Information as defined in the License Agreement, and subject to confidentiality obligations and restrictive covenants set forth therein.

4. MISCELLANEOUS TERMS. This Agreement reflects the entire understanding of the parties regarding the subject matter hereof, may only be modified in writing, and supersedes any inconsistent or conflicting provisions of the License Agreement. The remaining terms of the License Agreement are unaffected by this Agreement and remain binding on the parties. The parties sign and deliver this Agreement to each other as shown below.

**LICENSOR:**

SYLVAN LEARNING, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
John McAuliffe, Chief Executive Officer

**LICENSEE:**

,  
a limited liability company

By: \_\_\_\_\_  
, its Member

**SYLVAN LEARNING® AND SYLVANSYNC®  
LICENSE AGREEMENT**

**ATTACHMENT K**

**Bright Horizons Participation Agreement**

\_\_\_\_ (“I” or “me”) is opting to receive enrollment referrals from Bright Horizons Family Solutions, LLC (“Bright Horizons”), an opportunity which is available to me through the relationship between Sylvan Learning, LLC (“Sylvan”) and Bright Horizons, and I acknowledge and agree with all of the below terms and conditions of participation. This Bright Horizons Participation Agreement (“Agreement”) amends the Sylvan License Agreement dated \_\_ for Territory # \_\_ (“Sylvan License Agreement”).

1. **Services.** I will accept referrals from Bright Horizons and/or Sylvan under this program, and I will provide personalized in-person educational tutoring services in a variety of academic subjects (the “Services”) to dependents of Bright Horizons Clients’ employees (“Customers”). Group size shall be limited to no more than three (3) students to one (1) tutor.
2. **Staff Requirements.** Any staff member that is providing Services to a Customer student will meet the requirements for staff members set forth in Attachment A. I understand that Bright Horizons may request evidence of background screening and other required verifications from me as part of its quality review processes or otherwise in the event of an incident or complaint related to Services, and I agree to comply with any such request in a timely manner.
3. **Location.** I understand that all Services must be delivered at my Sylvan Learning Center or approved Satellite, and no services may be delivered virtually, at the homes of Customers, or at any other location.
4. **Compliance.**
  - a. **Applicable Laws.** I agree to perform the Services consistent with the highest professional standards of quality and in accordance with all applicable laws, regulations, licenses, and certifications. I represent that my business (a) is in full compliance with all applicable regulatory requirements, (b) is in good standing with all regulatory authorities in the states or provinces in which it operates, and (c) possesses all licenses and permits required by law to provide the Services.
  - b. **Data Security.** I shall fully comply with all applicable laws or regulations governing privacy, information security, and confidential information. Confidential Information includes, without limitation, proprietary information relating to Bright Horizons or Sylvan, whether written or oral, electronic or other form, and includes all personal information of Customers and enrolled students. I agree to bear all costs incurred to resolve a security breach of Confidential Information. I will notify Sylvan immediately in the case of any actual or suspected security breach, and I will cooperate fully with Sylvan and Bright Horizons to investigate and correct any such breach. I will ensure that all Confidential Information, including all personal and personally identifiable information, is preserved in a manner that prevents inappropriate disclosure, is retained only for as long as reasonably required, and is responsibly destroyed in a manner that prevents content recovery. Without limitation and notwithstanding any other provision of this Opt-In Agreement, I agree that I shall only use personal information provided by Bright Horizons for the purpose of communicating with Customers about the Services and for no other purpose whatsoever.
  - c. **Bright Horizons Policies.** I agree to comply with the Bright Horizons Provider Program Policies attached as Attachment B. All information, forms, policies, and other materials made available by Bright Horizons or by Sylvan related to the services to be provided hereunder are subject to change. I shall review and familiarize myself with all information, forms, policies, and other materials provided to ensure compliance with all requirements relating to the services.

- d. Sylvan Policies. I will perform the Services in a manner consistent with Sylvan brand standards, as outlined by my Sylvan License Agreement(s) and the Sylvan Confidential Operations Manual, and I ratify my commitment to comply with all requirements and obligations set forth in each such document.

5. Insurance.

- a. I agree to hold the following insurance policies which are required by Bright Horizons at the time that I commence Services, and I acknowledge that these coverage requirements are subject to change from time to time with notice from Sylvan or Bright Horizons:
- i. Comprehensive general liability insurance with limits of not less than \$1,000,000 combined single limit coverage for bodily injury or death and property damage;
  - ii. Workers' compensation insurance as required by law; and
  - iii. Physical and Sexual Abuse insurance with limits of not less than \$1,000,000 per occurrence and \$1,000,000 in the annual aggregate. Such insurance may be included as part of the Comprehensive General Liability policy or through a separate policy.
- b. I agree to add "Bright Horizons Family Solutions, LLC and its parent, subsidiary and affiliated companies" as an "Additional Insured" on the above-referenced insurance policies. The address for Bright Horizons is 2655 W. Midway Boulevard, Suite 330, Broomfield, CO 80020. I understand that Bright Horizons may request a copy of the applicable Certificate(s) of Insurance, and I agree to comply with any such request in a timely manner.

6. Reservation Process.

- a. I understand that Customers will request a "Reservation" through the Bright Horizons benefits portal. Any Center that has opted into this program within a certain radius of the Customer's home address will be served to the Customer as an option for Services. I understand that Customers may be provided multiple Center options in addition to my Center, and Customers will be able to choose their preferred Center based on convenience and any factors they deem relevant.
- b. If the Customer selects my Center, then my Center will receive an email with the "Reservation Details", including the Customer and Student Name, the Reservation Number, the Reservation Creation Date, the Reservation Expiration Date, and the number of hours in the Reservation.
- c. When my Center receives a Reservation, the Center staff will input the Customer into Hub, create a task in Customer 360 to document the Reservation Number and Details, and contact the Customer to proceed with enrollment within twenty-four (24) hours of receipt of the Reservation. I will use reasonable efforts to accommodate the scheduling of Services in any academic subject that I currently support at a convenient time for the Customer.
- d. Once enrolled, if an Initial Assessment is conducted, it can be included as a billable instructional session.
- e. Only sessions that occur on or after the Reservation Creation Date and on or before the Reservation Expiration Date, up to the total value of the Reservation, are billable. The Reservation Expiration Date is determined by Bright Horizons and its Clients.
- f. I will not knowingly accept any initial requests for any Reservations from any Customer outside of the process outlined above.

7. Invoicing Process.

- a. Sylvan will review all billable sessions for my Center, based on Reservation Details and Hub session attendance, on the 5<sup>th</sup> day of each month for the prior month.
- b. Sylvan will invoice Bright Horizons for all prior month's billable sessions in my Center on my behalf at the agreed upon rate of fifty-three United States dollars (\$53.00) per hour, and Bright Horizons will be required to pay the invoice within thirty (30) days of the invoice date.

- c. I understand that I must maintain accurate attendance records in Hub, as this will determine the amount that is invoiced to Bright Horizons. I agree to forfeit any amount that I may be due for Services if I did not properly record the session attendance in Hub by the end of the month in which the Services were delivered.
  - d. When Sylvan receives the payment from Bright Horizons, Sylvan will remit the funds collected on my behalf to my Center. I understand that Sylvan will not be able to send me the funds until Sylvan has received such funds from Bright Horizons.
  - e. I will report all revenue that I receive from Sylvan in connection with the Services on my Hub Revenue Report each month, and I will pay 16% royalty fees (or such other rate as my Sylvan License Agreement may specify) on the amount of revenue received from Sylvan in connection with the Services, and any other fees assessed on gross revenue under the Sylvan License Agreement. I acknowledge that if I am behind on any payments owed to Sylvan, then Sylvan shall have the right to withhold the required royalty fee from my Center's funds from Bright Horizons before it forwards such funds to my Center. Sylvan also reserves the right to withhold additional funds owed to my Center from Bright Horizons up to the full amount of the outstanding balances that my Center owes to Sylvan.
  - f. I will not collect any payments of fees from any Customer unless the Customer's allotted hours for the year are exhausted; under such circumstances, if the Customer chooses to continue Services at my Center, then the Customer may continue as a private customer subject to my Center's regular instructional hourly rate.
8. Cancellation.
- a. Cancellation of Sessions. Any changes or cancellations of scheduled tutoring sessions shall be communicated by the Customer to the Center. I agree to work directly with the Customer to reschedule any sessions for a convenient time.
  - b. Cancellation of the Reservation. Any cancellation of the Reservation shall be communicated by the Customer through Bright Horizons. I agree to accept any cancellation requests that come from Bright Horizons or Sylvan.
9. Exclusivity. I agree not to offer, solicit to provide, or agree to provide employer-sponsored dependent care as part of any other dependent care provider network in any geographical location in which Bright Horizons provides such services, during the term of this Opt-In Agreement and for up to and one year following the termination or expiration hereof. I agree not to partner with any other party to offer, sell, or provide a combined employer sponsored back-up dependent care offering during the term and for up to one year following the termination or expiration hereof. To the extent that I currently participate in any other employer-sponsored dependent care network, I agree to cease participation in such network as soon as practicable and, in any event, before April 1, 2024.
10. Additional Bright Horizons Opportunities.
- a. College Coaching. By submitting this Opt-In Agreement, I may be permitted, on a pilot basis, to participate as a reseller of the College Coaching program offered by Bright Horizons to support rising and current high school senior students in developing their college applications. If so, I would be eligible to sell the College Coaching program to new and existing customers at my Sylvan Learning Center, and Bright Horizons would deliver the services under the College Coaching program, including, without limitation, by providing counseling sessions, webinars, and essay review. I would be responsible for collecting fees from customers who want to enroll in the College Coaching program and forwarding a portion of such fees to Bright Horizons or Sylvan, as directed. I agree that any revenue I may collect and retain in connection with the College Coaching program will be subject to 16% royalty fees due to Sylvan (or such other rate as my Sylvan License Agreement may specify). I understand that, given its pilot nature, details and processes related to the College Coaching program are subject to change. If I participate, I agree to comply with all policies and requirements of the College Coaching program, which may be provided separately in writing.

- b. Enhanced Family Supports. I agree to provide a 15% discount to current and future Bright Horizons Customers who are participating in the Bright Horizons Enhanced Family Supports program. This partnership offers families discounted services that are not subsidized by their employer, unlike the Services otherwise referenced in this Opt-In Agreement, which are subsidized by the employer. The discount referenced herein does not apply to the Services related to this Opt-In Agreement for in-person tutoring which is subsidized by the Bright Horizons' Clients.
11. Term. The term of this Opt-In Agreement shall commence on January 1, 2024 and continue for three (3) years. Thereafter, this Opt-In Agreement will renew for successive two (2) year renewal terms, unless I provide notice of non-renewal at least ninety (90) days in advance of any expiration date.
12. Indemnification. I agree to indemnify, defend and hold harmless Sylvan and Bright Horizons, and each of their affiliates, successors and assigns, employees, officers, directors, and agents from and against any and all liability, damages, settlements, losses, expenses, and costs (including reasonably attorneys' fees and expenses) arising out of or in connection with any third-party claims or causes of action, made or threatened, as a result of my breach of this Opt-In Agreement, or the negligence or willful misconduct of my staff or me in connection with delivery of the Services.
13. Governing Agreement; Release. I acknowledge that this Opt-In Agreement is governed by my Sylvan License Agreement(s) and that if I violate this Opt-In Agreement, my Sylvan License Agreement(s) will be subject to default and termination. Likewise, I acknowledge that if I am declared in default under my Sylvan License Agreement, Sylvan will have the right to terminate my participation with Bright Horizons. All of Sylvan's rights under my Sylvan License Agreement shall apply to this Opt-In Agreement. In consideration of the benefits being provided to me under this Opt-In Agreement, I agree to release Sylvan and Bright Horizons, and each of their affiliates, employees, officers, directors, and agents, from all claims, demands, damages, losses, and suits of every kind, known or unknown, foreseen or unforeseen, that arise out of or relate to my Sylvan License Agreement(s) or the Services to be provided hereunder.
14. Third-Party Beneficiary. I agree that Bright Horizons shall be considered a third-party beneficiary of this Opt-In Agreement and will be able to enforce fully the provisions of this Opt-In Agreement.

*By signing this form, I confirm that I have reviewed all of the above terms and conditions related to my participation in Bright Horizons programs, and I agree to comply in all respects. This agreement is effective as of the Effective Date of the Licensee's Sylvan License Agreement.*

**LICENSEE:**

a \_\_\_\_\_, limited liability company

By: \_\_\_\_\_, its Member

**Attachment A**  
**Staff Member Qualifications and Background Screening**

I. **Staff Member Qualifications.** Each Member eligible to provide the Services must comply in full with the following requirements:

*Education/Experience*

- Each Staff Member must be qualified and have the appropriate educational degrees and/or equivalent experience.

*References*

- Each Staff Member must have a minimum of two (2) relevant and satisfactory employment references.

*Training*

- At least one Staff Member on duty must be trained in First Aid and CPR.
- Each Staff Member must be trained in emergency protocols and procedures.

*Minimum Age*

All Staff Members who are providing Services must be at least 18 years of age.

II. **Background Screening.** In addition to all background checks and employment verifications required by law and Provider's policies, each Licensee shall perform or cause to be performed a Background Check (within twelve months prior to being permitted to provide Services and at least once every thirty-six months), and Verification (prior to being permitted to provide Services) on each Staff Member. Each Staff Member must successfully pass a Background Check and Verification. Each Licensee agrees to use either a governmental law enforcement authority or similar regulatory agency or service, or a reputable professional background screening vendor who is accredited and in good standing with the National Association of Professional Background Screeners under its Background Screening Agency Accreditation Program, or a combination of such government authorities, and professional vendors, to perform all Background Checks on Staff Members. In the event of any actual or suspected incident or complaint or other concern involving a Staff Member, each Licensee shall perform additional background checks and verification reasonably requested by Bright Horizons including, without limitation, a 14-panel drug test.

*[Continued on the following page.]*

“Background Check” shall mean a background check using all known names/aliases consistent with the following requirements:

<b>Category</b>	<b>Requirement</b>
<b>Social Security Number Trace</b>	Social Security Number trace which identifies all addresses and aliases
<b>Criminal Record Background Checks</b>	Federal and state or county criminal history checks, plus national criminal record database check, for federal and state felony and misdemeanor criminal convictions. All information must be obtained from primary sources rather than database searches (except for the national criminal record database check). Any records identified in the national criminal record database check must be verified through a primary source.
<b>Location and Time Period of Checks</b>	Criminal history checks shall include all locations where employee has resided, been employed, or attended school in the past 7 years. International checks are required where employee has resided outside of the United States within the past 7 years.
<b>OFAC Check</b>	Search of U.S. Office of Foreign Assets Control Specially Designated National and export denial lists
<b>Sex Offender Registries</b>	Check national sex offender registry, and all state sex offender registries in states in which the employee has resided or worked

“Verification” shall mean:

<b>Category</b>	<b>Requirement</b>
<b>Personal Information</b>	Name, date of birth and Social Security Number verified
<b>Licenses and Certifications</b>	Professional licenses and certifications verified
<b>Legal Right to Work</b>	Citizenship, most recent country of permanent residence and legal right to work verified through I-9 process
<b>Education</b>	Education verified in accordance with Provider’s requirements
<b>Employment History</b>	Work experience verified
<b>Reference Check</b>	Two relevant and satisfactory reference checks

The following must be true: (A) each Staff Member providing the Services has successfully passed a Background Check and Verification, (B) no Staff Member providing the Services has a record of any prior conviction or other record of criminal activity inconsistent with the Staff Member’s responsibilities and the safety and security of Dependents, and (C) no Staff Member or other employee shall provide Services or otherwise have access to any Dependent if that Staff Member or other employee: (1) has been convicted of a felony or misdemeanor (or the equivalent thereof under relevant non-U.S. law) other than for the following convictions: (a) a minor traffic violation (a moving traffic violation other than reckless driving,

hit and run, driving to endanger, vehicular homicide, driving while intoxicated or other criminal offense involving gross negligence, recklessness, intentional or willful misconduct while operating a motor vehicle), (b) a conviction that has been legally expunged, or (c) a conviction for a misdemeanor that occurred while the Staff Member was under the age of twenty-one years; or (2) is on a U.S. Government Specially Designated National or export denial list; or (3) is identified in a sexual offender registry; or (4) does not have the legal right to work in the United States.

## **Attachment B**

### **In-Person Tutoring Program Provider Policies**

Incidents during In-Person Tutoring Program Services

- Parents should be promptly notified of any injuries/incidents that occur during the tutoring session by phone call, text, email, or in person at the end of the session.
- Provider shall promptly notify its insurers of any claim or possible claim and provide Bright Horizons with evidence of that notification upon request.

### **Quality Control and Safety**

Provider shall reserve the right to monitor tutoring sessions (live or through recordings, if permitted by a Dependent's parent/guardian) to ensure the quality of the Services and the health and safety of Dependents. Recordings shall be made available to Bright Horizons upon request. Provider shall immediately notify a Dependent's parents/guardians and Bright Horizons in the event of any inappropriate discussions between a Staff Member and Dependent that occur during the provision of Services or communications or attempted communications of any nature which occur outside of Provider's platform.

### **Ratios**

Provider and its Licensees shall provide In-Person Tutoring in accordance with its standard ratios and shall ensure that at least two Staff Members meeting these requirements are present at the facility at all times during In-Person Tutoring.

### **Privacy**

Provider shall ensure Services comply with all applicable privacy laws, including, but not limited to the Children's Online Privacy Protection Act (COPPA), the California Consumer Privacy Act (CCPA) and any other federal, state or local privacy laws or regulations, or for Dependents located in Canada, any applicable Canadian national or provincial laws, including but not limited to the Personal Information Protection and Electronic Documents Act (PIPEDA). Provider shall cooperate with Bright Horizons with all requests for information to demonstrate compliance with privacy or other legal requirements.

### **Emergency Situations**

In the event a Staff Member observes an emergency situation, the Staff Member will immediately notify the Dependent's parents/guardians in person, by phone and text messaging, and/or through calling 911 if a parent/guardian is not immediately available and shall also immediately notify Bright Horizons.

### **Photos, Videos and Social Media**

Except as directed by Bright Horizons and except in accordance with Provider's standard procedures for internal quality control, Provider will not use photos or video of Dependents for any purpose, including, but not limited to, use on social media platforms, Provider's website or promotional materials or any other website, unless a parent or guardian has granted consent to use of photos/videos by agreeing to Provider's standard photo and video release terms.

### **Required Provider Policies**

Provider shall ensure it has in place and complies with appropriate policies addressing the following:

- Session sign-in and sign-out process
- Positive behavior guidance and management

**SYLVAN LEARNING® AND SYLVANSYNC®  
LICENSE AGREEMENT**

**ATTACHMENT L**

**MYSYLVAN MARKETPLACE+<sup>SM</sup>  
FRANCHISEE PARTICIPATION PILOT AGREEMENT**



**mySylvan Marketplace+<sup>SM</sup>  
Franchisee Participation Pilot Agreement**

This mySylvan Marketplace+<sup>SM</sup> Franchisee Participation Pilot Agreement (this “Pilot Agreement”) is entered into (the “Effective Date”) by and between Sylvan Learning, LLC (“Sylvan”) and (“Franchisee” or “Licensee”) concerning certain operations within Sylvan Learning Territory # (the “Territory”), governed by that certain Sylvan Learning License Agreement # , dated , to which Franchisee and Sylvan are each a party (the “License Agreement”).

**WHEREAS**, Sylvan, pursuant to rights granted to it by third parties, has developed and plans to develop further certain proprietary technology, digital assets, systems, business methods, techniques, and methodologies designed to be used in connection with portable proprietary computer systems and the Internet to provide an online digital marketplace accessible via web browser and mobile applications available on Android and iOS devices (the “Marketplace Platform”) through which Sylvan facilitates scheduling of and payment for tutoring services offered by independent contractors to customers;

**WHEREAS**, Sylvan, pursuant to its rights, desires to expand the area in which it advertises and offers services through the Marketplace Platform;

**WHEREAS**, Franchisee desires to participate in such expansion on a pilot basis, subject to the terms and conditions of this Pilot Agreement;

**WHEREAS**, Sylvan has agreed to expand the Marketplace Platform to Franchisee’s Territory on a pilot basis (the “Pilot”), subject to the terms and conditions of this Pilot Agreement;

**NOW, THEREFORE**, in consideration for the mutual promises contained herein, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. **Incorporation**. The foregoing recitals shall be incorporated herein by reference.
2. **General**. The Pilot, through the Marketplace Platform, is designed to (a) connect consumers seeking one-on-one supplemental education services for students in grades K-12 (each a “Consumer”) with qualified, professional tutors contracted by Sylvan who are able to meet the requested learning needs (each a “Tutor”); (b) facilitate scheduling of tutoring sessions directly between the Consumer and the selected Tutor (each a “Marketplace Tutoring Session”) at the Consumer’s home or other mutually agreed upon location acceptable to Sylvan, including through live, online platforms; (c) enable and process direct online payment by the Consumer to the Tutor; and (d) collect the administrative fees (“Tutor Fees”) owed by Tutor to Sylvan in connection with each Marketplace Tutoring Session delivered by the Tutor. Tutors are recruited and screened by Sylvan; once approved, they enter into an independent contractor agreement (the “Tutor Agreement”) with Sylvan, contingent upon the successful completion of a background investigation. Pursuant to the Tutor Agreement, each Tutor has the right to deliver tutoring services to students under the “Sylvan In-Home” or “mySylvan Marketplace+” brand names. Sylvan reserves the rights to rebrand the Marketplace Platform, as needed, and to grant or revoke the rights to use such brand names, as applicable. Tutors must set their own cancelation policy, hourly rate, and scheduling availability on their online tutor profiles within the Marketplace Platform. Generally, Marketplace Tutoring Sessions are offered at a one-to-one tutor-student ratio; however, some exceptions are made under certain circumstances. Tutors who are certified teachers may opt to become “Certified in the Sylvan Method” by completing all necessary online SylvanSync product training. Tutors who are Certified in the Sylvan Method may offer SylvanSync Programs (as defined in the License Agreement) to Consumers, and are denoted on the Marketplace Platform with a badge in their online tutor profile. All Tutors must use their own equipment, and Tutors who are Certified in the Sylvan Method must use their own compatible iPads to deliver SylvanSync Programs. Tutors and Consumers directly control their own scheduling of Marketplace Tutoring Sessions through the Marketplace Platform, and all payments are processed automatically upon the completion of a Marketplace Tutoring Session directly through the Marketplace Platform using the credit card saved to the Consumer’s online account.
3. **Sylvan’s Rights**. Pursuant to Paragraph 1.4 of the License Agreement, Sylvan is permitted (a) to operate businesses, and offer and sell services, programs, and products within the Territory which do not comprise a part

of the Sylvan System and, in connection therewith, to exploit Sylvan’s Licensed Marks (as defined in the License Agreement), name, reputation, and know-how; (b) to use the Licensed Marks and other aspects of the Sylvan System in conjunction with activities not contemplated by Sylvan as being conducted solely through or at Sylvan Centers; and (c) to offer, distribute, use, and/or sell components of the Sylvan System through courses or programs offered and conducted by methods or through facilities other than Centers within the Territory or outside the Territory. Based on the foregoing, Franchisee acknowledges and agrees that Sylvan has the right to offer and deliver services through the Marketplace Platform (including, without limitation, advertising the Marketplace Platform, recruiting Tutors, and collecting Tutor Fees) within Franchisee’s Territory without seeking or obtaining consent by Franchisee or compensating Franchisee in connection therewith. Notwithstanding the foregoing, Sylvan has elected, at its sole discretion, to allow certain franchisees, including Franchisee, to participate in and benefit from the expansion of the Marketplace Platform during the term of this Pilot Agreement.

4. **Ownership of Intellectual Property.** All intellectual property related to Marketplace Platform, including copyrights, trademarks, and patents (the “IP”), is owned by Sylvan and third parties with whom Sylvan has contracted and from whom Sylvan has licensed such IP. Franchisee acquires no rights in the IP. Sylvan’s maintenance and renewal of the IP shall be at Sylvan’s sole discretion. Franchisee hereby assigns to Sylvan all intellectual property rights associated with Franchisee’s ideas, suggestions, and improvements relating to the Marketplace Platform.
5. **Delivery and Maintenance of the Marketplace Platform Software.** Sylvan will be responsible for the maintenance and support of the Marketplace Platform software, which shall remain the property of Sylvan. Sylvan will control the access to the Marketplace Platform by Tutors and Consumers within Franchisee’s Territory. This Pilot Agreement expressly does not grant to Franchisee any administrative access to the Marketplace Platform, including the right to add or view Tutor or Consumer data, or to modify Marketplace Tutoring Sessions scheduled within the Marketplace Platform. All Tutor and Consumer data, along with all data related to Marketplace Tutoring Sessions, shall belong solely to Sylvan.
6. **Tutor Fees.** The Tutor Fees charged by Sylvan in the Territory shall be Twenty-Five Dollars (\$25.00) per Marketplace Tutoring Session. Sylvan also reserves the right to make additional Tutor Fees available to other franchisees participating in the Pilot based on demographics, marketability, and other factors, without making the same Tutor Fees available to Franchisee.
7. **Session Fees.** Sylvan shall provide a credit to Franchisee, during the term of this Pilot Agreement, in the amount of the following hourly session fees (“Session Fees”) relating to the delivery of Marketplace Tutoring Sessions completed within Franchisee’s Territory, as shown on Attachment A to the License Agreement and incorporated herein by reference. The Session Fees shall be paid from the Tutor Fees collected by Sylvan from Tutors, and shall be based upon the duration and location of the Marketplace Tutoring Session. A “Session” is defined generally as instruction delivered either online or in-person at the Consumer’s home or other mutually agreeable appropriate location by one (1) Tutor to one (1) or more Consumers lasting in duration at least thirty (30) and not more than ninety (90) consecutive minutes. The credit shall be applied against any royalty or statement balances owed by Franchisee to Sylvan and shall be reflected in the monthly billing statement issued by Sylvan to Franchisee in the month following the month in which the Marketplace Tutoring Sessions were delivered in Franchisee’s Territory. Franchisee shall be required to continue to pay all royalties and other payments due to Sylvan on a monthly basis pursuant to one or more license agreements between Sylvan and Franchisee, including the License Agreement.

**Marketplace Tutoring Session Fees:**

<u>Location of Marketplace Tutoring Session</u>	<u>Hourly Tutor Fee Collected by Sylvan</u>	<u>Session Fee Paid by Sylvan to Franchisee</u>	<u>Amount Retained by Sylvan</u>
In-Territory	\$25.00	\$15.00	\$10.00

If the amount of the Tutor Fee changes based on a promotion or other special rate offered by Sylvan, Sylvan shall pay to Franchisee a prorated Session Fee based on the rate offered (e.g., if the Tutor Fee is reduced by half, the Session Fee to be paid to Franchisee will be reduced by half). Franchisee understands that no Session Fee shall

be paid by Sylvan to Franchisee for Marketplace Tutoring Sessions delivered outside of Franchisee's Territory.

8. Franchisee Obligations. Franchisee agrees to perform the following obligations.

- a) **Providing Feedback.** Franchisee agrees to participate in focus groups and provide requested feedback relating to Franchisee's experiences with the Marketplace Platform and Marketplace Tutoring Sessions, including any feedback from Consumers in Franchisee's Territory of which Franchisee may be aware. At Sylvan's request, Franchisee shall participate in monthly calls with Sylvan and other participating franchisees to discuss the Pilot.
- b) **Local Marketing.** Franchisee shall use its best efforts to market the Marketplace Platform to both Tutors and Consumers in the Territory. Franchisee shall not promote or market the Marketplace Platform outside of the Territory. Franchisee may discuss and demonstrate the Marketplace Platform with customers and prospective customers.

9. Sylvan Obligations. Sylvan agrees to perform the following obligations.

- a) **Tutor Recruitment.** Sylvan shall use reasonable efforts to recruit qualified local professionals in the Territory and the surrounding area as independent contractors to serve as Tutors. Sylvan may use certain advertising services, including, without limitation, Indeed, Care.com, and referrals. Employees of Franchisee may apply to become Tutors, but Sylvan shall have no obligation to approve an employee of Franchisee as a Tutor. All Tutors shall be independent contractors of Sylvan; no Tutor shall have any direct relationship with Franchisee.
- b) **Candidate Screening.** Sylvan shall screen all tutor applicants by reviewing resumes, conducting phone interviews, and checking references.
- c) **Background Investigation.** Sylvan has contracted a third-party background investigation company to perform background investigations and education verification services on behalf of Sylvan for all qualified candidates with whom Sylvan intends to enter into a Tutor Agreement. The initial background investigation must be successfully completed prior to the Tutor becoming "live" (i.e., accessible and able to view) on the Marketplace Platform. Pursuant to the Tutor Agreement, the cost for the initial background investigation is generally paid by the Tutor upfront and reimbursed by Sylvan if and at such time as the Tutor has met certain conditions. Sylvan reserves the right to modify the terms of the Tutor Agreement without notice to Franchisee. It is the current process that Sylvan or its designated third-party background investigation company shall re-perform a background investigation on each Tutor on an annual basis. Franchisee acknowledges that the process and designated third-party company are subject to change without notice. Sylvan reserves the right to terminate any Tutor Agreement if the Tutor's annual background investigation discovers criminal conduct or otherwise inappropriate behavior.
- d) **Training and Onboarding.** Sylvan shall perform all obligations relating to the product training and onboarding needs of all Tutors, including, without limitation, providing online training in the Marketplace Platform and SylvanSync, if applicable.
- e) **Customer Service.** Sylvan shall manage the customer service needs of Tutors and Consumers participating in the Pilot.
- f) **Reporting.** Sylvan shall provide monthly reports to Franchisee concerning the number of Marketplace Tutoring Sessions delivered within the Territory. Each report shall contain the length of each Marketplace Tutoring Session, the zip code of the Consumer, and the credit to be issued by Sylvan to Franchisee based on the delivery of such completed Marketplace Tutoring Sessions. Sylvan may, though it shall not be required to, provide more detailed information in monthly reports to Franchisee.

10. Sylvan License Agreement. Franchisee shall market the Marketplace Platform pursuant to the terms and conditions of this Pilot Agreement and in conjunction with Franchisee's operation of an approved Sylvan Learning Center pursuant to the License Agreement. Franchisee acknowledges and agrees that the Marketplace Platform offering is separate from the Sylvan System and the SylvanSync System; however, this Pilot Agreement shall be governed by the terms and conditions of the License Agreement, unless otherwise stated herein. Any breach of this Pilot Agreement by Franchisee shall constitute a material breach of the License Agreement. Notwithstanding the foregoing, in the event of an express conflict between the License Agreement and this Pilot Agreement concerning only the subject matter hereof, this Pilot Agreement shall govern.
11. No Performance Representations. Sylvan expressly disclaims the making of, and Franchisee acknowledges that it has not received or relied upon, any statement, representation, warranty, or guarantee, express or implied, concerning Franchisee's potential performance with respect to the Pilot, including, but not limited to, potential sales volume, cost savings, profitability, success, or effect on Franchisee's Sylvan Learning business. No such statement, representation, warranty, or guarantee has been authorized by Sylvan. Franchisee has conducted an independent investigation of the Pilot and understands and acknowledges that it involves certain business risks which make the outcome of Franchisee's business venture largely dependent upon factors outside of Franchisee's control, as well as the business abilities and participation of Franchisee and its efforts as an independent business operator. Franchisee assumes all risks related to the Pilot, including the possibility that the Sylvan Learning Center(s) operated by Franchisee in the Territory may lose potential customers due to the introduction of the Marketplace Platform in the Territory and the surrounding area. Sylvan expressly disclaims all liability for any such losses. Franchisee acknowledges and agrees that Franchisee is accountable for Franchisee's actions, inactions, and omissions in connection with Franchisee's business.
12. Franchise Offering Disclaimer. Nothing in this Pilot Agreement shall be construed as an offer to sell a franchise. The offers contained herein are available only to existing Sylvan Learning franchisees. No franchises concerning the Marketplace Platform will be sold to any party until the offering has been duly registered and declared effective by the applicable jurisdiction and the required Franchise Disclosure Document has been delivered to the prospective franchisee before the sale in compliance with applicable law. Nothing in this Paragraph should be construed as a waiver of any applicable exemption provisions that may be available to Sylvan.
13. Limitations of Pilot Participation. The parties acknowledge and agree that the Marketplace Platform is available in the Territory on a pilot basis and that it will evolve over time as the parties gain a better understanding of its impact on the market. Nothing in this Pilot Agreement binds either party to continue participation in the Pilot following the expiration or termination of this Pilot Agreement; moreover, nothing in this Pilot Agreement shall create any binding precedent for terms and conditions of any future or subsequent agreement which may be offered in connection with the Marketplace Platform. Notwithstanding anything to the contrary in this Pilot Agreement, Franchisee expressly acknowledges and agrees that (a) the Pilot may be discontinued or modified at any time by Sylvan at its sole discretion; (b) Sylvan shall have the right, but not the obligation, to offer the Pilot model or a variant thereof as a license of franchise program (the "Future Program") and on such terms and conditions as Sylvan deems appropriate in its sole discretion; (c) Sylvan shall not be obligated to offer to Franchisee the right to participate in any Future Program; and (d) Franchisee shall not be obligated to participate in any Future Program. The rights secured by Franchisee pursuant to this Pilot Agreement are limited solely to those explicitly stated herein and Franchisee has no other rights, express or implied, during the term of this Pilot Agreement or after its termination by either party.
14. Confidentiality. Franchisee acknowledges that, during the term of this Pilot Agreement, Franchisee may receive from Sylvan certain confidential information relating to the Pilot or the Marketplace Platform, including, without limitation, proprietary information related to technology and marketing (the "Confidential Information"). The terms of this Pilot Agreement shall be considered Confidential Information and shall be subject to the confidentiality provisions of the License Agreement. In addition, Franchisee agrees that, until such time as the Confidential Information enters the public domain through no fault of Franchisee, Franchisee and Franchisee's employees will never, directly or indirectly, use, disseminate, or disclose to a third party the Confidential Information without the prior written consent of Sylvan. Franchisee further agrees to protect the Confidential

Information from use or disclosure using no less than a reasonable degree of care. Franchisee's obligations under this Paragraph shall survive termination of this Pilot Agreement.

15. Term and Termination. The term of this Pilot Agreement shall commence on the Effective Date and continue until the earliest to occur of: (a) Franchisee and Sylvan enter into a subsequent agreement (if any) concerning the Marketplace Platform or similar offering; (b) Franchisee terminates this Pilot Agreement pursuant to this Paragraph; (c) Sylvan terminates this Pilot Agreement pursuant to this Paragraph; (d) the License Agreement terminates for any reason; or (e) December 31, 2022. Franchisee may not terminate this Pilot Agreement for any or no reason during the first one hundred twenty (120) days following the Effective Date. Following such initial 120-day period, Franchisee may terminate this Pilot Agreement for convenience upon sixty (60) days' advance written notice to Sylvan. Sylvan may terminate this Pilot Agreement for convenience upon sixty (60) days' prior written notice. Sylvan may terminate this Pilot Agreement immediately upon ten (10) days' prior written notice if (a) Franchisee commits any material breach of this Pilot Agreement or the License Agreement; or (b) Sylvan licenses to a third-party franchisee the right to open and commence operation of a Sylvan Learning Center in an area within close proximity to the Territory such that the area surrounding the Territory is no longer controlled solely by Franchisee or a set of franchisees all willing to participate in the Pilot. The term "day" as used in this Pilot Agreement shall mean a calendar day, rather than a business day.
16. No Warranties. FRANCHISEE UNDERSTANDS AND ACKNOWLEDGES THAT THE MARKETPLACE PLATFORM AND THE PILOT GENERALLY ARE BEING PROVIDED HEREUNDER ON AN "AS-IS" BASIS. SYLVAN DISCLAIMS ANY AND ALL WARRANTIES AND GUARANTEES RELATED TO EACH OF THEM INCLUDING, WITHOUT LIMITATION, THE WARRANTY OF MERCHANTABILITY AND THE WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE.
17. Month-to-Month Basis. Unless terminated earlier pursuant to Paragraph 15, Sylvan reserves the right to extend this Pilot Agreement on a month-to-month basis for up to twelve (12) months following December 31, 2022, or longer by written notice. During any such period that this Pilot Agreement is so extended, Franchisee may terminate this Pilot Agreement upon 30 days' prior written notice to Sylvan.
18. Waiver; Release. Sylvan reserves the right and privilege in its sole discretion as it may deem in the best interest of all concerned in any specific incident, to vary standards for any franchisee participating in the Pilot based upon peculiarities of a particular set of circumstances, demographics, or other conditions which Sylvan deems to be of importance to the successful operation the Pilot. Franchisee shall have no recourse against Sylvan on account of any variations and shall not be entitled to require Sylvan to grant Franchisee like or similar terms. No failure of Sylvan to exercise any power reserved to it by this Pilot Agreement, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of Sylvan's right to demand exact compliance with the terms herein. No waiver or approval by Sylvan of any particular breach or default by Franchisee, nor any delay, forbearance, or omission by Sylvan to act or give notice of default or to exercise any power or right arising by reason of such default hereunder, shall be considered a waiver or approval by Sylvan of any preceding or subsequent breach or default by Franchisee of any term, covenant, or condition of this Pilot Agreement. In consideration of the benefits provided to Franchisee hereunder, Franchisee agrees to fully and completely release, acquit, and forever discharge Sylvan and its affiliates, and each of their respective employees, officers, and directors, collectively, separately, and severally, of and from any and all demands, damages, or claims of every kind and nature whatsoever, foreseen and unforeseen, known or unknown, that arise out of or relate to the License Agreement or this Pilot Agreement.
19. Entire Agreement. This Pilot Agreement shall constitute the entire agreement between the parties related to the subject matter hereof, and shall supersede all prior oral or written statements, understandings, or negotiations concerning the Pilot and the Marketplace Platform. Except as otherwise provided herein, neither Sylvan nor Franchisee may modify this Pilot Agreement except by an instrument in writing between Sylvan and Franchisee.
20. Power and Authority. Each party to this Pilot Agreement represents and warrants that it is validly in existence; that its, his, or her representations herein are true and correct; and that it, he, or she has full power and authority to execute this Pilot Agreement and all documents contemplated herein.

21. **Choice of Law.** This Pilot Agreement shall in all respects be governed by and be construed under the internal laws of the State of Texas, without giving effect to its conflict of laws rules.
22. **Counterparts.** This Pilot Agreement may be executed in one or more counterparts, all of which taken together shall constitute one and the same instrument. An electronic signature shall be given the same effect as an original in-ink signature.

IN WITNESS WHEREOF, the parties to this Pilot Agreement have executed it as of the date first set forth above.

**LICENSOR:**

SYLVAN LEARNING, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
John McAuliffe, Chief Executive Officer

**LICENSEE/FRANCHISEE:**

\_\_\_\_\_,  
a \_\_\_\_\_ limited liability company

By: \_\_\_\_\_  
\_\_\_\_\_, its Member

**EXHIBIT B  
TO THE FRANCHISE DISCLOSURE DOCUMENT**

**SYLVAN EDGE PACKAGE LICENSE AGREEMENT**

## Sylvan Edge Package License Agreement

This Sylvan Edge Package License Agreement (this “Agreement”) is entered into as of \_\_\_\_\_ (the “Effective Date”) by and between Sylvan Learning, LLC (“Sylvan”) and \_\_\_\_\_ (“Licensee”). This Agreement amends Sylvan License Agreement # \_\_\_\_\_ dated \_\_\_\_\_ (the “Sylvan License Agreement”), to which Sylvan and Licensee are parties and which governs Sylvan Learning territory # \_\_\_\_\_ (the “Territory”).

WHEREAS, Sylvan, itself and pursuant to rights granted to it by third parties, has developed certain portable robotics, computer programming, engineering, and mathematics learning programs, content, activities (including without limitation computer-based activities), sequences of activities, technology, specifications, training, techniques, methodologies, know-how, and trade dress and other indicia for same, to be delivered under certain of Sylvan’s famous marks, which are distinct from the Sylvan System and the SylvanSync System as defined in the Sylvan License Agreement, and are designed for delivery to and use by students in small group settings (the “Package”).

WHEREAS, Licensee operates the Licensed Business in the Territory, and desires that Sylvan approve and license Licensee to use the Package in connection with such Licensed Business.

WHEREAS, Sylvan agrees to approve and license Licensee to use the Package in connection with the Licensed Business in the Territory, for the Term (as defined in this Agreement) and subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration for the mutual promises contained herein, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Grant of License. Sylvan hereby approves and grants to Licensee the right and license during the Term to use the Package in connection with the Licensed Business in the Territory, subject to the terms and conditions of this Agreement.

2. Reserved.

3. Sylvan License Agreement Terms. This Agreement is an addendum to the Sylvan License Agreement, and amends the Sylvan License Agreement to address the subject matter hereof. Except as otherwise set forth in this Agreement, Licensee’s use of the Package is, and shall be treated and governed as, an optional program under the Sylvan License Agreement, including, without limitation, the Sylvan License Agreement terms and conditions concerning the Territory, payment dates, reporting, and covenants not to compete. Notwithstanding the foregoing, in the event of an express conflict between the Sylvan License Agreement and this Agreement concerning the subject matter hereof, this Agreement shall govern. Except as set forth in this Agreement, the Sylvan License Agreement remains unchanged and in full force and effect.

4. Package Materials. Sylvan’s Confidential Operations Manual sets forth the materials in the Package, including, without limitation, the Package programs (the “Materials”); the costs that Licensee agrees to pay to acquire, use, or license such Materials; and the required and approved sources of such Materials. Sylvan’s Confidential Operations Manual is subject to change by Sylvan from time to time in its sole discretion, in accordance with the terms of the Sylvan License Agreement concerning optional programs, and Licensee shall comply with such changes.

5. Minimum Start-Up Purchase. To induce Sylvan to enter into this Agreement, Licensee shall purchase at least the Minimum Start-Up Purchase, as defined in Sylvan’s Confidential Operations Manual, not later than ninety (90) days following the Effective Date of this Agreement.

6. Sylvan Edge Royalty. At all times after the commencement of operations by Licensee under this Agreement, Licensee shall pay to Sylvan a monthly royalty for the preceding month equal to twelve percent (12%) of all revenues which derive from the Package (“Package Revenues”); and an additional amount equal to any sales, gross receipts, or similar tax imposed on Sylvan and calculated solely on payments required to be made by Licensee to Sylvan under this Agreement, unless such tax is an optional alternative to an income tax otherwise payable by Sylvan.

All royalties paid by Licensee under this Agreement shall be in addition to Licensee's monthly royalty obligations under the Sylvan License Agreement. In all other respects, the terms of the Sylvan License Agreement shall govern.

7. Sylvan Edge Local Marketing and Advertising. In order to promote the Package, Licensee agrees that it shall expend each month, on the type of advertising specified in the Sylvan License Agreement or on other marketing and advertising material and activities approved by Sylvan, not less than a "Monthly Territory Edge Advertising Minimum" equal to three percent (3%) of the preceding month's Package Revenues. Licensee shall keep appropriate records and receipts for all advertising or marketing expenditures for at least three years, and shall provide substantiating data for such expenditures upon request by Sylvan. The Monthly Territory Edge Advertising Minimum shall be in addition to the Monthly Territory Advertising Minimum in the Sylvan License Agreement; however, if and at such time as the aggregate of the amounts expended on monthly territory advertising under the Sylvan License Agreement and this Agreement reach Forty Thousand Dollars (\$40,000) per Territory in a given calendar year, then Licensee's Monthly Territory Edge Advertising Minimum obligations automatically shall be waived for the remainder of such calendar year. In all other respects, the terms of the Sylvan License Agreement shall govern.

8. Training. Licensee shall cause itself and its staff as designated by Sylvan to complete successfully all initial and subsequent training required by Sylvan before Licensee may offer and use the Package.

9. Authorized Locations. Licensee may offer and use the Package in connection with the Licensed Business at the following "Authorized Locations": (i) Licensee's approved Center(s) in the Territory; (ii) Licensee's approved Satellite(s) in the Territory, provided that Licensee provides at least ten (10) days' prior written notice to Sylvan that Licensee intends to offer and use the Package at Licensee's approved Satellite(s) in the Territory, with same to be deemed approved unless Sylvan provides written notice otherwise to Licensee within ten (10) days after receiving Licensee's notice; and (iii) other locations, such as but not limited to schools, within the Territory that are proposed by Licensee and approved by Sylvan. Sylvan has no obligation to approve any proposed location.

10. Exclusivity. During the Term, if Licensee is in material compliance with all of the terms of this Agreement and the Sylvan License Agreement, Sylvan shall not use, nor license any third party to use, the Package in the Territory. Sylvan reserves the right to use the Licensed Marks and certain aspects of the Package in conjunction with activities not contemplated by Sylvan as being conducted solely through Centers; and to offer, distribute, use and/or sell components of the Package through courses or programs offered and conducted by methods or other channels of distribution or through facilities other than Centers, within the Territory or outside the Territory, including but not limited to: (i) the Internet; (ii) CD-ROM, books, audio or video tapes; (iii) sales for home use by students; or (iv) other concepts currently in existence or as may be developed in the future, for example, through advancements in technology.

11. Intellectual Property and Use of Third-Party Marks. All intellectual property related to the Package, including, without limitation, copyrights, trademarks, and patents (the "IP"), is owned by Sylvan and third parties with whom Sylvan has contracted and from whom Sylvan has licensed such IP. The IP includes, without limitation, certain marks, the rights to which are owned and may be owned by third parties in the future (the "Third-Party Marks"). Licensee agrees and covenants to use the Third-Party Marks solely in connection with the Package in accordance with this Agreement, and solely in the manner prescribed by Sylvan, and to observe such requirements with respect to trademark, service mark, and copyright notices as Sylvan may, from time to time, require, including, without limitation, affixing "SM," "TM," "®," and/or disclaimer language adjacent to the Third-Party Marks. Licensee agrees that it shall not commit any act causing a tarnishment of the Third-Party Marks or the reputation and goodwill associated with any third party. Licensee's commission of any act causing a tarnishment of the Third-Party Marks or the reputation and goodwill associated with any third party constitutes an incurable material default under this Agreement, and in such event, Sylvan may terminate this Agreement immediately upon written notice to Licensee in accordance with the termination notice provisions of the Sylvan License Agreement, without further notice or opportunity to cure. Licensee acquires no rights in the IP other than the right to use the IP in strict accordance with the terms and conditions of this Agreement. Licensee hereby assigns all intellectual property rights associated with Licensee's ideas, suggestions, and improvements relating to the Package to Sylvan. Licensee acknowledges and agrees that third parties reserve all rights to use or license others to use parts and/or components of the Package (as an example but not a limitation, LEGO® pieces and coding exercises) within the Territory. Notwithstanding the foregoing, Sylvan does not currently license or authorize any third-party owner to use the "Sylvan" and "SylvanSync" trademarks (collectively, the "Sylvan Marks") in connection with the Package in the Territory. Third parties directly

or indirectly providing any part of the Materials to Licensee for the Package may require Licensee to accept, enter into, and otherwise comply with certain other agreements, including, without limitation, end user license agreements and terms of service agreements. Such third-party licensors may have independent rights of enforcement against Licensee if Licensee violates the terms of any such agreements. In addition, such third-party licensors of Sylvan may have the right, as third-party beneficiaries of this Agreement, to bring claims against Licensee.

12. Prior Agreements. This Agreement shall supersede any prior agreements concerning the Package with respect to the subject matter hereof.

13. Minimum Annual Edge Participation Threshold; Failure to Meet Minimum Annual Edge Participation Threshold. Licensee agrees and acknowledges that it is entering into this Agreement with the intent to generate revenue using the Package, and Licensee is obligated to use best efforts to promote the Package and to offer and sell the Package to customers. To induce Sylvan to enter into this Agreement with Licensee, Licensee agrees and acknowledges that Licensee shall generate sufficient Package Revenues so that the royalty fees that Licensee pays under this Agreement, net of all subsequent reductions to and refunds from such Package Revenues, shall be not less than Two Thousand, One Hundred Dollars (\$2,100) during the first full calendar year of the Term, and not less than Four Thousand, Two Hundred Dollars (\$4,200) during the second calendar year and all subsequent calendar years of the Term (the “Minimum Annual Edge Participation Threshold”). The Minimum Annual Edge Participation Threshold may be adjusted annually pursuant to Paragraph 6.10 (Cost of Living Adjustments) of the Sylvan License Agreement. The Minimum Annual Edge Participation Threshold shall be in addition to Licensee’s Minimum Annual Royalty obligations under the Sylvan License Agreement. Licensee’s first failure to meet the Minimum Annual Edge Participation Threshold in a given calendar year during the Term of this Agreement shall constitute a curable material default of this Agreement; such default shall be deemed cured by payment to Sylvan of the difference between the Minimum Annual Edge Participation Threshold and the earned Package Revenues for such calendar year (the “Shortfall”). Any subsequent failure (each a “Subsequent Failure”) by Licensee to meet the Minimum Annual Edge Participation Threshold in a calendar year during the Term of this Agreement, regardless of whether the first failure or any other prior failure was cured in accordance with this Agreement and the Sylvan License Agreement or waived by Sylvan, shall be an incurable material default of this Agreement and, subject to the appeal provisions of Paragraph 14, Sylvan may terminate this Agreement at any time from the monthly Edge royalty payment due date in the January immediately following the calendar year until June 30 of such calendar year (the “Termination Period”). If Sylvan does not terminate this Agreement by written notice to Licensee during the Termination Period, then Sylvan shall be deemed to have waived its rights to terminate this Agreement for such Subsequent Failure, and such Subsequent Failure shall not be deemed an incurable material default for the purposes of Paragraph 21 of this Agreement. Sylvan’s notice of termination to Licensee shall stipulate an appeal period (“Appeal Period”) of not less than twenty (20) days before the termination takes effect. During the Appeal Period, Licensee may appeal the termination pursuant to the process set forth in Paragraph 14; otherwise, the termination shall take effect upon the expiration of the Appeal Period. Payment of and/or Sylvan’s acceptance of payment of a given Shortfall shall not constitute a cure or stay of termination for any Subsequent Failure, except in the event that Sylvan approves an appeal pursuant to Paragraph 14. Licensee agrees and acknowledges that the Minimum Annual Edge Participation Threshold is not a projection, forecast, or guarantee of Licensee’s actual gross revenues from the Package in the Territory, and that Sylvan expressly disclaims making any representation concerning Licensee’s actual gross revenues from the Package and performance in the Territory.

14. Process to Appeal Termination for Subsequent Failure. Licensee may appeal Sylvan’s termination for a Subsequent Failure by appealing in writing to Sylvan within the Appeal Period as defined in Paragraph 13 and promising to pay the Shortfall, and all late fees, interest, and penalties in connection therewith, within fifteen (15) days following Sylvan’s written ruling on Licensee’s appeal (the “Cure Date”). Beginning on the date Sylvan receives Licensee’s written appeal (provided same is received within the Appeal Period), termination pursuant to Paragraph 13 and Paragraph 21 shall be stayed until Sylvan sends to Licensee Sylvan’s written ruling on the appeal. Sylvan shall have the right to deny or accept Licensee’s appeal, in Sylvan’s sole discretion, and is not required to accept any appeal. During the Appeal Period, Licensee’s obligation to pay the Minimum Annual Edge Participation Threshold under appeal is suspended, but all of Licensee’s other obligations, financial and otherwise, remain in effect, including, without limitation, the requirement to pay ongoing royalties and other amounts. If Sylvan denies the appeal in writing, the termination automatically shall become effective ten (10) days after the date of Sylvan’s written denial to Licensee. If Sylvan accepts the appeal in writing, termination shall be stayed until the Cure Date or such later date as Sylvan stipulates. If, Sylvan having accepted the appeal in writing, Licensee subsequently pays to Sylvan the Shortfall by the

Cure Date, then the termination automatically shall be rescinded, and the underlying Subsequent Failure shall not be deemed an incurable material default for the purposes of Paragraph 21; otherwise, the termination shall become effective automatically on the day after the Cure Date without further notice or opportunity to cure, and Licensee shall not be obligated to pay the Shortfall. The provisions in this Paragraph apply only to termination for Subsequent Failure as defined in Paragraph 13 and do not apply to any other event of default or termination.

15. Optional Package. Licensee acknowledges and agrees that the Package is optional under the Sylvan License Agreement and that Licensee may terminate this Agreement and all grants and rights hereunder without penalty in accordance with the terms and conditions in Paragraph 20.

16. Optional and Mandatory Programs. Licensee shall comply with all educational standards designated as required or mandatory by Sylvan in its Confidential Operations Manual or otherwise in writing. Sylvan may, in its sole discretion, designate a program mandatory under this Agreement which was previously optional under the Confidential Operations Manual by providing notice to Licensee in writing. From time to time, Sylvan may develop or have developed for it new or enhanced programs or modules designated for use in connection with the Package, and shall make such programs or modules available to Licensee as either mandatory or optional. In the event that a Package program is designated as mandatory, Sylvan may not require implementation of such item earlier than ninety (90) days after the item is generally made available to all Sylvan Edge Package licensees. Mandatory Package programs and enhancements or updates to same shall be provided to Licensee at Sylvan's cost. Licensee shall be required to purchase, implement, and make available to its customers each such mandatory program, enhancement, or update to mandatory program no later than the required implementation date for each as determined by Sylvan in accordance with the provisions of this Paragraph. Optional Package programs and updates to same will be made available to Licensee for such charges as Sylvan shall establish. Licensee acknowledges and agrees that Sylvan may require Licensee to successfully complete designated training and/or obtain designated certifications before releasing programs, updates, or modules to Licensee. Licensee's failure to complete such requirements or cause personnel to complete such requirements (provided that the training is made available to Licensee) shall not constitute a defense of Licensee's failure to obtain and implement any mandatory program or module on or before the required implementation date. For any calendar year in which Licensee is required to expend more than Ten Thousand Dollars (\$10,000) (which maximum shall be adjusted each calendar year based upon the cost of living adjustment in the Sylvan License Agreement) altogether on mandatory Package, Sylvan System, and/or SylvanSync System programs required to be implemented beginning in that year, Licensee shall be permitted to extend payment of the amount in excess of such maximum to the following calendar year(s) for so long as Licensee's obligations in any given year exceed the maximum. Expenditures on mandatory programs, enhancements, or updates purchased and implemented after their required implementation date has already passed shall not count toward the maximums in this Paragraph.

17. Reporting. Licensee shall timely and accurately report academic, operational, and financial information of the type and in the form that Sylvan identifies from time to time.

18. Standards and Quality Assurance. Licensee shall use the Package in compliance with (i) this Agreement; (ii) all manuals that address the Package; and (iii) the Sylvan License Agreement, including, without limitation, the associated Confidential Operations Manual.

19. Term. The term of this Agreement shall commence on the Effective Date and shall run concurrently with the term of the Sylvan License Agreement (the "Term"), unless earlier terminated in accordance with this Agreement.

20. Termination by Licensee. Licensee may terminate this Agreement for any reason upon sixty (60) days' prior written notice to Sylvan. Licensee shall be obligated to fulfill all contractual obligations to customers, including completing all courses of instruction for which Licensee has contracted to provide and/or has received Package Revenues, prior to the expiration or termination of this Agreement. As otherwise stated in this Agreement, the post-termination obligations of Licensee under this Agreement are set forth in the Sylvan License Agreement.

21. Termination by Sylvan; Automatic Termination. Sylvan may not unilaterally terminate this Agreement except as set forth in this Paragraph. Unless earlier terminated in accordance with this Agreement, Sylvan may terminate this Agreement (a) in accordance with Paragraph 11 of this Agreement, addressing tarnishment of Third-Party Marks; (b) in accordance with Paragraph 13 of this Agreement, addressing failure to meet the Minimum

Annual Edge Participation Threshold; and/or (c) in the event that Licensee fails to comply with any other term of this Agreement and fails to cure such default within twenty (20) days following receipt of written notice of default from Sylvan. This Agreement shall automatically terminate upon termination of Licensee’s Sylvan License Agreement for any reason.

22. Breach of the Sylvan License Agreement. Licensee’s failure to comply with any material provision of this Agreement shall not, in and of itself, constitute a breach of the Sylvan License Agreement unless, in the course of such failure to comply with this Agreement, Licensee is in default of its obligations under the Sylvan License Agreement and fails to cure such default (if such default is curable), in which case the Sylvan License Agreement may be terminated according to its terms. As an example, and not a limitation, Licensee’s failure to pay any amount when due in connection with this Agreement shall be a curable material default of the Sylvan License Agreement.

23. No Warranties. LICENSEE UNDERSTANDS AND ACKNOWLEDGES THAT THE PACKAGE IS BEING PROVIDED HEREUNDER “AS IS.” SYLVAN DISCLAIMS ANY AND ALL WARRANTIES AND GUARANTEES RELATED TO THE PACKAGE, INCLUDING WITHOUT LIMITATION THE WARRANTY OF MERCHANTABILITY AND THE WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE.

24. No Modifications. Except as set forth herein, this Agreement may not be modified except with the express written consent of all parties hereto.

25. Defined Terms. Any capitalized terms not specifically defined herein shall have the meanings ascribed to them in the Sylvan License Agreement.

IN WITNESS WHEREOF, the parties to this Agreement have executed it as of the date first set forth above.

**LICENSOR:**

SYLVAN LEARNING, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
John McAuliffe, Chief Executive Officer

**LICENSEE:**

,  
a limited liability company

By: \_\_\_\_\_  
, its Member

**ILLINOIS RIDER TO THE SYLVAN EDGE PACKAGE LICENSE AGREEMENT**

To the extent the Illinois Franchise Disclosure Act, Ill. Comp. Stat. §§705/1 – 705/44 applies, the terms of this Addendum apply.

1. Illinois law governs the Sylvan Edge Package License Agreement.
2. 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.
3. Your rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.
4. 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.
5. The following statement shall be deemed to amend the License Agreement:  

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.

**LICENSEE:**

a     '     limited liability company

By: \_\_\_\_\_  
      , its Member

**EXHIBIT C  
TO THE FRANCHISE DISCLOSURE DOCUMENT**

**ACE IT! TUTORING SYSTEM LICENSE AGREEMENT**



### ACE IT! Tutoring System License Agreement

This ACE IT! Tutoring System License Agreement (this “Agreement”) is entered into as of (the “Effective Date”) by and between Sylvan Learning, LLC (“Sylvan”) and LicenseeName (“Licensee”). This Agreement amends Sylvan License Agreement # dated (the “Sylvan License Agreement”), to which Sylvan and Licensee are parties and which governs Sylvan Learning territory # (the “Territory”).

WHEREAS, Sylvan has developed certain proprietary programs, systems, teaching, and management techniques to provide academic programs for students pursuant to contracts funded by third parties, such as school districts, other government entities, and not-for-profit organizations, (“Third-Party Contracts”), which are personally taught by trained instructors and which are distinct from the Sylvan System and the SylvanSync System (as defined in the Sylvan License Agreement) and which are approved for use by Sylvan to be delivered both in Sylvan Learning Centers and Satellites (as defined in the Sylvan License Agreement), as well as in un-branded locations, such as schools and community Centers, under the ACE IT! TUTORING® brand name (the “ACE IT! System”);

WHEREAS, Sylvan licenses the ACE IT! System to persons and entities who have entered into Sylvan License Agreements to enable such persons and entities to conduct business using the ACE IT! System within their respective territories and in connection with the Licensed Business (the “ACE IT! Business”);

WHEREAS, Licensee operates the Licensed Business in the Territory and desires that Sylvan approve and license Licensee to use the ACE IT! System in connection with the Licensed Business; and

WHEREAS, Sylvan agrees to approve and license Licensee to use the ACE IT! System in connection with the Licensed Business in the Territory, for the Term (as defined hereinafter) and subject to the terms and conditions set forth in this Agreement and the Sylvan License Agreement.

NOW, THEREFORE, in consideration for the mutual promises contained herein, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Grant of License. Sylvan hereby approves and grants to Licensee the right and license during the Term to use the ACE IT! System, which includes, but is not limited to, its proprietary programs, systems, and techniques, and certain copyrighted materials, and Licensed Marks (as defined hereinafter), to conduct the ACE IT! Business in connection with retail services offered directly to consumers, as approved by Sylvan, and in connection with Third-Party Contracts with schools, other government entities, community Centers, and other third parties at approved locations in the Territory, subject to the terms and conditions of this Agreement. The term “Licensed Marks” shall be used in this Agreement to describe collectively certain trade names, trademarks, service marks, logos, symbols, and other indicia of origin identified in the Confidential ACE IT! Tutoring Operations and Education Manual(s), including, but not limited to, ACE IT!® and ACE IT! TUTORING®, and such other trade names, trademarks, service marks, associated logos and symbols as are now designated by Sylvan (and as may hereafter be designated by Sylvan in writing). Sylvan may, in its sole discretion, change, modify, delete from, supplement, improve or further develop the ACE IT! System and the services, programs, products and other components comprising the ACE IT! System from time to time, through the Confidential ACE IT! Tutoring Operations and Education Manual(s) and any other manuals issued by Sylvan for use in the ACE IT! System, or otherwise upon written notice to Licensee. Licensee agrees to comply with all of Sylvan’s requirements in such regard, including, without limitation, offering and selling products, programs, and services that Sylvan specifies.
2. Reservation of Rights. Licensee expressly understands and agrees that Sylvan shall have the right, in its sole discretion and regardless of proximity to the Territory and the financial impact on Licensee’s ACE IT! Business or its Sylvan License, to provide (outright, through contract, joint-ventures or otherwise) ACE IT! System programs at any locations outside of the Territory; to grant licenses for the provision of ACE IT! System programs at any locations outside of the Territory as Sylvan, in its sole and exclusive discretion, deems appropriate; to

conduct and operate businesses, and offer and sell services, programs and products within the Territory which do not comprise a part of the ACE IT! System and, in connection therewith, to exploit its Licensed Marks, name, reputation and know-how; to use the Licensed Marks and other aspects of the ACE IT! System in conjunction with activities not contemplated by Sylvan as being conducted solely in connection with Third-Party Contracts; and to offer, distribute, use and/or sell components of the ACE IT! System through courses or programs offered and conducted other than under Third-Party Contracts, within the Territory or outside the Territory; and to sell and distribute, and grant others the right to sell and distribute, at retail or wholesale, products associated with the ACE IT! System, within the Territory or outside the Territory, including, but not limited to: (i) the Internet; (ii) CD-ROM, books, audio or video tapes; (iii) sales for home use by students; or (iv) other concepts currently in existence or as may be developed in the future, for example, through advancements in technology. Sylvan agrees that, so long as this Agreement is in effect, it will not itself, or through any affiliate or subsidiary, utilize the ACE IT! System in the Territory for Third-Party Contracts.

3. Reserved.
4. Sylvan License Agreement Governs. This Agreement is an addendum to the Sylvan License Agreement, and amends the Sylvan License Agreement to address the subject matter hereof. Except as otherwise set forth in this Agreement, Licensee's use of the ACE IT! System is, and shall be treated and governed as, an optional program under the Sylvan License Agreement, including, without limitation, the Sylvan License Agreement terms and conditions concerning the Territory, payment dates, record keeping, reporting, taxes, covenants not to compete, and other provisions. Notwithstanding the foregoing, in the event of an express conflict between the Sylvan License Agreement and this Agreement concerning the subject matter hereof, this Agreement shall govern. Except as set forth in this Agreement, the Sylvan License Agreement remains unchanged and in full force and effect.
5. Standards and Quality Assurance. Licensee shall use the ACE IT! System in compliance with (i) this Agreement; (ii) the Confidential ACE IT! Tutoring Operations and Education Manual(s); and (iii) the Sylvan License Agreement, including, without limitation, the associated Confidential Operations Manual.
6. Confidential ACE IT! Tutoring Operations and Education Manual(s). Sylvan shall lend to Licensee, at no additional charge, certain Confidential Operations and Education Manual(s); and Licensee agrees to conduct its ACE IT! Business and to maintain standards of operation in accordance with the provisions set forth in such Confidential ACE IT! Tutoring Operations and Education Manual(s). Sylvan may impose a reasonable charge for replacement manuals or supplements issued to Licensee. The standards, specifications, and requirements established by Sylvan for Licensee, unless otherwise indicated, shall be set forth in this Agreement or may, from time to time, be set forth by Sylvan in the Confidential ACE IT! Tutoring Operations and Education Manual(s). Licensee understands and acknowledges that Sylvan may, from time to time, revise the contents of the Confidential ACE IT! Tutoring Operations and Education Manual(s) to implement new or different requirements for the ACE IT! System, and Licensee expressly agrees to comply with all such changed requirements which are by their terms mandatory. Licensee shall at all times ensure that its copy of the Confidential ACE IT! Tutoring Operations and Education Manual(s) is kept current and up to date. In the event of any dispute as to the contents of the Confidential ACE IT! Tutoring Operations and Education Manual(s), the terms and dates of the master copy of same maintained by Sylvan at its principal place of business shall be controlling. Licensee shall at all times use its best efforts to keep the information in the Confidential ACE IT! Tutoring Operations and Education Manual(s), the Confidential ACE IT! Tutoring Operations and Education Manual(s) themselves and any other manuals, materials, goods and information created or used by Sylvan and designated for confidential use within the ACE IT! System confidential and shall limit access to employees of Licensee on a need-to-know basis.

7. Training.

7.1 Sylvan agrees to provide an initial training program as described in the Confidential ACE IT! Tutoring Operations and Education Manual(s) (as hereinafter described) for up to two (2) members of Licensee's staff, including Licensee and one other staff person as designated by Sylvan.

7.2 Sylvan agrees to furnish Licensee certain materials deemed by Sylvan to be appropriate for instruction of Licensee's personnel in the conduct of the ACE IT! Tutoring programs.

7.3 Licensee agrees to cause itself and its staff, as required by Sylvan, to complete successfully any initial or subsequent training, as Sylvan may require as set forth in the Confidential ACE IT! Tutoring Operations and Education Manual(s), prior to offering any programs under this Agreement. Prior to any training, Licensee and all other persons to be trained must sign a confidentiality, non-disclosure, and covenant not to compete agreement on the form then used by Sylvan. The training that Sylvan provides to Licensee and to Licensee's employees does not constitute employment, direction, or supervision of Licensee or Licensee's employees by Sylvan. Sylvan does not hire, fire, manage, supervise, schedule, discipline, or set compensation for Licensee or Licensee's employees.

8. Authorized Locations. Licensee may offer and use the ACE IT! System in connection with the Licensed Business at the following "Authorized Locations": (i) schools and institutions within the Territory; (ii) schools and institutions outside of the Territory, provided a) that such area is not licensed by Sylvan to any other third party at such time; b) that Licensee submits a written request to offer and use the ACE IT! System at such location and that Sylvan grants approval for such offering and use in writing to Licensee; and c) that Licensee agrees that Licensee shall cease offering any programs under this Agreement in such location if and at such time as Sylvan licenses the territory which includes the location to a third party; (iii) Licensee's approved Center(s) in the Territory, provided that Licensee submits a written request to offer and use the ACE IT! System at such Center and that Sylvan grants approval for such offering and use in writing to Licensee; and (iv) Licensee's approved Satellite(s) in the Territory, provided that Licensee submits a written request to offer and use the ACE IT! System at such Satellite and that Sylvan grants approval for such offering and use in writing to Licensee. Sylvan shall have no obligation to approve any request to allow Licensee to offer the ACE IT! System in Centers or Satellites.
9. Staff Requirements. To maintain the high image and quality standards of Sylvan's proprietary programs and material, Licensee agrees to provide sufficient and competent management, staff, and ACE IT! certified personnel to deliver high quality instruction and service as designated in the Confidential ACE IT! Tutoring Operations and Education Manual(s) and any changes thereto for all programs. Licensee agrees that if accreditation for supplemental education programs or services offered by Licensee is available from an accrediting body or organization, Licensee shall attain and maintain such accreditation when designated in the Confidential ACE IT! Tutoring Operations and Education Manual(s) and any modifications thereto.
10. Permits, Licensing, and Approvals. Prior to commencing business operations, Licensee shall obtain all federal, local, and state permits, licenses, certifications, and federal, state, and/or local approvals (if required) necessary to provide ACE IT! System programs. Licensee shall also comply at all times with all educational, safety, building or other local, state and federal statutes, ordinances, regulations, codes, licensing requirements or standards applicable to education programs. Licensee shall comply with all local, state and federal requirements relating to confidential treatment of student identities. Sylvan shall in no manner be liable for advising Licensee of such matters or determining Licensee's compliance therewith and Licensee will defend, indemnify, and hold Sylvan harmless from any claims or loss relating to same. Licensee may not share permits, licenses, or approvals issued to another licensee of Sylvan or Sylvan itself. Licensee is responsible to ensure that the authorizing entity(ies) are aware of Licensee's status as an independently owned and operated business requiring separate and specific permits, licenses, and approvals.
11. Exclusivity. During the Term, if Licensee is in material compliance with all of the terms of this Agreement and the Sylvan License Agreement, Sylvan shall not use, nor license any third party to use, the ACE IT! System in the Territory.
12. Establishment of Tuition Charges and Scholarship Students. Licensee shall establish the tuition and other charges applicable under Licensee's Third-Party Contracts, and shall make such revenue information available to Sylvan upon request. Licensee agrees that, in any month, it may not provide more than 5% of services under the ACE IT! System on a scholarship, reduced-fee, or no-fee basis.
13. Protection of Sylvan's Proprietary Rights.

13.1 Trade Secrets. Licensee acknowledges Sylvan's proprietary rights in the programs, systems, techniques, manuals, and trade secrets which will be disclosed to Licensee under this Agreement, and further acknowledges that Licensee does not acquire any right or interest therein beyond the rights expressly granted to it under this Agreement. By execution of this Agreement, Licensee also acknowledges that the know-how and operating format related to Sylvan's proprietary methods and materials is also proprietary to Sylvan and will not be disclosed by Licensee except in connection with Licensee's required activities as authorized by this Agreement. Licensee agrees to maintain adequate security in the control, use, and handling of proprietary materials Sylvan supplies to Licensee in accordance with the practices described in the Confidential ACE IT! Tutoring Operations

and Education Manual(s) or as stated otherwise in writing from time to time. Unless expressly waived by Sylvan in writing, Licensee shall require all persons who have or could have access to Sylvan proprietary materials, to sign written confidentiality agreements pertaining to the security of Sylvan proprietary materials, which agreement shall be in a form reasonably acceptable to Sylvan if requested by Sylvan. Licensee shall immediately notify Sylvan of any unauthorized use of Sylvan's trade secrets, or any infringement of Sylvan's copyrights. Sylvan shall have sole discretion to take such action or inaction as it deems appropriate in response.

**13.2 Licensed Marks.** Licensee expressly acknowledges Sylvan's rights in and to the Licensed Marks and agrees not to represent in any manner that Licensee has acquired any ownership rights in the Licensed Marks. Licensee agrees not to use any of the Licensed Marks or any marks, names, or indicia which are or may be confusingly similar in its own corporate or business name except as authorized in this Agreement. Licensee further acknowledges and agrees that any and all goodwill associated with the ACE IT! System and identified by the Licensed Marks shall inure directly and exclusively to the benefit of Sylvan and that, upon the expiration or termination of this Agreement for any reason, no monetary amounts shall be attributable to any goodwill associated with Licensee's use of the Licensed Marks. Licensee understands and agrees that any use of the Licensed Marks other than as expressly authorized by this Agreement, without Sylvan's prior written consent, is an infringement of Sylvan's rights in the Licensed Marks and that the right to use the Licensed Marks granted herein does not extend beyond the termination or expiration of this Agreement. Licensee expressly covenants that, during the term of this Agreement and thereafter, Licensee shall not, directly or indirectly, commit any act of infringement or contest or aid others in contesting the validity of Sylvan's right to use the Licensed Marks or take any other action in derogation thereof. Licensee acknowledges an obligation to monitor its own and other parties' use of the Licensed Marks and agrees to do so. Licensee shall promptly notify Sylvan of any claim, demand or cause of action known to Licensee that Sylvan may have based upon or arising from any unauthorized attempt by any person or legal entity to use the Licensed Marks, any colorable variation thereof, or any other mark, name or indicia in which Sylvan has or claims a proprietary interest. Licensee shall assist Sylvan, upon request and at Sylvan's expense, in taking such action, if any, as Sylvan may deem appropriate to halt such activities, but shall take no action nor incur any expenses on Sylvan's behalf without Sylvan's prior written approval; if Sylvan undertakes the defense or prosecution of any litigation relating to the Licensed Marks, Licensee agrees to cooperate with and assist Sylvan as Sylvan may reasonably request in the defense or prosecution of any such action, and Sylvan shall reimburse Licensee for Licensee's reasonable out-of-pocket expenses incurred in providing such assistance. Licensee further agrees and covenants to use the Licensed Marks solely in the manner prescribed by Sylvan; to observe all laws with respect to the registration of trade names and assumed or fictitious names, to include in any application therefor a statement that Licensee's use of the Licensed Marks is limited by the terms of this Agreement, and to provide Sylvan with a copy of any such application and other registration document(s); and to observe such requirements with respect to trademark and service mark registrations and copyright notices as Sylvan may, from time to time, require, including, without limitation, affixing "SM", "TM", or "®" adjacent to the Licensed Marks. Licensee agrees that it shall not commit any act causing an incurable tarnishment of the Licensed Marks or the reputation and goodwill associated with the ACE IT! System. Sylvan reserves the right, in its sole discretion, to designate and require that Licensee use one or more new, modified or replacement Licensed Marks. If as a result of such requirement, Licensee should be required to alter any signage or outdoor advertising, Licensee shall have 120 days from receipt of Sylvan's requirement to comply with same, at Licensee's sole cost and expense.

- 14. Intellectual Property and Use of Third-Party Marks.** All intellectual property related to the ACE IT! System, including, without limitation, copyrights, trademarks, and patents (the "IP"), is owned by Sylvan and third parties with whom Sylvan has contracted and from whom Sylvan has licensed such IP. The IP may include, without limitation, certain marks, the rights to which may be owned by third parties in the future (the "Third Party Marks"). Licensee agrees and covenants to use the Third-Party Marks solely in connection with the ACE IT! System in accordance with this Agreement, and solely in the manner prescribed by Sylvan, and to observe such requirements with respect to trademark, service mark, and copyright notices as Sylvan may, from time to time, require, including, without limitation, affixing "SM," "TM," "®," and/or disclaimer language adjacent to the Third-Party Marks. Licensee agrees that it shall not commit any act causing a tarnishment of the Third-Party Marks or the reputation and goodwill associated with any third party. Licensee's commission of any act causing a tarnishment of the Third-Party Marks or the reputation and goodwill associated with any third party constitutes an incurable material default under this Agreement, and in such event, Sylvan may terminate this Agreement immediately upon written notice to Licensee in accordance with the termination notice provisions of the Sylvan License Agreement, without further notice or opportunity to cure. Licensee acquires no rights in the IP other than the right to use the IP in strict accordance with the terms and conditions of this Agreement. Licensee hereby

assigns all intellectual property rights associated with Licensee's ideas, suggestions, and improvements relating to the ACE IT! System to Sylvan.

15. ACE IT! Royalty Payments and Requirements.

15.1 Monthly ACE IT! Royalty Payment. At all times after the commencement of operations by Licensee under this Agreement, Licensee shall pay to Sylvan a monthly royalty for the preceding month equal to twelve percent (12%) of gross revenues which derive from the ACE IT! System ("ACE IT! Revenues"); and an additional amount equal to any sales, gross receipts, or similar tax imposed on Sylvan and calculated solely on payments required to be made by Licensee to Sylvan under this Agreement, unless such tax is an optional alternative to an income tax otherwise payable by Sylvan. The annual amount paid by Licensee to Sylvan shall not be less than the Minimum Annual ACE IT! Royalty Threshold as set forth in Paragraph 15.2 of this Agreement. In all other respects, the terms of the Sylvan License Agreement shall govern.

15.2 Minimum Annual ACE IT! Royalty Threshold. Licensee agrees and acknowledges that it is entering into this Agreement with the intent to generate revenue using the ACE IT! System, and Licensee is obligated to use best efforts to promote the ACE IT! System and to offer and sell the ACE IT! System to customers. To induce Sylvan to enter into this Agreement with Licensee, Licensee agrees and acknowledges that the aggregate of the monthly royalty payments that Licensee pays to Sylvan for each full calendar year after Licensee commences operations under this Agreement shall not be less than One Thousand, Two Hundred Dollars (\$1,200) (the "Minimum Annual ACE IT! Royalty Threshold"), and that such amount may be adjusted annually pursuant to Paragraph 6.10 (Cost of Living Adjustments) of the Sylvan License Agreement. The Minimum Annual ACE IT! Royalty Threshold for the calendar year in which the Effective Date falls shall be prorated based on the number of full calendar months remaining between the four (4) month anniversary of the Effective Date and the end of that calendar year. The Minimum Annual ACE IT! Royalty Threshold shall be met by Licensee each calendar year regardless of the amount of gross revenue Licensee does receive or does not receive and/or the extent to which Licensee operates or does not operate the ACE IT! Business during such calendar year. The requirement to meet Minimum Annual ACE IT! Royalty Threshold shall continue through the initial term and each renewal term of this Agreement. The Minimum Annual ACE IT! Royalty Threshold shall be in addition to Licensee's Minimum Annual Royalty obligations under the Sylvan License Agreement; however, if and at such time as Licensee has entered into and is subject to the Sylvan Edge Package License Agreement in addition to this Agreement, the Minimum Annual Royalty payment required under the Sylvan License Agreement shall be reduced by Two Thousand, Four Hundred Dollars (\$2,400).

15.3 Failure to Meet Minimum Annual ACE IT! Royalty Threshold. Licensee's first failure to meet the Minimum Annual ACE IT! Royalty Threshold in a given calendar year during the Term of this Agreement shall constitute a curable material default of this Agreement; such default shall be deemed cured by payment to Sylvan of the Minimum Annual ACE IT! Royalty Threshold less any royalty payments paid to Sylvan by Licensee in the same calendar year in connection with the ACE IT! System (the "Shortfall"). Any subsequent failure (each a "Subsequent Failure") by Licensee to meet the Minimum Annual ACE IT! Royalty Threshold in a calendar year during the Term of this Agreement, regardless of whether the first failure or any other prior failure was cured in accordance with this Agreement and the Sylvan License Agreement or waived by Sylvan, shall be an incurable material default of this Agreement and, subject to the appeal provisions of Paragraph 15.4, Sylvan may terminate this Agreement at any time from the monthly ACE IT! royalty payment due date in the January immediately following the calendar year until June 30 of such calendar year (the "Termination Period"). If Sylvan does not terminate this Agreement by written notice to Licensee during the Termination Period, then Sylvan shall be deemed to have waived its rights to terminate this Agreement for such Subsequent Failure, and such Subsequent Failure shall not be deemed an incurable material default for the purposes of Paragraph 20 of this Agreement. Sylvan's notice of termination to Licensee shall stipulate an appeal period ("Appeal Period") of not less than twenty (20) days before the termination takes effect. During the Appeal Period, Licensee may appeal the termination pursuant to the process set forth in Paragraph 15.4; otherwise, the termination shall take effect upon the expiration of the Appeal Period. Payment of and/or Sylvan's acceptance of payment of a given Shortfall shall not constitute a cure or stay of termination for any Subsequent Failure, except in the event that Sylvan approves an appeal pursuant to Paragraph 15.4.

15.4 Process to Appeal Termination for Subsequent Failure. Licensee may appeal Sylvan's termination for a Subsequent Failure by appealing in writing to Sylvan within the Appeal Period as defined in Paragraph 15.3 and promising to pay the Shortfall, and all late fees, interest, and penalties in connection therewith, within fifteen (15) days following Sylvan's written ruling on Licensee's appeal (the "Cure Date"). Beginning on the date Sylvan receives Licensee's written appeal (provided same is received within the Appeal Period), termination pursuant to Paragraph 15.3 and Paragraph 20 shall be stayed until Sylvan sends to Licensee Sylvan's

written ruling on the appeal. Sylvan shall have the right to deny or accept Licensee's appeal, in Sylvan's sole discretion, and is not required to accept any appeal. During the Appeal Period, Licensee's obligation to pay the Minimum Annual ACE IT! Royalty Threshold under appeal is suspended, but all of Licensee's other obligations, financial and otherwise, remain in effect, including, without limitation, the requirement to pay ongoing royalties and other amounts. If Sylvan denies the appeal in writing, the termination automatically shall become effective ten (10) days after the date of Sylvan's written denial to Licensee. If Sylvan accepts the appeal in writing, termination shall be stayed until the Cure Date or such later date as Sylvan stipulates. If, Sylvan having accepted the appeal in writing, Licensee subsequently pays to Sylvan the Shortfall by the Cure Date, then the termination automatically shall be rescinded, and the underlying Subsequent Failure shall not be deemed an incurable material default for the purposes of Paragraph 20; otherwise, the termination shall become effective automatically on the day after the Cure Date without further notice or opportunity to cure, and Licensee shall not be obligated to pay the Shortfall. The provisions in this Paragraph apply only to termination for Subsequent Failure as defined in Paragraph 15.3 and do not apply to any other event of default or termination.

16. Optional Program. Licensee acknowledges and agrees that the ACE IT! System is an optional program under the Sylvan License Agreement and that Licensee may terminate this Agreement and all grants and rights hereunder without penalty in accordance with the terms and conditions in Paragraph 19.
17. Reporting. Licensee shall timely and accurately report academic, operational, and financial information of the type and in the form that Sylvan identifies from time to time.
18. Term. The term of this Agreement shall commence on the Effective Date and shall run concurrently with the term of the Sylvan License Agreement (the "Term"), unless earlier terminated in accordance with this Agreement.
19. Termination by Licensee. Licensee may terminate this Agreement for any reason upon sixty (60) days' prior written notice to Sylvan. Licensee shall be obligated to fulfill all contractual obligations to customers, including completing all courses of instruction for which Licensee has contracted to provide and/or has received or will receive ACE IT! Revenues, prior to the expiration or termination of this Agreement. As otherwise stated in this Agreement, the post-termination obligations of Licensee under this Agreement are set forth in the Sylvan License Agreement.
20. Termination by Sylvan; Automatic Termination. Sylvan may not unilaterally terminate this Agreement except as set forth in this Paragraph. Unless earlier terminated in accordance with this Agreement, Sylvan may terminate this Agreement (a) in accordance with Paragraph 15.3 of this Agreement, addressing failure to meet the Minimum Annual ACE IT!® Royalty Threshold; and/or (b) in the event that Licensee fails to comply with any other term of this Agreement and fails to cure such default within twenty (20) days following receipt of written notice of default from Sylvan. This Agreement shall automatically terminate upon termination of Licensee's Sylvan License Agreement for any reason.
21. Breach of the Sylvan License Agreement. Licensee's failure to comply with any material provision of this Agreement shall not, in and of itself, constitute a breach of the Sylvan License Agreement unless, in the course of such failure to comply with this Agreement, Licensee is in default of its obligations under the Sylvan License Agreement and fails to cure such default (if such default is curable), in which case the Sylvan License Agreement may be terminated according to its terms. As an example, and not a limitation, Licensee's failure to pay any amount when due in connection with this Agreement shall be a curable material default of the Sylvan License Agreement.
22. No Warranties. LICENSEE UNDERSTANDS AND ACKNOWLEDGES THAT THE ACE IT! SYSTEM IS BEING PROVIDED HEREUNDER "AS IS." SYLVAN DISCLAIMS ANY AND ALL WARRANTIES AND GUARANTEES RELATED TO THE ACE IT! SYSTEM, INCLUDING WITHOUT LIMITATION THE WARRANTY OF MERCHANTABILITY AND THE WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE.
23. No Modifications. Except as set forth herein, this Agreement may not be modified except with the express written consent of all parties hereto.
24. Defined Terms. Any capitalized terms not specifically defined herein shall have the meanings ascribed to them in the Sylvan License Agreement.

IN WITNESS WHEREOF, the parties to this Agreement have executed it as of the date first set forth above.

**LICENSOR:**

SYLVAN LEARNING, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
John McAuliffe, Chief Executive Officer

**LICENSEE:**

,  
a limited liability company

By: \_\_\_\_\_  
, its Member

**ILLINOIS RIDER TO THE ACE IT! TUTORING SYSTEM LICENSE AGREEMENT**

To the extent the Illinois Franchise Disclosure Act, Ill. Comp. Stat. §§705/1 – 705/44 applies, the terms of this Addendum apply.

1. Illinois law governs the ACE IT! Tutoring System License Agreement.
2. 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.
3. Your rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.
4. 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.
5. The following statement shall be deemed to amend the License Agreement:

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.

**LICENSEE:**

a     '     limited liability company

By: \_\_\_\_\_  
      , its Member

**EXHIBIT D**  
**TO THE FRANCHISE DISCLOSURE DOCUMENT**

**MULTI-TERRITORY INCENTIVE PLAN AMENDMENT**

## MULTI-TERRITORY INCENTIVE PLAN AMENDMENT

This Multi-Territory Incentive Plan Amendment (this “Amendment”) to the Sylvan License Agreement dated \_\_\_\_ for a territory in \_\_\_\_ (“License Agreement”) is entered into as of \_\_\_\_\_ (the “Effective Date”) by and between Sylvan Learning, LLC (“Sylvan”), a Delaware limited liability company, with a principal place of business at 2350 Airport Freeway, Suite 505, Bedford, TX 7602, and \_\_\_\_\_ (“Licensee”).

WHEREAS, Licensee has expressed an interest in purchasing more than one new Sylvan territory as part of a “Multi-Territory Incentive Plan;” and

WHEREAS, Sylvan is willing to offer certain modified terms and conditions as part of the Multi-Territory Incentive Plan related to the amount and timing of the Initial License Fees due and the Required Open Dates for the Primary Centers in each new Sylvan territory; and

WHEREAS, the parties wish to amend the License Agreement as described in Section 1 below to reflect the Multi-Territory Incentive Plan described herein; and

NOW, THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Incorporation; Each Territory operated under a Separate License or Franchise Agreement. This Amendment forms an essential part of the License Agreement to which it is attached. This Amendment is executed concurrently with the License Agreement or shortly thereafter, and so, the first territory in Section 2 below shall be operated pursuant to the License Agreement. The license or franchise agreement for the second and third territory to be developed shall be on Sylvan’s then-current license or franchise agreement, the terms of which may be materially different from the terms of the License Agreement. At the time Licensee is ready to develop the second and third territory, Licensee will be disclosed with the then-current Sylvan franchise disclosure document with the then-current form of license or franchise agreement. Each Sylvan center developed hereunder shall be at a specific location, which shall be designated in the respective license or franchise agreement that is within the attached territories.

2. Required Open Date. Paragraph 1.6 of the License Agreement is hereby amended such that the “Required Open Date” for the Primary Center is replaced with the applicable date set forth in the table below. Likewise, the equivalent cause regarding the required opening date in subsequent franchise or license agreements for the second and third territories are modified with the below respective required opening dates:

<b>Sylvan License Agreement/Territory</b>	<b>Required Opening Date</b>
First Territory	6 months from Effective Date of this Amendment
Second Territory	12 months from Effective Date of this Amendment
Third Territory	18 months from Effective Date of this Amendment

3. Development Fee. Upon execution of this Amendment, Licensee shall pay to Sylvan a Development Fee in the amount set forth in the Development Fee Schedule below. The Development Fee is fully earned by Sylvan when paid and is not refundable, in whole or in part, under any circumstances. If the Licensee has paid the respective Development Fees in full, Licensee will not pay any additional initial franchise fees for any of the territories to be developed under this Amendment when Licensee executes subsequent franchise or license agreements, pursuant to Section 1 above.

<b>Number of Territories</b>	<b>Total Development Fees</b>
One Territory	\$36,900
Two Territories	\$56,900
Three Territories	\$76,900

4. Material Defaults.

4.1. The following constitutes an additional curable material default under each of the License Agreements:

4.1.1. Failure to commence full and continuous operation of any Primary Center by its Required Open Date.

4.2. Each of the following constitutes an additional incurable material default under each of the License Agreements:

4.2.1. Failure to operate fully and continuously each Primary Center after its Required Open Date without the prior written approval of Sylvan.

4.2.2. Failure to pay any Development Fee or portion thereof in full and on time according to the schedule above.

4.3. Each material default above shall be governed by the default and termination provisions set forth within the License Agreements.

IN WITNESS WHEREOF, the parties hereto have set their respective hands, as of the Effective Date.

**LICENSOR:**

SYLVAN LEARNING, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
John McAuliffe, Chief Executive Officer

**LICENSEE:**

,  
a limited liability company

By: \_\_\_\_\_  
, its Member

**EXHIBIT E**  
**TO THE FRANCHISE DISCLOSURE DOCUMENT**

**OPERATIONS MANUAL TABLE OF CONTENTS**

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**EXHIBIT F  
TO THE FRANCHISE DISCLOSURE DOCUMENT**

**LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS**

**LIST OF STATE ADMINISTRATORS**

<b>STATE</b>	<b>STATE ADMINISTRATOR</b>	<b>STATE</b>	<b>STATE ADMINISTRATOR</b>
<b>CALIFORNIA</b>	Dept. of Financial Protection and Innovation 320 W. 4 <sup>th</sup> St., Ste. 750 Los Angeles, CA 90013 213.576.7505 866.275.2677	<b>NEW YORK</b>	NYS Department of Law Investor Protection Bureau 28 Liberty St. 21st Fl New York, NY 10005 212-416-8222
<b>HAWAII</b>	Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant St. Honolulu, HA 96813 808.586.2722	<b>NORTH DAKOTA</b>	North Dakota Securities Department 600 East Blvd. Ave. State Capitol, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510 701.328.4712
<b>ILLINOIS</b>	Franchise Bureau Office of the Attorney General 500 S. Second St. Springfield, IL 62706 217.782.4465	<b>RHODE ISLAND</b>	Securities Division Dept. of Business Regulation 1511 Pontiac Ave. John O. Pastore Complex – Building 69-1 Cranston, RI 02920 401.462.9585
<b>INDIANA</b>	Securities Commissioner Indiana Securities Division 302 W. Washington St., Room E-111 Indianapolis, IN 46204 317.232.6681	<b>SOUTH DAKOTA</b>	Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, SD 57501 605.773.4823
<b>MARYLAND</b>	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202-2021 410.576.6360	<b>VIRGINIA</b>	State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main St, 9 <sup>th</sup> Floor Richmond, VA 23219 804.371.9051
<b>MICHIGAN</b>	Michigan Dept. of Attorney General Consumer Protection Division Franchise Section 525 West Ottawa Street G. Mennen Williams Bldg, 1 <sup>st</sup> Floor Lansing, MI 48909 517.373.1837	<b>WASHINGTON</b>	Dept. of Financial Institutions Securities Division 150 Israel Road SW Tumwater, WA 98501 360.902.8760
<b>MINNESOTA</b>	Minnesota Dept. of Commerce 85 7 <sup>th</sup> Place East, Ste 280 St. Paul, MN 55101-2198 651.539.1600	<b>WISCONSIN</b>	Securities and Franchise Registration Wisconsin Securities Commission 345 W. Washington St, 4 <sup>th</sup> Floor Madison, WI 53703 608.266.3364

**LIST OF AGENTS FOR SERVICE OF PROCESS**

<p><b>CALIFORNIA</b>          Commissioner of Financial Protection and Innovation          Department of Financial Protection and Innovation          320 West Fourth Street, Suite 750          Los Angeles, California 90013-2344          (213) 576-7500          Toll Free: (866) 275-2677</p>	<p><b>MINNESOTA</b>          Commissioner of Commerce          85 7th Place East, Suite 280          St. Paul, Minnesota 55101          (651) 296-4026</p>	<p><b>VIRGINIA</b>          Clerk of the State Corporation Commission          1300 East Main Street, 1st Floor          Richmond, Virginia 23219          (804) 371-9733</p>
<p><b>HAWAII</b>          Commissioner of Securities of the State of Hawaii          Department of Commerce &amp; Consumer Affairs          Business Registration Division          Securities Compliance Branch          335 Merchant Street, Room 203          Honolulu, Hawaii 96813          (808) 586-2722</p>	<p><b>NEW YORK</b>          New York State Department of State          99 Washington Avenue, 6<sup>th</sup> Floor          Albany, New York 12231          (518) 473-2492</p>	<p><b>WASHINGTON</b>          Director of Department of Financial Institutions          Securities Division – 3rd Floor          150 Israel Road, S.W.          Tumwater, Washington 98501          (360) 902-8760</p>
<p><b>ILLINOIS</b>          Illinois Attorney General          500 South Second Street          Springfield, Illinois 62706          (217) 782-4465</p>	<p><b>NORTH DAKOTA</b>          North Dakota Securities Commissioner          600 Boulevard Avenue, State Capitol          Fifth Floor          Bismarck, North Dakota 58505-0510          (701) 328-4712</p>	<p><b>WISCONSIN</b>          Commissioner of Securities          4822 Madison Yards Way, North Tower          Madison, WI 53705          (608) 261-9555</p>
<p><b>INDIANA</b>          Indiana Secretary of State          200 West Washington Street, Room 201          Indianapolis, IN 46204          (317) 232-6681</p>	<p><b>RHODE ISLAND</b>          Director of Department of Business Regulation          Department of Business Regulation          Securities Division          Bldg. 69, First Floor          John O. Pastore Center          1511 Pontiac Avenue          Cranston, Rhode Island 02920          (401) 462-9527</p>	
<p><b>MARYLAND</b>          Maryland Securities Commissioner          200 St. Paul Place          Baltimore, Maryland 21202-2020          (410) 576-6360</p>	<p><b>SOUTH DAKOTA</b>          Director of Division of Securities          Division of Insurance – Securities Regulation          124 S. Euclid Avenue, Suite 104          Pierre, SD 57501-3185          (605) 773-3563</p>	
<p><b>MICHIGAN</b>          Dept. of Energy, Labor, &amp; Economic Growth          Corporations Division          P.O. Box 30054          Lansing, Michigan 48909          7150 Harris Drive          Lansing, Michigan 48909          (517) 373-7117</p>	<p><b>TEXAS:</b>          Registered Agents Inc.          5900 Balcones Drive, Suite 100          Austin, Texas 78731</p>	

**EXHIBIT G  
TO THE FRANCHISE DISCLOSURE DOCUMENT**

**FINANCIAL STATEMENTS**

## FINANCIAL STATEMENTS

Sylvan Learning, LLC's audited consolidated balance sheets as of December 31 of each of 2021, 2022, and 2023, and the related consolidated statements of income, stockholder's equity, and cash flows for each of the three years in the period ended December 31, 2023.

# **Sylvan Learning, LLC and Subsidiaries**

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## **Consolidated Financial Statements Together with Independent Auditors' Report**

**As of December 30, 2023, and December 31, 2022 and  
For the Years Ended December 30, 2023, December 31, 2022 and  
December 25, 2021**



## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Sylvan Learning, LLC and Subsidiaries:

### **Opinion**

We have audited the accompanying consolidated financial statements of Sylvan Learning, LLC and Subsidiaries, a Delaware limited liability company, which comprise the consolidated balance sheets as of December 30, 2023 and December 31, 2022, and the related consolidated statements of operations and member's equity (deficit), and cash flows for the period from August 21, 2023 through December 30, 2023 (Successor Company), the period from January 1, 2023 through August 20, 2023 (Predecessor Company 1), the year ended December 31, 2022 (Predecessor Company 1), the period from September 27, 2021 through December 25, 2021 (Predecessor Company 1) and for the period from January 1, 2021 through September 26, 2021 (Predecessor Company 2) and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Sylvan Learning, LLC and Subsidiaries as of December 30, 2023 and December 31, 2022, and the results of its operations and its cash flows for the period from August 21, 2023 through December 30, 2023 (Successor Company), the period from January 1, 2023 through August 20, 2023 (Predecessor Company 1), the year ended December 31, 2022 (Predecessor Company 1), the period from September 27, 2021 through December 25, 2021 (Predecessor Company 1) and for the period from January 1, 2021 through September 26, 2021 (Predecessor Company 2) in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Sylvan Learning, LLC and Subsidiaries 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 accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 Sylvan Learning, LLC and Subsidiaries' 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 Audit 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 is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 Sylvan Learning, LLC and Subsidiaries' 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 Sylvan Learning, LLC and Subsidiaries' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*SC+H Attest Services, P.C.*

March 8, 2024

**Sylvan Learning, LLC and Subsidiaries**  
**Consolidated Balance Sheets**

(in thousands of dollars)

<i>As of</i>	Successor <i>December 30, 2023</i>	Predecessor (1) <i>December 31, 2022</i>
Assets		
Current Assets		
Cash and cash equivalents	\$ 4,927	\$ 7,469
Trade and notes receivables, net	3,561	3,456
Other receivables	1,669	-
Prepaid expenses and other current assets	465	457
Total Current Assets	10,622	11,382
Property and Equipment, net	251	584
Intangible Assets		
Goodwill	15,548	12,361
Tradenames	30,500	24,987
Franchise rights, net	14,143	15,619
Software and educational content, net	22,283	23,922
Operating Lease Right-of-Use Assets	895	1,105
Other Assets and Notes Receivable, net	735	354
Total Assets	\$ 94,977	\$ 90,314
Liabilities and Member's Equity		
Current Liabilities		
Accounts payable and accrued expenses	\$ 3,140	\$ 2,478
Accrued salaries and benefits	2,792	3,055
Due to related party	438	483
Current portion of deferred revenue	1,503	2,049
Current operating lease liabilities	171	1,526
Other current liabilities	69	83
Total Current Liabilities	8,113	9,674
Long-Term Liabilities		
Deferred revenue, net of current portion	2,487	2,508
Non-current operating lease liabilities	757	54
Total Long-Term Liabilities	3,244	2,562
Total Liabilities	11,357	12,236
Commitment and Contingencies (Notes 8 and 11)		
Sylvan Learning, LLC and Subsidiaries Member's Equity	83,620	78,078
Total Liabilities and Member's Equity	\$ 94,977	\$ 90,314

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

**Sylvan Learning, LLC and Subsidiaries**  
**Consolidated Statements of Operations and Member's Equity (Deficit)**

(in thousands of dollars)

	Successor	Predecessor (1)			Predecessor (2)
	<i>For the Period August 21, 2023 through December 30, 2023</i>	<i>For the Period January 1, 2023 through August 20, 2023</i>	<i>For the Year Ended December 31, 2022</i>	<i>For the Period September 27, 2021 through December 25, 2021</i>	<i>For the Period January 1, 2021 through September 26, 2021</i>
Revenue					
Franchise revenue	\$ 13,990	\$ 25,564	\$ 39,502	\$ 9,154	\$ 26,713
Tuition and testing revenue	788	1,817	2,794	512	1,772
Total Revenues	14,778	27,381	42,296	9,666	28,485
Operating Expenses					
Labor and benefits	2,104	6,767	10,658	2,411	7,478
Marketing and advertising	3,089	6,586	9,486	2,186	6,232
Depreciation and amortization	2,173	5,327	7,974	1,822	5,634
Other instructional and operating expenses	2,663	5,163	9,202	3,961	5,293
Total Operating Expenses	10,029	23,843	37,320	10,380	24,637
Operating Income (Loss)	4,749	3,538	4,976	(714)	3,848
Other (Income) Expenses, net					
Interest (income) expense, net	(71)	(81)	-	2	2,629
Other non-operating expense, net	5	7	17	2	15
Foreign and state income taxes	94	176	286	68	190
Total Other Expenses, net	28	102	303	72	2,834
Net Income (Loss)	4,721	3,436	4,673	(786)	1,014
Member's Equity (Deficit), Beginning of Year/Period	74,514	78,078	82,141	(6,624)	(7,638)
Distributions	(4,256)	(7,000)	(8,686)	-	-
Impact of Acquisition	8,641	-	(50)	89,551	-
Member's Equity (Deficit), End of Year/Period	\$ 83,620	\$ 74,514	\$ 78,078	\$ 82,141	\$ (6,624)

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

**Sylvan Learning, LLC and Subsidiaries**  
**Consolidated Statements of Cash Flows**

(in thousands of dollars)

	Successor	Predecessor (1)			Predecessor (2)
	<i>For the Period August 21, 2023 through December 30, 2023</i>	<i>For the Period January 1, 2023 through August 20, 2023</i>	<i>For the Year Ended December 31, 2022</i>	<i>For the Period September 27, 2021 through December 25, 2021</i>	<i>For the Period January 1, 2021 through September 26, 2021</i>
<b>Cash Flows from Operating Activities</b>					
Net income (loss)	\$ 4,721	\$ 3,436	\$ 4,673	\$ (786)	\$ 1,014
Adjustments to reconcile net income (loss) to net cash and cash equivalents provided by operating activities:					
Depreciation and amortization of property and equipment	143	276	421	102	258
Amortization of intangible assets	2,030	5,051	7,553	1,720	5,376
Amortization of operating lease right-of-use assets	28	707	1,454	(314)	-
Interest paid, but incurred in prior year	-	-	-	-	(32)
Bad debt expense (recovery)	(76)	24	355	2	(126)
Loss on asset disposals	-	-	-	-	5
Loss on derecognition of operating lease right-of-use assets	100	-	-	-	-
Changes in operating assets and liabilities:					
Trade and notes receivables, net	(211)	158	(1,082)	435	904
Other receivables	(1,669)	-	-	-	-
Prepaid expenses and other current assets	157	(165)	137	(169)	(36)
Other assets and notes receivable, net	(207)	(174)	(68)	528	17
Accounts payable and accrued expenses and due to related party	363	254	(2,525)	2,532	294
Accrued salaries and benefits	688	(951)	350	730	347
Deferred revenue	403	(970)	823	403	(15)
Operating lease liabilities and other liabilities	(17)	(1,207)	(1,075)	(223)	(134)
<b>Net Cash and Cash Equivalents Provided by Operating Activities</b>	<b>6,453</b>	<b>6,439</b>	<b>11,016</b>	<b>4,960</b>	<b>7,872</b>
<b>Cash Flows from Investing Activities</b>					
Cash paid for internally developed software and educational content	(1,656)	(2,436)	(3,377)	(749)	(2,578)
Capitalized interest on internally developed software and educational content	-	-	-	-	(56)
Purchases of property and equipment	(56)	(30)	(51)	(8)	(43)
<b>Net Cash and Cash Equivalents Used in Investing Activities</b>	<b>(1,712)</b>	<b>(2,466)</b>	<b>(3,428)</b>	<b>(757)</b>	<b>(2,677)</b>
<b>Cash Flows from Financing Activities</b>					
Repayments on debt	-	-	-	-	(2,700)
Distributions	(4,256)	(7,000)	(8,686)	-	-
Payments on Paycheck Protection Program loan	-	-	-	-	(2,391)
Net change in capital lease obligations	-	-	-	-	(1)
<b>Net Cash and Cash Equivalents Used in Financing Activities</b>	<b>(4,256)</b>	<b>(7,000)</b>	<b>(8,686)</b>	<b>-</b>	<b>(5,092)</b>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<b>485</b>	<b>(3,027)</b>	<b>(1,098)</b>	<b>4,203</b>	<b>103</b>
<b>Cash and Cash Equivalents, beginning of period</b>	<b>4,442</b>	<b>7,469</b>	<b>8,567</b>	<b>4,364</b>	<b>4,261</b>
<b>Cash and Cash Equivalents, end of period</b>	<b>\$ 4,927</b>	<b>\$ 4,442</b>	<b>\$ 7,469</b>	<b>\$ 8,567</b>	<b>\$ 4,364</b>
<b>Supplemental Disclosure of Cash Flow Information:</b>					
Cash paid for interest	\$ -	\$ 7	\$ 4	\$ 4	\$ 2,687
<b>Supplemental Disclosure of Non-Cash Operating Activities</b>					
Acquisition of operating right-of-use assets and lease liabilities	\$ 626	\$ 359	\$ -	\$ -	\$ -
<b>Supplemental Disclosure of Non-Cash Investing and Financing Activities</b>					
Impact of Acquisition	\$ 8,641	\$ -	\$ (50)	\$ 89,551	\$ -

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

**Sylvan Learning, LLC and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As of December 30, 2023 and December 31, 2022 and**  
**For the Years Ended December 30, 2023, December 31, 2022 and**  
**December 25, 2021**  
*(In thousands of dollars)*

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**1. DESCRIPTION OF BUSINESS AND BASIS OF ACCOUNTING**

**Description of Business**

Sylvan Learning, LLC is a single-member limited liability company formed on June 15, 2015, in the state of Delaware. As of December 31, 2022, Educate Corporate Center Holdings, LLC (NLC) and Sylvan In-Home, LLC (SIH) are wholly owned subsidiaries of Sylvan Learning, LLC (collectively, Sylvan or the Company). Sylvan is wholly owned by Educate, Inc. (the Parent). Sylvan is a leading pre-K-12 education company delivering supplemental education services to students and their families.

The Sylvan Learning brand delivers personalized tutorial programs primarily to school-aged children through a network of 560 franchised and 5 corporate owned centers. During the year ended December 30, 2023, the Company sold 57 new centers to franchisees. For over 45 years, the Company has provided trusted, personalized instruction to millions of students improving their academic achievement and helping them experience the joy of learning. Sylvan Learning Centers are staffed by trained teachers who deliver high quality education programs that are personalized for each student based upon the results of extensive diagnostic testing.

NLC operates 5 corporate owned learning centers which are located in Maryland. Corporate owned centers are used as testing grounds for new content, new operational procedures and vendor relationships prior to release to the Sylvan franchise system.

SIH operates online marketplace technology which is available throughout the entire United States. The SIH marketplace is utilized by Sylvan and Sylvan franchisees to match tutors with students who need supplemental education services.

On September 27, 2021, the Franchise Group (Predecessor 1) acquired Educate, Inc. and its subsidiaries for a purchase price of \$83,882 from Guggenheim Partners (Predecessor 2). The Franchise Group is an owner and operator of franchised and franchisable businesses that continually looks to grow its portfolio of brands while utilizing its operating and capital allocation philosophies to generate strong cash flows.

During the period from September 27, 2021 through December 25, 2021, the Franchise Group determined a change in reporting entity from Educate to Sylvan was advantageous to simplify the audit approach as the debt that previously required the audit of Educate was paid off through the acquisition. In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 250-210, *Other Presentation Matters*, the change was applied retroactively to all periods presented. The change had no effect on the net income (loss) of prior periods.

On August 21, 2023, a buyer group including members of the Company's senior management in a financial partnership with a consortium of affiliate entities, including B. Riley Financial, Inc. and Irradiant Partners (collectively, Successor), completed a merger and acquisition of the Franchise Group. Upon completion of the merger, the Franchise Group became a private company and was no longer listed or traded on NASDAQ. There were no significant changes to business operations of the Franchise Group as a result of the merger.

**Sylvan Learning, LLC and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As of December 30, 2023 and December 31, 2022 and**  
**For the Years Ended December 30, 2023, December 31, 2022 and**  
**December 25, 2021**  
*(In thousands of dollars)*

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**1. DESCRIPTION OF BUSINESS AND BASIS OF ACCOUNTING – cont’d.**

**Change in Fiscal Year-End**

On September 27, 2021, the Board of Directors of Sylvan approved a change in the Company’s fiscal year-end from December 31 to the Saturday closest to December 31 of each year. The decision to change the fiscal year-end was done to align Sylvan’s year end with the Franchise Group’s fiscal year-end.

**Basis of Accounting**

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**Principles of Consolidation and Variable Interest Entities**

In accordance with ASC 810, *Consolidation*, Sylvan consolidates investments where it has a controlling financial interest. The usual condition for a controlling financial interest is ownership of a majority of the voting interest and, therefore, as a general rule ownership, directly or indirectly, of over fifty percent of the outstanding voting shares is a condition for consolidation. For investments in Variable Interest Entities (VIEs), as defined by ASC 810, consolidation is required when an entity is determined to be the primary beneficiary of the variable interest entity. The accompanying consolidated financial statements include the operations of Sylvan Learning, LLC, its wholly owned subsidiaries, Educate Corporate Center Holdings, LLC and Sylvan In-Home, LLC, and investments in a VIE, SLC National advertising Fund, Inc. (SNAF). All significant intercompany account balances and transactions have been eliminated in consolidation.

SNAF was formed to operate, control and administer a pooled advertising fund for the benefit of Sylvan and its franchisees. All contributions and income earned by SNAF are restricted to expenditures for advertising, marketing and promotional programs, and no part of the members’ equity may be distributed or inure to the benefit of any of its members. Sylvan and the Franchise Owner’s Association (FOA) each have the right to designate two directors of SNAF or such greater number as may compose one half the number of directors then authorized.

Sylvan determined SNAF qualifies as a VIE because Sylvan has the power to direct their activities that most significantly affects their economic performance and the right to receive economic benefits from arrangements with SNAF that could potentially be significant. Prior to becoming wholly owned subsidiaries during the year ended December 31, 2022, NLC and SIH were determined to be VIEs of Sylvan and are included in the accompanying consolidated financial statements during the period from September 27, 2021 through December 25, 2021 and the period from January 1, 2021 through September 26, 2021.

**Sylvan Learning, LLC and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As of December 30, 2023 and December 31, 2022 and**  
**For the Years Ended December 30, 2023, December 31, 2022 and**  
**December 25, 2021**  
*(In thousands of dollars)*

**1. DESCRIPTION OF BUSINESS AND BASIS OF ACCOUNTING – cont’d.**

**Principles of Consolidation and Variable Interest Entities – cont’d.**

The following condensed balance sheets as of December 30, 2023 and December 31, 2022 and condensed statements of operations for the period from August 21, 2023 through December 30, 2023 and the period from January 1, 2023 through August 20, 2023 (collectively, the year ended December 30, 2023), the year ended December 31, 2022, and the period from September 27, 2021 through December 25, 2021 and the period from January 1, 2021 through September 26, 2021 (collectively, the year ended December 25, 2021) present the consolidated financial position and consolidated results of operations of Sylvan and the variable interest entities.

	<u>Successor</u>			
	<u>Consolidated Balance Sheet as of December 30, 2023</u>			
	<u>Sylvan</u>	<u>SNAF</u>	<u>Eliminations</u>	<u>Consolidated</u>
Total current assets	\$ 11,737	\$ 3,605	\$ (4,720)	\$ 10,622
Property and equipment, net	251	-	-	251
Intangible assets, net	82,474	-	-	82,474
Other long-term assets	1,630	-	-	1,630
Total assets	<u>\$ 96,092</u>	<u>\$ 3,605</u>	<u>\$ (4,720)</u>	<u>\$ 94,977</u>
Total current liabilities	\$ 9,228	\$ 3,605	\$ (4,720)	\$ 8,113
Other long-term liabilities	3,244	-	-	3,244
Total liabilities	<u>12,472</u>	<u>3,605</u>	<u>(4,720)</u>	<u>11,357</u>
Total member’s equity	<u>83,620</u>	<u>-</u>	<u>-</u>	<u>83,620</u>
Total liabilities and member’s equity	<u>\$ 96,092</u>	<u>\$ 3,605</u>	<u>\$ (4,720)</u>	<u>\$ 94,977</u>

	<u>Predecessor (1)</u>			
	<u>Consolidated Balance Sheet as of December 31, 2022</u>			
	<u>Sylvan</u>	<u>SNAF</u>	<u>Eliminations</u>	<u>Consolidated</u>
Total current assets	\$ 12,407	\$ 3,153	\$ (4,178)	\$ 11,382
Property and equipment, net	584	-	-	584
Intangible assets, net	76,889	-	-	76,889
Other long-term assets	1,459	-	-	1,459
Total assets	<u>\$ 91,339</u>	<u>\$ 3,153</u>	<u>\$ (4,178)</u>	<u>\$ 90,314</u>
Total current liabilities	\$ 10,699	\$ 3,153	\$ (4,178)	\$ 9,674
Other long-term liabilities	2,562	-	-	2,562
Total liabilities	<u>13,261</u>	<u>3,153</u>	<u>(4,178)</u>	<u>12,236</u>
Total member’s equity	<u>78,078</u>	<u>-</u>	<u>-</u>	<u>78,078</u>
Total liabilities and member’s equity	<u>\$ 91,339</u>	<u>\$ 3,153</u>	<u>\$ (4,178)</u>	<u>\$ 90,314</u>

**Sylvan Learning, LLC and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As of December 30, 2023 and December 31, 2022 and**  
**For the Years Ended December 30, 2023, December 31, 2022 and**  
**December 25, 2021**  
*(In thousands of dollars)*

**1. DESCRIPTION OF BUSINESS AND BASIS OF ACCOUNTING – cont'd.**

**Principles of Consolidation and Variable Interest Entities – cont'd.**

<u>Successor</u>				
Consolidated Statement of Operations				
For the period from August 21, 2023 through December, 30 2023				
	Sylvan	SNAF	Eliminations	Consolidated
Total revenues	\$ 12,990	\$ 3,983	\$ (2,195)	\$ 14,778
Total costs and expenses	8,241	3,983	(2,195)	10,029
Operating income	4,749	-	-	4,749
Other expense	28	-	-	28
Net income	<u>\$ 4,721</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,721</u>

<u>Predecessor (1)</u>				
Consolidated Statement of Operations				
For the period from January 1, 2023 through August 20, 2023				
	Sylvan	SNAF	Eliminations	Consolidated
Total revenues	\$ 23,962	\$ 8,198	\$ (4,779)	\$ 27,381
Total costs and expenses	20,424	8,198	(4,779)	23,843
Operating income	3,538	-	-	3,538
Other expense	102	-	-	102
Net income	<u>\$ 3,436</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,436</u>

<u>Predecessor (1)</u>				
Consolidated Statement of Operations				
Year Ended December 31, 2022				
	Sylvan	SNAF	Eliminations	Consolidated
Total revenues	\$ 36,529	\$ 12,109	\$ (6,342)	\$ 42,296
Total costs and expenses	31,553	12,109	(6,342)	37,320
Operating income	4,976	-	-	4,976
Other expense	303	-	-	303
Net income	<u>\$ 4,673</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,673</u>

<u>Predecessor (1)</u>						
Consolidated Statement of Operations						
for the period from September 27, 2021 through December 25, 2021						
	Sylvan	NLC	SIH	SNAF	Eliminations	Consolidated
Total revenues	\$ 7,945	\$ 431	\$ 80	\$ 2,974	\$ (1,764)	\$ 9,666
Total costs and expenses	8,328	587	255	2,974	(1,764)	10,380
Operating loss	(383)	(156)	(175)	-	-	(714)
Other expense	72	-	-	-	-	72
Net loss	<u>\$ (455)</u>	<u>\$ (156)</u>	<u>\$ (175)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (786)</u>

**Sylvan Learning, LLC and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
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**1. DESCRIPTION OF BUSINESS AND BASIS OF ACCOUNTING – cont’d.**

**Principles of Consolidation and Variable Interest Entities – cont’d.**

	Predecessor (2)						Consolidated
	Consolidated Statement of Operations						
	For the period from January 1, 2021 through September 26, 2021						
	Sylvan	NLC	SIH	SNAF	Eliminations		
Total revenues	\$ 22,955	\$ 1,639	\$ 133	\$ 8,549	\$ (4,791)	\$	28,485
Total costs and expenses	18,258	1,780	841	8,549	(4,791)	\$	24,637
Operating income (loss)	4,697	(141)	(708)	-	-	\$	3,848
Other expense	2,834	-	-	-	-	\$	2,834
Net income (loss)	\$ 1,863	\$ (141)	\$ (708)	\$ -	\$ -	\$	1,014

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Cash and Cash Equivalents**

The Company considers all highly liquid investments with original maturities of three months or less at the time of purchase to be cash equivalents. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250 per depositor. The Company periodically maintains cash balances in excess of FDIC coverage. Management considers this to be a normal business risk.

**Trade and Notes Receivable and Allowance for Credit Losses**

Accounts receivable result from transactions with customers and franchisees. Notes receivable are primarily due from franchisees for sales of corporate owned centers and working capital receivables. The Company reports accounts and notes receivable at their net realizable value. The Company maintains an allowance for credit losses for estimated losses resulting from the inability of its franchisees and debtors to make required payments. The Company calculates the allowance based on a specific analysis of past due balances and also considers current and expected economic, market and industry factors affecting the Company’s customers, including their financial condition, the aging of account balances, historical credit loss experience and any other specific customer collection concerns. The Company also performs rigorous credit evaluation of those franchisees who are the counterparties to the notes receivable. Since the Company’s trade receivables are largely similar, the Company evaluates its allowance for credit losses as one portfolio segment. The measurement and recognition of credit losses involves the use of judgment and represents management’s estimate of expected lifetime credit losses based on historical experience and trends, current conditions and reasonable and supportable forecasts. At origination, the Company evaluates credit risk based on the aforementioned factors. On a continuing basis, data for each customer and franchisee is regularly reviewed based on past-due status to evaluate the adequacy of the allowance for credit losses; actual write-offs are charged against the allowance. Invoices are past due if not received by the due date which is typically 15-30 days. Receivable balances are written off when management determines that collection is unlikely. Actual collection experience has not differed significantly from the Company’s estimates, due primarily to credit and collections practices. Accounts and notes receivable balances due from franchisees are secured by substantially all of the assets of the franchisee’s business.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d.**

**Trade and Notes Receivable and Allowance for Credit Losses – cont’d.**

Because the economic environment is subject to volatility, the ultimate amount of credit losses resulting from the trade and notes receivable may differ from the allowances established at December 30, 2023 and December 31, 2022 and such differences could be material. The allowance for credit losses totaled \$1,363 and \$1,437 as of December 30, 2023 and December 31, 2022, respectively.

Changes in the analysis of the allowance for credit losses are as follows:

	<u>Successor</u>	<u>Predecessor (1)</u>
	As of and for the period August 21, 2023 through December 30, 2023	As of and for the period January 1, 2023 through August 20, 2023
Allowance for credit losses, beginning of period	\$ 1,473	\$ 1,437
Additions: charges to credit loss expense	-	37
Deductions: write-offs	(34)	(1)
Deductions: recoveries	(76)	-
<b>Allowance for credit losses, end of period</b>	<b>\$ 1,363</b>	<b>\$ 1,473</b>

**Fair Value of Financial Instruments**

The amounts reported in the consolidated balance sheets for cash and cash equivalents, trade receivables, accounts payable and accrued expenses approximate fair value due to their short term nature. Management believes that the net book value of notes receivable after considering the allowance approximates the fair value of such notes as of December 30, 2023 and December 31, 2022.

**Property and Equipment**

Property and equipment is stated at net book value. Expenditures for major additions and improvements are capitalized. When property and equipment are retired or otherwise disposed, the cost and accumulated depreciation and amortization are removed from the accounts and any resulting gain or loss is included in the statement of operations and member’s equity (deficit) for the respective period. The cost of property and equipment is depreciated and amortized using the straight-line method over the following estimated useful lives:

Furniture and fixtures	2-7 years
Educational materials	2-5 years
Computer equipment and software	2-3 years
Leasehold improvements	Lesser of useful life or remaining lease term

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d.**

**Goodwill and Indefinite Lived Intangible Assets**

The Company accounts for goodwill and intangible assets in accordance with ASC 350, *Intangibles – Goodwill and Other*. Goodwill and non-amortizing intangible assets are initially recorded at their fair values. These assets are not amortized but are evaluated as of the end of July of each fiscal year, and a more frequent evaluation is performed if an event occurs or circumstances change that would more likely than not reduce the assets fair values below their carrying values. Such events or circumstances could include, but are not limited to, significant negative industry or economic trends and unanticipated changes in the competitive environment.

For goodwill, the Company performs a qualitative and/or quantitative assessment to determine whether it is more likely than not that each reporting unit's fair value is less than its carrying value, including goodwill. If the Company determines that it is more likely than not that the fair value of the reporting unit is less than its carrying value, the Company then estimates the fair value. The Company uses either a market multiple method or a discounted cash flow method to estimate the fair value of its reporting units and recognizes goodwill impairment for any excess of the carrying amount of a reporting unit's goodwill over its estimated fair value.

For non-amortizing intangible assets, the Company evaluates its tradenames for impairment by comparing the fair value, based on an income approach using the relief-from-royalty method, to its carrying value. If the carrying value of the asset exceeds its estimated fair value, an impairment loss is recognized in an amount equal to that excess.

Prior to the acquisition in September of 2021, Sylvan followed Accounting Standards Update (ASU) No. 2014-02—*Intangibles—Goodwill and Other (Topic 350): Accounting for Goodwill*. The adopted guidance allows private companies to amortize goodwill over the useful life of the primary asset acquired in a business combination, not to exceed 10 years. The primary asset is the principal identifiable long-lived or intangible asset from which the acquired business derives its cash-flow generating capacity. Under the standard, goodwill should be tested for impairment only when a triggering event occurs that may reduce the fair value of an entity below its carrying amount. No triggering events occurred for the period from January 1, 2021 through September 26, 2021 that would have reduced the fair value of the entity below its carrying amount.

**Amortizable Intangible Assets**

Amortizable intangible assets consist principally of franchise license rights, patents and software and educational content. Intangible assets with finite lives are amortized over their estimated useful lives. The franchise license rights are being amortized over their expected useful lives of 15 years while patents and software and educational content are typically amortized over 5 years.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d.**

**Software and Educational Content**

Sylvan incurs direct costs to develop software and educational content for use by our franchisees. Costs associated with programs which are deemed recoverable through operations of the franchise system are deferred until the program is released for use. The Company amortizes the capitalized software and educational content using the straight-line method over five years.

**Impairment of Long-Lived Assets**

The Company periodically evaluates the net realizable value of long-lived assets, principally furniture and equipment, goodwill and intangible assets, relying on a number of factors including operating results, business plans, economic projections and anticipated future cash flows. An impairment in the carrying value of an asset is recognized whenever future cash flows (undiscounted) from an asset or asset group are estimated to be less than its carrying value. The amount of the impairment recognized is the difference between the carrying value of the asset and its fair value. There were no impairment losses recorded during the years ended December 30, 2023, December 31, 2022, and December 25, 2021.

**Right-of-Use Assets**

Effective September 27, 2021, the Company has adopted a policy of capitalizing right-of-use assets of at least one year held under lease liabilities as defined by ASC 842. These assets are made up of office space leases (Note 8). The leased assets are recorded at the present value of the lease liability. Right-of-use assets are reviewed annually for impairment in accordance with ASC 360. During the years ended December 30, 2023, December 31, 2022, and December 25, 2021 there were no right-of-use assets that were deemed to be impaired.

**Revenue Recognition**

ASC 606, *Revenue from Contracts with Customers*, outlines a single, comprehensive model for entities to use in accounting for revenue arising from contracts with customers and superseded most revenue recognition guidance issued by the FASB, including industry specific guidance.

ASC 606 includes the following steps for revenue recognition:

- Identification of the contract, or contracts with a customer.
- Identification of the performance obligations in the contract.
- Determination of the transaction price.
- Allocation of the transaction price to the performance obligations in the contract.
- Recognition of the revenue when, or as, the Company satisfies a performance obligation.

The Company has determined that the franchise fee received from sales of new franchises and the selling of existing franchises do not relate to separate and distinct performance obligations from the franchise right and those upfront fees will therefore be recognized as revenue over the term of each respective franchise agreement, which is typically 10 years.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d.**

**Franchise and Franchise-related Revenue**

Most franchised learning centers pay a 16% monthly royalty fee based on cash receipts, payable by the fifteenth day of the following month. New franchises pay an upfront fee, which is deferred and recognized over the initial license term of 10 years or the customer life, whichever is shorter. Other franchise-related revenues include Contact Center charges, SylvanSync fees, HUB fees, and Content revenues, which are annual or monthly services charged in addition to the royalty. Franchise and franchise-related revenues are recorded in the month earned if collectability is reasonably assured, and when performance obligations have been satisfied. Estimates of royalties earned but unreported by franchisees at the balance sheet date are recorded as revenue and accounts receivable and are adjusted to actual amounts when reported and paid by the franchisee.

**Tutoring Revenue and Media Revenue**

Fees from tutoring, supplemental education services and advertising are recognized as revenue in the period the services have been provided or performance obligations have been satisfied. Fees collected in advance of providing services are recorded as deferred revenue.

A summary of disaggregated revenue is as follows:

	<u>Successor</u> For the Period August 21, 2023 through December 30, 2023	<u>Predecessor (1)</u> For the Period January 1, 2023 through August 20, 2023	<u>Predecessor (1)</u> For the year ended December 31, 2022	<u>Predecessor (1)</u> For the period from September 27, 2021 through December 25, 2021	<u>Predecessor (2)</u> For the period January 1, 2021 through September 26, 2021
Disaggregation of Revenue					
Franchise revenue	\$ 10,764	\$ 19,502	\$ 29,840	\$ 7,116	\$ 20,387
Media revenue	1,674	3,188	5,383	1,206	3,683
Tutoring revenue	788	1,817	2,794	512	1,772
Contact center revenue	1,006	1,904	2,570	564	1,362
Other	546	970	1,709	268	1,281
	<u>\$ 14,778</u>	<u>\$ 27,381</u>	<u>\$ 42,296</u>	<u>\$ 9,666</u>	<u>\$ 28,485</u>

**Contract Balances**

Contract assets consist of deferred commissions related to the sale of new franchises or the resale of existing franchise locations. Contract assets are presented in other assets and notes receivable, net on the consolidated balance sheets and total \$709 and \$329 as of December 30, 2023, and December 31, 2022, respectively.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d.**

**Contract Balances – cont’d.**

Contract liabilities consist of deferred franchise sales revenue from the sale of new franchises or the resale of existing franchise locations and tutoring revenue for tutoring services prepaid and not yet provided. The current portion of deferred revenue totaled \$1,503 and \$2,049 as of December 30, 2023, and December 31, 2022. Long-term contract liabilities are in long-term liabilities on the consolidated balance sheets and are \$2,487 and \$2,508 as of December 30, 2023, and December 31, 2022, respectively.

**Marketing and Advertising**

Sylvan expenses marketing and advertising costs as incurred.

**Income Taxes**

Sylvan has elected to be taxed as a limited liability corporation under sections of Federal and state income tax laws. Accordingly, the Company is taxed under the partnership provisions of the Internal Revenue Code (the Code). Under the partnership provisions of the Code, the members of the limited liability company include the Company's income or loss on their respective tax returns. Amounts recorded on the consolidated statements of operations and member's equity (deficit) related to minimum state payments and amounts withheld from royalty from international franchisees.

The Company recognizes the financial statement benefit of an income tax position only after determining that the relevant taxing authority would more likely than not sustain the position following an audit. For tax positions meeting the more likely than not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant taxing authority.

The Company's policy is to treat interest and penalties associated with taxes as income tax expense. No interest or penalties were recognized for the years ended December 30, 2023, December 31, 2022, and December 25, 2021.

The Company is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

**Use of Estimates**

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

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d.**

**Recently Adopted Accounting Principles**

In January 2017, the FASB issued ASU No. 2017, *Intangibles - Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*. This standard eliminates step two from the goodwill impairment test. Instead, an entity should compare the fair value of a reporting unit with its carrying amount and recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value, not to exceed the total amount of goodwill allocated to the reporting unit. The ASU is effective for the Company for the 2023 fiscal year. The Company adopted ASU 2017-04 during the year ended December 30, 2023 on a prospective basis. The adoption of ASU 2017-04 did not have a material effect on the Company's financial position, results of operations or financial statement disclosures.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326)*. The objective of the amendments in this update is to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. The new expected credit loss methodology, which is based on historical experience, current conditions and reasonable and supportable forecasts, replaced the incurred loss model for measuring and recognizing expected credit losses. The Company used the modified retrospective approach to implement ASU 2016-13 during the year ended December 30, 2023 which does not require adjustments to comparative periods or modified disclosures in those comparative periods. Based on historical trends, the financial condition of the Company's customers and management's expectations of economic and industry factors affecting the Company's customers, the adoption of ASU 2016-13 did not have a material impact on the Company's financial position or results of operations.

**3. PURCHASE ACCOUNTING**

On September 27, 2021, The Franchise Group acquired Educate, Inc.. The preliminary fair value of the consideration transferred at the acquisition date was \$83,882. Acquisition fees of \$1,792 were incurred and are recorded in other instructional and operating expenses on the accompanying consolidated statements of operations and member's equity (deficit) for the period ending December 25, 2021.

The purchase price was allocated to assets acquired and liabilities assumed based on the estimate of fair value on the acquisition date. The excess of the purchase price over the fair value of the tangible and intangible assets acquired totaled \$13,367 and was recorded as goodwill on the balance sheet.

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**3. PURCHASE ACCOUNTING – cont’d.**

The following table summarizes the estimated assets and liabilities assumed as of the date of acquisition:

	(Predecessor 1)
	As of
	September 27, 2021
Cash and cash equivalents	\$ 4,364
Accounts receivable	3,166
Prepaid expenses and other assets	425
Property and equipment	1,048
Goodwill	13,367
Trademarks	24,987
Franchise rights	18,265
Software and educational content	26,423
Other non-current assets	3,059
<b>Total assets</b>	<b>95,104</b>
Accounts payable and expenses	2,954
Accrued salaries and benefits	1,975
Deferred revenue	1,057
Lease liabilities	2,875
Other liabilities	2,361
<b>Total liabilities</b>	<b>11,222</b>
<b>Consideration transferred</b>	<b>\$ 83,882</b>

The preliminary estimates of the fair value of identifiable assets acquired and liabilities assumed are subject to revisions, which may result in an adjustment to the preliminary values presented above.

During December 2021, a working capital adjustment of \$956 resulted in a reduction of consideration transferred and goodwill. As of December 25, 2021, total consideration transferred and goodwill totaled \$82,926 and \$12,411, respectively.

The Company completed the final purchase price allocation on March 26, 2022. A working capital adjustment of \$50 was made and resulted in a reduction of consideration transferred and a reduction of goodwill. As of December 31, 2022, total consideration transferred and goodwill totaled \$82,876 and \$12,361, respectively.

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**3. PURCHASE ACCOUNTING – cont’d.**

On August 21, 2023, a buyer group including members of the Company’s senior management in a financial partnership with a consortium of affiliate entities, including B. Riley Financial, Inc. and Irradiant Partners completed a merger and acquisition of the Franchise Group. The preliminary fair value of the consideration transferred at the acquisition date was \$86,207. There were no acquisition fees incurred related to the transaction.

The purchase price was allocated to assets acquired and liabilities assumed based on the estimate of fair value on the acquisition date. The excess of the purchase price over the fair value of the tangible and intangible assets acquired totaled \$23,397 and was recorded as goodwill on the balance sheet.

The following table summarizes the estimated assets and liabilities assumed as of the date of acquisition:

	(Successor)
	As of
	August 21, 2023
Cash and cash equivalents	\$ 4,442
Accounts receivable	3,274
Prepaid expenses and other assets	622
Property and equipment	338
Goodwill	16,399
Trademarks	31,700
Franchise rights	15,700
Software and educational content	22,200
Other non-current assets	826
<b>Total assets</b>	<b>95,501</b>
Accounts payable and expenses	3,215
Accrued salaries and benefits	2,104
Deferred revenue	3,587
Lease liabilities	319
Other liabilities	69
<b>Total liabilities</b>	<b>9,294</b>
<b>Consideration transferred</b>	<b>\$ 86,207</b>

The preliminary estimates of the fair value of identifiable assets acquired and liabilities assumed are subject to revisions, which may result in an adjustment to the preliminary values presented above.

During December 2023, an intangible asset and working capital valuation adjustment of \$3,151 resulted in a reduction of consideration transferred, goodwill, trademarks, and franchise rights. As of December 30, 2023, total consideration transferred, goodwill, trademarks, and franchise rights totaled \$83,056, \$15,548, \$30,500, and \$14,600, respectively.

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**4. PROPERTY AND EQUIPMENT**

Property and equipment consist of the following as of:

	Successor December 30, 2023	Predecessor (1) December 31, 2022
Furniture and fixtures	\$ 106	\$ 114
Computer equipment and software	188	320
Leasehold improvements	100	667
	394	1,101
Less: accumulated depreciation and amortization	(143)	(517)
Property and equipment, net	\$ 251	\$ 584

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Amortization of leasehold improvements is computed using the straight-line method over the lesser of the useful life of the asset or the remaining term of the lease. Depreciation and amortization expense for the period from August 21, 2023 through December 30, 2023, the period from January 1, 2023 through August 20, 2023, the year ended December 31, 2022, the period from September 27, 2021 through December 25, 2021, and the period from January 1, 2021 through September 26, 2021 totaled \$143, \$276, \$421, \$102, \$258, respectively.

**5. GOODWILL**

Changes in the carrying amount of goodwill are summarized as follows:

	Successor As of and for the period August 21, 2023 through December 30, 2023	Predecessor (1) As of and for the period January 1, 2023 through August 20, 2023	Predecessor (1) As of and for the year ending December 31, 2022	Predecessor (1) As of and for the period September 27, 2023 through December 25, 2021	Predecessor (2) As of and for the period January 1, 2021 through September 26, 2021
Goodwill	\$ -	\$ 12,361	\$ 12,411	\$ -	\$ 2,361
Plus (Less): purchase accounting	15,548	(12,361)	(50)	12,411	(1,770)
Less: amortization	-	-	-	-	(591)
Goodwill, net	\$ 15,548	\$ -	\$ 12,361	\$ 12,411	\$ -

During the period January 1, 2021 through September 26, 2021, Sylvan incurred \$591 of goodwill amortization expense, based on a ten year amortization of goodwill. There was no goodwill impairment for the years ended December 30, 2023, December 31, 2022, and December 25, 2021.

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**6. OTHER INTANGIBLE ASSETS**

A summary of other intangible assets other than goodwill at December 30, 2023 and December 31, 2022 is as follows:

	Useful Life In years	Successor December 30, 2023	Predecessor (1) December 31, 2022
Indefinite-lived intangible assets not subject to amortization:			
Trademarks	Indefinite	\$ 30,500	\$ 24,987
		30,500	24,987
Intangibles subject to amortization:			
Software and educational content	5	23,856	30,548
Franchise Rights	15	14,600	18,265
		38,456	48,813
Less: accumulated amortization		(2,030)	(9,272)
Intangibles, net		\$ 66,926	\$ 64,528

Amortization expense for other intangible assets for the period from August 21, 2023 through December 30, 2023, the period from January 1, 2023 through August 20, 2023, the year ended December 31, 2022, the period from September 27, 2021 through December 25, 2021, and the period from January 1, 2021 through September 26, 2021 totaled \$2,030, \$5,051, \$7,553, \$1,720, and \$5,376, respectively. Of this amortization, amortization expense for software and educational content which is included in the preceding sentence, for the period from August 21, 2023 through December 30, 2023, the period from January 1, 2023 through August 20, 2023, the year ended December 31, 2022, the period from September 27, 2021 through December 25, 2021, and the period from January 1, 2021 through September 26, 2021 totaled \$1,573, \$3,947, \$5,305, \$1,321, \$3,900, respectively. As a result of the Successor acquisition, intangible assets and associated useful lives were revalued as of August 21, 2023. Based on the revalued useful lives of assets, the weighted average amortization period for software and patent intangible assets subject to amortization was five years as of December 30, 2023 and December 31, 2022. The weighted average amortization period for franchise rights subject to amortization was approximately 15 years as of December 30, 2023 and December 31, 2022. The weighted average of total intangible assets subject to amortization was 9 years as of December 30, 2023 and December 31, 2022.

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**6. OTHER INTANGIBLE ASSETS – cont’d.**

As of December 30, 2023, estimated future amortization expense of intangible assets subject to amortization is as follows:

2024	\$	5,736
2025		5,736
2026		5,736
2027		5,736
2028		4,164
Thereafter		9,318
	\$	36,426

**7. DEBT**

**Acquisition by the Franchise Group**

On September 27, 2021, Sylvan was acquired by the Franchise Group in a cash free, debt free deal. The 2015 Term Loan, was paid off through the acquisition during the period from January 1, 2021 through September 26, 2021. As of December 30, 2023 and December 31, 2022, Sylvan has no debt outstanding.

**Paycheck Protection Program Loan**

On April 13, 2020, the Company received \$2,374 from the Paycheck Protection Program (PPP). This program was created by the federal government to assist small businesses who were affected by the COVID-19 pandemic.

The PPP loan had a two-year maturity with a 1% interest rate. Interest accrued on the loan during the first 16 months, however, no payments were due.

The Company elected to pay the PPP loan back before maturity and in full, with interest, in March 2021. Interest expense incurred during the period from January 1, 2021 through September 26, 2021 totaled \$5.

**8. LEASES**

Effective September 27, 2021, the Company adopted ASU 2016-02, *Leases* (ASC 842), which modifies the guidance on lease accounting. Sylvan conducts a significant portion of its operations from leased facilities which consist of retail store and office locations. The lease terms of substantially all these leases are five years or less. Operating leases with an initial term of 12 months or less are not recorded on the consolidated balance sheets, and Sylvan recognizes rent expense for these leases on a straight-line basis over the lease term. For leases with an initial term in excess of 12 months, lease right-of-use assets and lease liabilities are recognized based on the present value of the future lease payments over the committed lease term at the lease commencement date.

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**8. LEASES – cont’d.**

Sylvan’s leases do not provide an implicit rate; therefore, Sylvan uses its incremental borrowing rate and the information available at the lease commencement date in determining the present value of future lease payments. The incremental borrowing rate is the rate of interest that Sylvan would have to pay to borrow, on a collateralized basis over a similar term, an amount equal to the lease payments in a similar economic environment. Many of the leases contain options to renew, generally with one renewal period ranging from one to three years.

During December 2022, Sylvan exercised the early termination option outlined in the headquarters lease. The total exit payment was \$801 and was expensed on a straight-line basis over the remaining lease term through November 2023.

As a result of the Successor acquisition, the Company’s operating leases were subject to market revaluation as of August 21, 2023. Operating leases with remaining terms of 12 months or less as of the valuation date were derecognized. The company recognized acquisition adjustments related to derecognition and above market rent valuation adjustments for operating right-of-use assets and lease liabilities totaling \$462 and \$627, respectively, during the period from August 21, 2023 through December 30, 2023.

Sylvan has lease agreements with lease and non-lease components, which the Company elects to combine as one lease component for all classes of underlying assets. Non-lease components include variable costs based on actual costs incurred by the lessor related to the payment of real estate taxes, common area maintenance, and insurance. These variable payments are expensed as incurred as variable lease costs.

Rent expense is recorded in other instructional and operational expenses on the consolidated statements of operations and member’s equity (deficit) and amounted to the following:

	Successor	Predecessor (1)	Predecessor (1)	Predecessor (1)	Predecessor (2)
	For the period from August 21, 2023 through December 30, 2023	For the period from January 1, 2023 through August 20, 2023	For the year ended December 31, 2022	For the period from September 27, 2021 through December 25, 2021	For the period from January 1, 2021 through September 26, 2021
Operating lease cost	\$ 361	\$ 782	\$ 1,408	\$ 341	\$ 615
Variable operating lease cost	82	104	101	18	37
<b>Total operating lease cost</b>	<b>\$ 443</b>	<b>\$ 886</b>	<b>\$ 1,509</b>	<b>\$ 359</b>	<b>\$ 652</b>

**Sylvan Learning, LLC and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As of December 30, 2023 and December 31, 2022 and**  
**For the Years Ended December 30, 2023, December 31, 2022 and**  
**December 25, 2021**  
*(In thousands of dollars)*

**8. LEASES – cont’d.**

Future minimum lease payments, net of sublease payments, at December 30, 2023, by year and in the aggregate, under all noncancelable operating leases are as follows:

2024	\$	171
2025		206
2026		216
2027		159
2028		150
Thereafter		26
<b>Total</b>	<b>\$</b>	<b>928</b>

The weighted average remaining lease years and weighted average discount rates are as follows:

	<u>Successor</u>	<u>Predecessor (1)</u>
	December 30,	December 31,
	2023	2022
Weight average remaining lease terms (years)	\$ 4	\$ 1
Weighted average discount rates	10.48%	4.50%

**9. FRANCHISEE NOTES RECEIVABLES**

Sylvan provides loans to certain franchisees for working capital purposes and territory expansions. In prior years, NLC sold corporate owned centers and recorded financing for these sales with original terms ranging from 3 to 60 months, bearing 0% interest at rates as of December 30, 2023 and December 31, 2022.

Notes receivable, which is reported in trade receivables and other assets on the consolidated balance sheets, consists of the following at December 30, 2023 and December 31, 2022:

	<u>Successor</u>	<u>Predecessor (1)</u>
	December 30,	December 31,
	2023	2022
Sales of centers	\$ -	\$ 133
Working capital	591	132
New territory loan	-	17
Unamortized discount and allowance for credit losses	(591)	(282)
	-	-
Less: current portion of notes receivable, net	-	-
<b>Total long-term notes receivable</b>	<b>\$ -</b>	<b>\$ -</b>

**Sylvan Learning, LLC and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As of December 30, 2023 and December 31, 2022 and**  
**For the Years Ended December 30, 2023, December 31, 2022 and**  
**December 25, 2021**  
*(In thousands of dollars)*

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**10. EMPLOYEE RETENTION CREDIT**

Under the provisions of the Coronavirus Aid, Relieve, and Economic Security Act, the Company determined it was eligible for a refundable employee retention credit (ERC) subject to certain criteria. During the period ended December 30, 2023, the Company filed for ERCs totaling \$1,669 recognized as a reduction to labor and benefits expenses on the accompanying consolidated statements of operations and member's equity (deficit) during the period from August 21, 2023 through December 30, 2023. As of December 30, 2023, outstanding ERCs which have been filed, but not received totaled \$1,669 and are recorded in other receivables on the accompanying consolidated balance sheets.

**11. COMMITMENTS AND CONTINGENCIES**

The Company is subject to legal actions arising in the ordinary course of its business. The Company has adequate legal defenses, insurance coverage, and/or indemnifications from former subsidiaries with respect to such actions and does not believe any settlement would materially affect the Company's financial position.

The Company entered into a minimum purchase commitment of \$1,300 with a vendor who delivers educational content to certain franchisees. The amount of time to reach the minimum amount of purchases ended on December 31, 2020. The Company did not reach the minimum purchase amount and accrued \$459 for the minimum payment due as of December 31, 2020. As of December 31, 2022 \$119 was still outstanding and included in accounts payable and accrued expenses on the consolidated balance sheets. During the year ended December 30, 2023, the remaining minimum was fulfilled and no accrual balance is outstanding as of December 30, 2023.

**12. EMPLOYEE BENEFIT PLAN**

Sylvan sponsors defined contribution retirement plans under Section 401(k) of the Internal Revenue Code. The provisions of these plans allow for voluntary employee contributions of up to 20% of salary, subject to certain annual limitations. All employees are eligible after meeting certain minimum service requirements.

The Company may, at its discretion, make matching contributions, which are allocated to eligible participants. The Company did not make any discretionary matching contributions during the year ended December 30, 2023 and December 31, 2022. The Company made discretionary contributions of \$16, and \$62 during the period from September 27, 2021 through December 25, 2021 and the period from January 1, 2021 through September 26, 2021, respectively.

**Sylvan Learning, LLC and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As of December 30, 2023 and December 31, 2022 and**  
**For the Years Ended December 30, 2023, December 31, 2022 and**  
**December 25, 2021**  
*(In thousands of dollars)*

**13. RELATED PARTY TRANSACTIONS**

Related party charges (reimbursements) are recorded in the consolidated statements of operations and member's equity (deficit) as follows:

	<u>Successor</u>	<u>Predecessor (1)</u>	<u>Predecessor (1)</u>	<u>Predecessor (1)</u>	<u>Predecessor (2)</u>
	For the period from August 21, 2023 through December 30, 2023	For the period from January 1, 2023 through August 20, 2023	For the year ended December 31, 2022	For the period from September 27, 2021 through December 25, 2021	For the period from January 1, 2021 through September 26, 2021
Interest expense, net	\$ -	\$ -	\$ -	\$ -	\$ 2,687
Labor and benefits	14	(248)	-	-	-
Other instructional and operating expenses	75	56	28	1,792	-
Related party expenses (reimbursements)	\$ 89	\$ (192)	\$ 28	\$ 1,792	\$ 2,687

As of December 30, 2023 and December 31, 2022, Sylvan owed the Franchise Group \$438 and \$483, respectively. Amounts owed consist of allocations, shared services, acquisition costs and management fees.

Prior to the acquisition by the Franchise Group, the Company's debt was held by its equity owners. Amounts paid related to the interest expense correlated with this debt and are outlined in the chart above. See Note 7 for information on the debt.

**14. SUBSEQUENT EVENTS**

Sylvan has evaluated subsequent events that have occurred for recognition or disclosure through March 8, 2024 the date the financial statements were available to be issued and determined that there were no events requiring recognition or disclosure, except as disclosed below.

On February 15, 2024, Unleashed Brands made a strategic investment through the acquisition of Sylvan Learning under the terms of a private transaction. Unleashed Brands owns a portfolio of franchised companies that provide a safe, fun, and enriching environment to help kids learn, play and grow. Acquisition fees of \$123 and \$33 were incurred and recorded in other instructional and operating expenses on the accompanying consolidated statements of operations and member's equity (deficit) for the period from August 21, 2023 through December 30, 2023 and the period from January 1, 2023 through August 20, 2023, respectively. The Company is currently evaluating the impact of the acquisition on its financial position.



March 8, 2024

To whom it may concern:

SC&H Attest Services, P.C. consents to the use in the Franchise Disclosure Document issued by Sylvan Learning, LLC (“Franchisor”) on March 8, 2024, as it may be amended, of its report dated March 8, 2024, relating to the consolidated financial statements of Sylvan Learning, LLC as of December 31 of each of 2023, 2022, and 2021.

Sincerely,

A handwritten signature in blue ink that reads "Angela Lynch". The signature is fluid and cursive.

Angela Lynch  
Sparks, MD  
for SC&H Attest Services, P.C.

**EXHIBIT H  
TO THE FRANCHISE DISCLOSURE DOCUMENT**

**FRANCHISES IN OPERATION,  
FRANCHISEES WHO HAVE SIGNED BUT NOT YET OPENED,  
FRANCHISEES WHO HAVE LEFT THE SYSTEM,  
AND AFFILIATE OWNED LOCATIONS**

### Franchisees in Operation as of February 15, 2024

State	Center Number / Address	Contact Details	Licensee	Franchisee Name(s)
Alabama	Center #2623 3659 Lorna Road Lorna Brook Village, Suite 137 Birmingham, Alabama 35216	Phone: (205) 987-9802 Fax: (205) 989-3588 Email: birmingham2623.al@sylvanlearning.com	MKZ Management Group LLC	Ira Sullivan
Alabama	Center #2603 4240 Lomac Street Montgomery, Alabama 36106	Phone: (334) 262-0043 Fax: (334) 262-7060 Email: cd@montgomerysylvan.com	Ateam, Inc.	Frank Stewart
Alabama	Center #2631 2046 Fairview Avenue Prattville, Alabama 36066	Phone: (334) 212-8448 Email: Prattville.AL@sylvanlearning.com	Extending Palms LLC	Laquayna Henley Robert Henley
Alabama	Center #2624 1110 N. Chalkville Rd # 144 Trussville, Alabama 35173	Phone: (205) 508-5474 Fax: (205) 833-9577 Email: Birmingham2624.al@sylvanlearning.com	MKZ Management Group LLC	Ira Sullivan
Alabama	Center #2629 3421 S. Shades Crest Rd., Ste. 109 West Hoover, Alabama 35244	Phone: (205) 730-5330 Email: Info@westhooversylvan.com	Euell Ventures LLC	William Harrison
Alabama	Center #2633 617 S. Main Street Wetumpka, Alabama 36092	Phone: (334) 478-3047 Email: wetumpka.al@sylvanlearning.com	Extending Palms LLC	Laquayna Henley Robert Henley
Alaska	Center #2700 2217 E. Tudor Road Suite 1A Anchorage, Alaska 99507	Phone: (907) 561-2229 Fax: (907) 646-9206 Email: anchorage@sylvanalaska.com	Learning Systems, LLC	Jennifer Sierra Donald Petersen David Cottrell

Alaska	Center #2701 281 N Main St. Wasilla, Alaska 99654	Phone: (907) 357-7323 Fax: (907) 357-7322 Email: wasilla@sylvanalaska.com	Learning Systems, LLC	Jennifer Sierra Donald Petersen David Cottrell
Arizona	Center #410 2160 W. Chandler Blvd. #16 Chandler, Arizona 85224	Phone: (480) 897-3222 Fax: (480) 897-3230 Email: chandler@sylvanaz.com	Wootton Educators, Inc.	Rebecca Wright
Arizona	Center #428 2335 S. Lindsay Road, Suite 114 Gilbert, Arizona 85295	Phone: (480) 963-5900 Fax: (480) 963-5915 Email: sylvan@sylvan-az.com	Vertex Education Services, LLC	David Satter Robert Satter Jaclyn Satter
Arizona	Center #418 8190 W. Union Hills Drive Suite 120 Glendale, Arizona 85308	Phone: (623) 537-3611 Fax: (623) 572-7089 Email: sylvan0418@sylvanarrowhead.com	West East Educate, LLC	Rodney Sherrard Victoria Sherrard
Arizona	Center #417 13770 West Van Buren Street Suite 100 Goodyear, Arizona 85338	Phone: (623) 932-5714 Fax: (623) 932-3336 Email: sylvan417@aol.com	Success Makers, Inc.	Claudia Honsberger Joe Honsberger
Arizona	Center #434 9110 N Silverbell Road, Suite 170 Marana, Arizona 85743	Phone: (520) 344-9328 Email: Tucson.az@sylvanlearning.com	AJ Squared, LLC	Catherine Oberholzer
Arizona	Center #413 16838 N. 7th Street Suite 6 Phoenix, Arizona 85022	Phone: (602) 548-2600 Fax: (602) 548-8360 Email: Sylvan0413@sylvanphoenix.com	SLC Educators AZ, Inc.	Steven Jones Tamara Jones
Arizona	Center #401 6969 East Shea Blvd. Suite 185 Scottsdale, Arizona 85254	Phone: (602) 953-3070 Fax: (602) 922-9390 Email: sylvan401@scottsdalesylvan.com	SLC Educators AZ, Inc.	Steven Jones Tamara Jones
Arizona	Center #435 4500 E Speedway Blvd, Suite 15 Tucson, Arizona 85712	Phone: (520) 333-5445 Email: CentralTucson.AZ@sylvanlearning.com	Saguaro Learning, LLC	Theodore Parker Lori Parker George Parker

Arkansas	Center #2801 2409 South 56th Street Suite 117 Fort Smith, Arkansas 72903	Phone: (479) 484-6799 Fax: (479) 484-0702 Email: sylvan@sylvanfs.com	Midwest Education Consultants, Inc.	Courtney Wright Kevin Wright
Arkansas	Center #2810 4408 West Walnut Suite 3 Rogers, Arkansas 72756	Phone: (479) 903-7210 Fax: (479) 903-7211 Email: info@sylvannwa.com	Wright Education Consultants, Inc.	Courtney Wright Kevin Wright
California	Center #525 2720 Calloway Drive Suite A Bakersfield, California 93312	Phone: (661) 387-6060 Email: delia@bakersfieldsylvan.com	Aspire Higher Educational Services	Delia Navarro
California	Center #509 160 N. El Camino Real Encinitas, California 92024	Phone: (760) 942-5454 Fax: (760) 942-1871 Email: tutor@sylvanlearningsd.com	PQ Academia Corporation	Brandon Khieu
California	Center #531 7365 Carnelian Street #133 Rancho Cucamonga, California 91730	Phone: (909) 944-9763 Fax: (909) 466-5135 Email: carlid123@aol.com	D.D. & S. Learning Systems, Inc.	Carli Ganet James Dyer Frances Dyer
California	Center #501 11398 Kenyon Way Ste A Rancho Cucamonga, California 91701	Phone: (909) 941-6863 Fax: (909) 941-8277 Email: sylvan501@aol.com	D.D. & S. Learning Systems, Inc.	Carli Ganet James Dyer Frances Dyer
California	Center #520 1465 North Davis Road Salinas, California 93907	Phone: (831) 449-7551 Fax: (831) 449-7640 Email: salinas.sylvan@kiwischolarinc.com	Kiwi Scholar, Inc.	Cary Swensen
California	Center #515 1421 Guerneville Rd., Ste. 112 Santa Rosa, California 95403	Phone: (707) 528-6000 Fax: (707) 595-5072 Email: slc0515@sonic.net	PGLR, Inc.	Laura Rogers Jim Rogers
California	Center #504 1252 Madera Rd, Suite A1 Simi Valley California, USA, 93065	Phone: (805) 413-4453 Email: SimiValley.CA@sylvanlearning.com	Pivotal Learning Centers, Inc.	Venetya Evans

California	Center #516 23326 Hawthorne Blvd. Suite 170 Torrance, California 90505	Phone: (310) 373-0073 Fax: (310) 373-0805 Email: torrance@sylvansocal.com	The Southern California Learning Corporation	Todd Crabtree
California	Center #533 1241 Grand Ave, Ste F Diamond Bar, California 91765	Phone: (909) 861-1146 Fax: (909) 861-5359 Email: carlid123@aol.com	D.D. & S. Learning Systems, Inc.	Carli Ganet James Dyer Frances Dyer
California	Center #534 12887 Mountain Ave. Chino, California 91710	Phone: (909) 548-3569 Fax: (909) 548-0920 Email: carlid123@aol.com	D.D. & S. Learning Systems, Inc.	Carli Ganet James Dyer Frances Dyer
California	Center #535 42311 10th Street West Lancaster, California 93534	Phone: (661) 723-6400 Fax: (661) 723-6422 Email: sylvan535@gmail.com	DKM Learning LLC	Nate Tapia Carrie Tapia Nosrat Maghsoudi
California	Center #546 971 W Foothill Boulevard Claremont, California 91711	Phone: (909) 621-2483 Fax: (909) 624-6045 Email: carlid123@aol.com	D.D. & S. Learning Systems, Inc.	Carli Ganet James Dyer Frances Dyer
California	Center #559 3100 Mowry Ave. Suite 103 Fremont, California 94538	Phone: (510) 745-7800 Fax: (510) 745-7898 Email: sylvanld@pacbell.net	S5 Global, Inc.	Venkat Bussa
California	Center #562 2493 Solano Avenue Napa, California 94558	Phone: (707) 258-9000 Fax: (707) 258-9001 Email: learning@sylvannapa.com	Accelerated Learning Academy LLC	Zhenus Wahidi
California	Center #565 1730 W. Cameron Avenue, Suite 125 West Covina, California 91790	Phone: (626) 338-2800 Fax: (626) 338-2828 Email: westcovina.ca@sylvanlearning.com	33 Services & Consulting Inc.	Jessica Agopian
California	Center #569 5089 Business Center Dr, Ste 102 Fairfield, California 94534	Phone: (707) 864-1800 Fax: (707) 864-1889 Email: learning@sylvanfairfield.com	Bay Area Education Support System Inc.	Zhenus Wahidi
California	Center #572 1162 South Main St Manteca, California 95337	Phone: (209) 823-9252 Fax: (209) 599-9663 Email: enroll@sylvanmanteca.com	Illuminate Edge, Inc.	Sachin Ambulkar Swati Ambulkar

California	Center #578 39400 Murrieta Hot Springs Road, Suite 114-A Murrieta, California 92562	Phone: (951) 506-0300 Fax: (951) 506-0337 Email: Temecula.CA@SylvanLearning.com	Blue Horizon Learning Center LLC	Chastity Cordova-Heyward Spencer Heyward
California	Center #580 Westgate Mall 4701 Hamilton Avenue San Jose, California 95130	Phone: (408) 257-2740 Fax: (408) 257-2744 Email: sylvansanj@sbcglobal.net	GKS Education LLC	Abhishek Srivastava
California	Center #583 3288-B South Mooney Blvd. Visalia, California 93277	Phone: (559) 636-1502 Fax: (559) 636-1532 Email: slc583@sbcglobal.net	DND Learning, Inc.	Elizabeth Dyer Robert Dyer Richard Navarro
California	Center #585 3200 Castro Valley Blvd Castro Valley, California 94546	Phone: (510) 856-9000 Fax: (510) 856-9005 Email: learning@sylvanvalley.com	Bay Area Education Support System Inc.	Bill Kramer Jack McAboy
California	Center #587 1345 Grand Ave. Piedmont, California 94610	Phone: (510) 428-4000 Fax: (510) 428-4030 Email: learning@sylvanpiedmont.com	Bay Area Education Support System Inc.	Bill Kramer Jack McAboy
California	Center #588 10810 San Pablo Avenue El Cerrito, California 94530	Phone: (510) 559-1400 Fax: (510) 559-1404 Email: learning@sylvanelcerrito.com	Bay Area Education Support System Inc.	Bill Kramer Jack McAboy
California	Center #589 2031 C. Harbison Drive Vacaville, California 95687	Phone: (707) 448-7000 Fax: (707) 455-3463 Email: learning@sylvanvacaville.com	Accelerated Learning Academy LLC	Zhenus Wahidi
California	Center #590 2970 Huntington Drive San Marino, California 91108	Phone: (626) 544-5109 Fax: (626) 285-9614 Email: sanmarino.ca@sylvanlearning.com	The Southern California Learning Corporation	Todd Crabtree
California	Center #592 1180 El Camino Ave, #100 Corona, California 92879	Phone: (951) 272-0727 Fax: (951) 272-6824 Email: sylvan592@sbcglobal.net	JKG Learning LLC	Kulvinder Griffin Jason Griffin

California	Center #596 1045 W Redondo Beach Blvd #138, Gardena, CA 90247 Gardena, California 90247	Phone: (310) 329-1866 Fax: (310) 329-3544 Email: gardena.ca@sylvanlearning.com	The Southern California Learning Corporation	Todd Crabtree
California	Center #8504 2050 N. Broadway Walnut Creek, California 94596	Phone: (925) 934-3000 Fax: (925) 934-3620 Email: learning@sylvanwalnutcreek.com	Accelerated Learning Academy LLC	Zhenus Wahidi
California	Center #8508 1532 Standiford Ave, Suite B Modesto, California 95350	Phone: (209) 491-5406 Fax: (209) 491-5409 Email: modestodirector@sylvancenter.com	D and D Learning Solutions LLC	Lynn Dusa James Donnelly
California	Center #8509 13553 Ventura Boulevard Sherman Oaks, California 91423	Phone: (818) 906-1505 Fax: (818) 906-1509 Email: sylvanshermanoaks@sylvanhms.com	Dream Island Learning, LLC	Zhuo Chen
California	Center #8511 2025 West El Camino Real Mountain View, California 94040	Phone: (650) 938-0484 Fax: (650) 694-7476 Email: Vincent@sylvanmv.com	True Vision Academy, Inc.	Yule Zhang Yingjiu Pan
California	Center #8514 1315 S. Grand Ave #130 Glendora, California 91740	Phone: (626) 914-7700 Fax: (626) 914-3834 Email: carlid123@aol.com	D.D. & S. Learning Systems, Inc.	Carli Ganet James Dyer Frances Dyer
California	Center #8516 5415 Camden Avenue San Jose, California 95124	Phone: (408) 448-8100 Fax: (408) 448-4736 Email: sylvancamden@sbcglobal.net	GKS Education LLC	Abhishek Srivastava
California	Center #8520 600 Hampshire Road Suite 120 Westlake Village, California 91361	Phone: (805) 497-3216 Fax: (805) 497-0586 Email: sylvan.westlakevillage@sylvanlearning.com	The Southern California Learning Corporation	Todd Crabtree

California	Center #8529 27762 Vista Del Lago Suite A-10 Mission Viejo, California 92691	Phone: (949) 462-7160 Fax: (480) 247-5185 Email: sylvan.missionviejo@sylvanlearning.com	JKG Learning LLC	Kulvinder Griffin Jason Griffin
California	Center #8532 4330 Barranca Parkway Stonecreek Plaza, Suite 205 Irvine, California 92604	Phone: (949) 552-3025 Fax: (480) 247-5185 Email: irvine.ca@sylvanlearning.com	LUD, Inc.	Joe Liu
California	Center #8542 8366 Parkway Drive La Mesa, California 91942	Phone: (619) 668-0145 Fax: (619) 668-4937 Email: sylvanlamesa@gmail.com	Hilbert LLC	Katherine Hilbert Jordan Hilbert Christopher Purcell Ruth Purcell
California	Center #8555 379 West Portal Avenue San Francisco, California 94127	Phone: (415) 681-7323 Fax: (415) 681-2404 Email: sylvan@sylvanwestportal.com	HL Learning Solutions LLC	Lori Livingston Donald Livingston
California	Center #8562 12441 Hesperia Rd Suite A1 Victorville, California 92395	Phone: (760) 245-8091 Fax: (760) 843-1821 Email: carlid123@aol.com	D.D. & S. Learning Systems, Inc.	Carli Ganet James Dyer Frances Dyer
California	Center #8563 1505 W. Florida Ave, Ste A Hemet, California 92543	Phone: (951) 765-1171 Fax: (909) 765-0374 Email: sylvan.hemet@aol.com	D.D. & S. Learning Systems, Inc.	Carli Ganet James Dyer Frances Dyer
California	Center #8564 7000 Indiana Ave #122 Riverside, California 92506	Phone: (951) 353-8600 Fax: (951) 353-1424 Email: sylvan.riverside@aol.com	D.D. & S. Learning Systems, Inc.	Carli Ganet James Dyer Frances Dyer
California	Center #8565 101 E Redlands Blvd #140 Redlands, California 92373	Phone: (909) 792-9669 Fax: (909) 793-5435 Email: sylvan.redlands@aol.com	D.D. & S. Learning Systems, Inc.	Carli Ganet James Dyer Frances Dyer
California	Center #8568 8471 Beverly Boulevard, Suite 201 Los Angeles, California 90048	Phone: (310) 843-0111 Fax: (310) 843-0248 Email: sylvanbeverlyhills@sylvanhms.com	Soaring High LLC	Thomas Jung

California	Center #8569 8984 Tampa Avenue Northridge, California 91324	Phone: (818) 885-0283 Fax: (818) 885-0242 Email: northridge@sylvansocal.com	The Southern California Learning Corporation	Todd Crabtree
California	Center #8570 5731 W Slauson Ave. Ste 150 Culver City, California 90230	Phone: (310) 256-3830 Fax: (310) 337-3755 Email: sylvan Culvercity@sylvanhms.com	Soaring High LLC	Thomas Jung
California	Center #8571 16052 Beach Boulevard Suite 105 Huntington Beach, California 92647	Phone: (714) 848-6072 Fax: (714) 843-0543 Email: sylvanhuntingtonbeach@sylvanhms.com	G&L Investments Inc.	Linda Trinh Pham Ha Nhu Thanh Le
California	Center #8573 5510 Britton Drive Long Beach, California 90815	Phone: (562) 429-8320 Fax: (562) 420-1185 Email: sylvanlongbeach@sylvanhms.com	Temple Corp	Kiran Patel
California	Center #8575 18840 Ventura Blvd, Suite 219 Tarzana, California 91356	Phone: (818) 742-9000 Email: tarzana.ca@sylvanlearning.com	The Southern California Learning Corporation	Todd Crabtree
California	Center #8582 11982 Los Osos Valley Rd. San Luis Obispo, California 93405	Phone: (805) 540-9986 Email: matt.shea@sylvanlearning.com	Central Coast Scholars, LLC	Matthew Shea
California	Center #8584 1137 Aviation Blvd. Hermosa Beach, California 90254	Phone: (310) 341-3137 Email: hermosasylvan@gmail.com	Open Minds, LLC	Amber Castillo
California	Center #8585 527 S Lake Avenue, Suite 160 Pasadena, California 91101	Phone: (626) 689-4214 Email: pasadena.ca@sylvanlearning.com	The Southern California Learning Corporation	Todd Crabtree
California	Center #8587 19613 Yorba Linda Blvd. Yorba Linda, California 92886	Phone: (714) 340-0218 Email: yorbalinda.ca@sylvanlearning.com	SANPACT, LLC	Sandeep Malik

California	Center #8588 8832 Imperial Hwy Downey, California 90242	Phone: (562) 622-9210 Fax: (562) 622-9022 Email: adriene@sylvandowney.com	Student Advance Tutoring & Testing LLC	Adriene White
California	Center #8589 1910 Lincoln Blvd. Santa Monica, California 90405	Phone: (424) 395-9555 Email: SantaMonica.CA@sylvanlearning.com	EMM Investments LLC	Michael Guirguis Emad Guirguis Mina Guirguis
California	Center #8590 7273 Citrus Ave. #300 Fontana, California 92336	Phone: (909) 941-6863 Email: Fontana.CA@sylvanlearning.com	D.D. & S. Learning Systems, Inc.	Carli Ganet James Dyer Frances Dyer
California	Center #8591 741 Glenvia Street, Suite 201 Glendale, California 91206	Phone: (626) 423-6323 Email: Glendale.CA@sylvanlearning.com	The Southern California Learning Corporation	Todd Crabtree
California	Center #8593 4653 Carmel Mountain Rd, Suite 304 San Diego, California 92130	Phone: (858) 413-9090 Email: DelMar.CA@sylvanlearning.com	Denham Enterprises, LLC	Chad Denham
California	Center #8594 601 Glenoaks Blvd, Suite 306 Burbank, California 91502	Phone: (818) 697-0114 Email: glendale.ca@sylvanlearning.com	The Southern California Learning Corporation	Todd Crabtree
California	Center #8595 11740 San Vicente Blvd. Suite 106 Los Angeles, California 90049	Phone: (424) 256-2640 Email: BrentwoodLA.CA@sylvanlearning.com	Coker Family Education Solutions Inc.	Bianca Coker Jerry Coker
California	Center #8596 720-C S Allied Way El Segundo, California 90245	Phone: (310) 730-8083 Email: ElSegundo.CA@sylvanlearning.com	Open Minds, LLC	Amber Castillo
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Utah	Center #4509 57 North 500 East St. George, Utah 84770	Phone: (435) 656-1700 Fax: (435) 656-2600 Email: sylvan@sginet.com	J.C.H., Inc.	Clark Hatfield Doyle Hatfield Judy Hatfield
Utah	Center #4511 785 East 200 South, Suite 11 Lehi, Utah 84043	Phone: (801) 763-4880 Email: alpine@sylvan-utah.com	DH2 GROUP LLC	Doug Dingman Lynne Hudson

Utah	Center #4514 575 North Main Street Layton, Utah 84041	Phone: (801) 543-4400 Fax: (801) 543-4471 Email: Layton.ut@sylvanlearning.com	Utah Educate Inc.	Rosaelia Romero
Utah	Center #4515 499 West 1400 North Orem, Utah 84057	Phone: (801) 235-1800 Fax: (801) 705-4068 Email: Orem.UT@sylvanlearning.com	DH2 GROUP LLC	Doug Dingman Lynne Hudson
Utah	Center #4518 12447 S. Crossing Drive Suite 11 Riverton, Utah 84096	Phone: (801) 365-6500 Email: Jordan@sylvan-utah.com	DH2 GROUP LLC	Doug Dingman Lynne Hudson
Vermont	Center #4601 1 Market Place, Unit 10 Essex Junction, Vermont 05452	Phone: (802) 871-5230 Fax: (802) 864-5655 Email: vtsylvan@gmail.com	14th State Learning, LLC	Leah LaClaire
Virginia	Center #4702 1807 Huguenot Rd, Suite 101 Midlothian, Virginia 23113	Phone: (804) 240-8408 Fax: (804) 219-3319 Email: melissa.britner@sylvanlearning.com	Successful Learning, Inc.	Amanda Cochran
Virginia	Center #4709 5007-G Victory Boulevard Yorktown, Virginia 23693	Phone: (757) 873-2181 Fax: (757) 873-6613 Email: newportnews.va@sylvanlearning.com	WISE Learning Solutions, LLC	Deborah DeJesus Juan DeJesus
Virginia	Center #4723 8116 Timberlake Road Suite 200 Lynchburg, Virginia 24502	Phone: (434) 832-1000 Fax: (434) 832-0281 Email: sylvaninfo@sylvanlynchburg.com	Michael Bowen Enterprises LLC	Michael Bowen
Virginia	Center #4725 701-P North Battlefield Blvd. Chesapeake, Virginia 23320	Phone: (757) 548-1247 Fax: (757) 549-4532 Email: success@sylvanchesapeake.com	Anowem Educate LLC	Kimberly Teixeira

Virginia	Center #4751 6521 Arlington Blvd, Ste. 306 Falls Church, Virginia 22042	Phone: (703) 734-1234 Fax: (703) 734-1234 Email: center@sylvanfallschurch.com	Educate Virginia, LLC	R. Scott Lindsey Daniel Wildman Tasha Browne
Virginia	Center #4758 3575 Bridge Road #13 Suffolk, Virginia 23435	Phone: (757) 548-1247 Email: success@sylvanchesapeake.com	Anowem Educate LLC	Kimberly Teixeira
Virginia	Center #4759 25 Clement Drive Suite 115 Stafford, Virginia 22556	Phone: (540) 602-2360 Email: center@sylvanstafford.com	Educate Virginia, LLC	R. Scott Lindsey Daniel Wildman Tasha Browne
Virginia	Center #4763 1608 Village Market Blvd. SE, #100. Leesburg, Virginia 20175	Phone: (571) 366-4754 Fax: (571) 526-4586 Email: leesburg.va@sylvanlearning.com	learning force LLC	Shehryar Mohiuddin
Virginia	Center #4764 2579 John Milton Dr, Suite 120 Herndon, Virginia 20171	Phone: (703) 382-6300 Email: Reston.VA@sylvanlearning.com	RMS Enterprise, LLC	Ashish Gandhi Sapna Chordia
Virginia	Center #4768 2305 Mount Vernon Ave. Alexandria, Virginia 22301	Phone: (571) 309-0838 Email: Alexandria.VA@sylvanlearning.com	Ireedui LLC	Batireedui Batsaikhan
Virginia	Center #4769 949 Piney Forest Rd, Ste. B Danville, Virginia 24540	Phone: (434) 832-1000 Email: sylvaninfo@sylvandanville.com	Michael Bowen Enterprises LLC	Michael Bowen
Washington	Center #201 1510 N. Argonne Road Spokane Valley, Washington 99206	Phone: (509) 924-7656 Fax: (509) 924-9528 Email: Sarah.Doll@sylvanlearning.com	Advance Education Solutions NW, LLC	Heather Hamasaki Chad Hamasaki
Washington	Center #202 3333 184th Street SW Suite M Lynnwood, Washington 98037	Phone: (425) 774-3922 Fax: (425) 775-6475 Email: Lynnwood.WA@sylvanlearning.com	GKD Enterprises Limited Liability Company	Hiral Doshi

Washington	Center #205 4140 Factoria Boulevard S.E., Suite 2A Bellevue, Washington 98006	Phone: (425) 641-7609 Fax: (425) 641-6123 Email: kelsey@essylvan.com	RKC Education LLC	Mansi Garg Hemant Garg
Washington	Center #206 615 SE Chkalov Drive Suite 4 Vancouver, Washington 98683	Phone: (360) 859-0007 Fax: (360) 892-3210 Email: admissions@sylvan-pnw.com	Cascadia Learning Centers, LLC	Jamie Tate Patrick Tate
Washington	Center #208 24020 132nd Avenue SE, Unit C Kent, Washington 98042	Phone: (253) 854-7111 Fax: (253) 854-5095 Email: admin@kentsylvan.com	Stem King LLC	Kevin Moen
Washington	Center #211 12020 Meridian East Suite D Puyallup, Washington 98373	Phone: (253) 848-0771 Fax: (253) 845-9256 Email: admissions.sylvan@comcast.net	Puget Sound Learning Centers, LLC	Gail Smith David Smith, III
Washington	Center #212 1614 South Mildred St., Ste. 1614-E Tacoma, Washington 98465	Phone: (253) 987-8565 Fax: (253) 565-0923 Email: admissions.sylvan@comcast.net	Puget Sound Learning Centers, LLC	Gail Smith David Smith, III
Washington	Center #213 3825 Martin Way East Suite 103 Olympia, Washington 98506-5278	Phone: (360) 438-1833 Fax: (360) 438-3424 Email: admissions.sylvan@comcast.net	Puget Sound Learning Centers, LLC	Gail Smith David Smith, III
Washington	Center #214 32020 1st Avenue S Suite 109 Federal Way, Washington 98003	Phone: (253) 838-0507 Fax: (253) 838-6711 Email: darcy@fwsylvan.com	Darcy Webb	Darcy Webb
Washington	Center #216 3212 NW Byron St. Silverdale, Washington 98383	Phone: (360) 255-7290 Fax: (360) 698-2202 Email: susie.petersen@withsylvan.com	Puget Sound Learning Centers, LLC	Gail Smith David Smith, III

Washington	Center #217 12305 120th Avenue, NE Suite F Kirkland, Washington 98034	Phone: (425) 823-6727 Fax: (425) 814-0924 Email: Kirkland.WA@SylvanLearning.com	A1 Education Services, Inc.	Mansi Garg Hemant Garg
Washington	Center #218 1327 112th Street SE Suite A2 Everett, Washington 98208	Phone: (425) 348-6767 Fax: (866) 302-7506 Email: Everett.WA@SylvanLearning.com	A1 Education Services, Inc.	Mansi Garg Hemant Garg
Washington	Center #219 4152 Meridan Street Suite #207 Bellingham, Washington 98226	Phone: (360) 738-9590 Fax: (360) 738-0700 Email: bellingham@sylvan-wa.com	Havanah, LLC	Brehana Fregoso Robert Harvey
Washington	Center #223 723 Ave D, Suite F Snohomish, Washington 98290	Phone: (360) 568-2600 Fax: (360) 568-5056 Email: Snohomish.WA@SylvanLearning.com	A1 Education Services, Inc.	Mansi Garg Hemant Garg
Washington	Center #226 81 Keene Road Richland, Washington 99352	Phone: (509) 736-1509 Fax: (509) 736-1302 Email: info@tcsylvan.com	Sugarplum Associates, LLC	Carol Currie Carol Jo Rodriguez
Washington	Center #235 8710 271st St. NW PO Box 133 Stanwood, Washington 98292	Phone: (360) 629-9989 Fax: (360) 939-2645 Email: sylvan235@sylvannw.com	A1 Education Services, Inc.	Mansi Garg Hemant Garg
Washington	Center #236 380 SE Pioneer Way, Suite 101 Oak Harbor, Washington 98277	Phone: (360) 675-8010 Fax: (360) 675-5492 Email: ohsylvan@gmail.com	The Wilson Learning Academy LLC	Kevin Wilson Michelle Wilson
Washington	Center #239 22141 SE 237th Street, Suite 206 Maple Valley, Washington 98038	Phone: (425) 413-2625 Fax: (425) 413-0306 Email: admin@mvsylvan.com	Stem King LLC	Kevin Moen

Washington	Center #240 234 E Main Street Auburn, Washington 98002	Phone: (253) 218-0590 Fax: (253) 218-0593 Email: admissions.sylvan@comcast.net	Puget Sound Learning Centers, LLC	Gail Smith David Smith, III
Washington	Center #241 203 N Blakeley Street, Unit 103 Monroe, Washington 98272	Phone: (360) 794-5554 Email: sylvan241@sylvannw.com	A1 Education Services, Inc.	Mansi Garg Hemant Garg
Washington	Center #242 12660-B 164th Avenue SE Renton, Washington 98059	Phone: (425) 282-6595 Fax: (425) 282-6596 Email: cdrenton@essylvan.com	RKC Education LLC	Mansi Garg Hemant Garg
Wisconsin	Center #4903 15060 W. Greenfield Suite 104 Brookfield, Wisconsin 53005	Phone: (262) 796-0808 Fax: (262) 796-0804 Email: Sylvan4903@gmail.com	Van Milligen, Kathleen	Kathleen Van Milligen
Wisconsin	Center #4908 7863 Green Bay Rd. Kenosha, Wisconsin 53142	Phone: (262) 694-6286 Fax: (262) 694-6289 Email: learning@sylvankenosha.com	S B Associates, Inc.	John Sykora Joseph Sykora Mary Sykora
Wisconsin	Center #4916 3409 Golf Road Eau Claire, Wisconsin 54701	Phone: (715) 858-1234 Email: kayann@sylvancenter.org	Advantage Learning, Inc.	Corey Bock Kayann Bock
Wisconsin	Center #4928 904 Carmichael Rd Hudson, Wisconsin 54016	Phone: (715) 690-2722 Email: Hudson@SylvanCenter.org	Advantage Learning, Inc.	Corey Bock Kayann Bock

### Franchisees Who Have Signed But Not Yet Opened as of February 15, 2024

Territory Number	City	State	Contact Details	Licensee	Franchisee Name(s)
521	Bay Park	California	Phone: 619-572-3444 Email: riele17@gmail.com	Denham Enterprises, LLC	Chad Denham
500	Folsom	California	Phone: 202-887-0447 Email: sara.qadir@gmail.com	Inspired Learning LLC	Shabnum Yang
502	Granite Bay	California	Phone: 202-887-0447 Email: sara.qadir@gmail.com	Inspired Learning LLC	Shabnum Yang
522	Orange	California	Phone: 310-467-1366 Email: sandeep@sylvanofyorbalinda.com	SANPACT, LLC	Sandeep Malik
8598	Pico Rivera	California	Phone: 310-971-0262 / 310-954-7522 Email: adriene@sylvandowney.com / kali@sylvandowney.com	Student Advance Tutoring & Testing #2 LLC	Adriene White Kali Wade
523	South Whittier	California	Phone: 818-639-9692 Email: toddcrabtree@sylvansocal.com	The Southern California Learning Corporation	Todd Crabtree
2903	North Wilmington	Delaware	Phone: 610-800-7763 / 302-858-7242 Email: adriabondanza@yahoo.com	Achievement Awaits, LLC	Adria Bondanza Michael Walters
8637	Apopka	Florida	Phone: 321-332-5312 Email: megan.a.cabrera@gmail.com	LearnBerry, LLC	Maria Cabrera
8638	Sumter	Florida	Phone: 352-603-2106 / 352-603-3085 Email: gilleyspaude@gmail.com / gnicarst@gmail.com	GT Learning Group, LLC	Gilley Spaude Tod Spaude
8636	Tavares	Florida	Phone: 321-332-5312 Email: megan.a.cabrera@gmail.com	LearnBerry, LLC	Maria Cabrera
2021	Coeur D'Alene	Idaho	Phone: 208-918-1674 Email: daksh.academy.boise@gmail.com	Daksh Education LLC	Sudhaker Chhabra

2020	Twin Falls	Idaho	Phone: 208-918-1674 Email: daksh.academy.boise@gmail.com	Daksh Institute LLC	Sudhaker Chhabra
3319	Ankeny	Iowa	Phone: 515-988-9955 / 641-849-0912 Email: jeffhohensee@mchsi.com / aprilsamp@gmail.com	FCH L.L.C.	Jeff Hohensee April Samp
3321	Des Moines	Iowa	Phone: 515-988-9955 / 641-849-0912 Email: jeffhohensee@mchsi.com / aprilsamp@gmail.com	FCH L.L.C.	Jeff Hohensee April Samp
3320	Saylorville	Iowa	Phone: 515-988-9955 / 641-849-0912 Email: jeffhohensee@mchsi.com / aprilsamp@gmail.com	FCH L.L.C.	Jeff Hohensee April Samp
3404	Topsham	Maine	Phone: 802-373-8611 Email: leahlaclaire@gmail.com	23rd State Learning, LLC	Leah LaClaire
4155	Closter	New Jersey	Phone: 201-675-7480 Email: mike56ft@gmail.com	Sirius Innovations Inc.	Michael Hazen
4153	Newark	New Jersey	Phone: 908-868-1162 Email: paramountfamilyservices@gmail.com	The Wilson Learning Academy LLC	LaRhonda Lewis
4154	Park Ridge	New Jersey	Phone: 201-675-7480 Email: mike56ft@gmail.com	Sirius Innovations Inc.	Michael Hazen
4156	Sparta	New Jersey	Phone: 973-964-4154 / 973-390-1620 Email: gjc@trueprod.com / cristinemercer@gmail.com	Sylvan Sparta LLC	George Crescione Cristine Crescione
4282	Glenville	New York	Phone: 518-423-3266 / 518-688-7955 Email: Wilton.NY@sylvanlearning.com / jwaterfile@gmail.com	Skills for Success, LLC	Audrey Waterfield John Waterfield
1668	Lexington	North Carolina	Phone: 336-766-0460 Email: Lexington.NC@sylvanlearning.com	Spartan Akademia LLC	Michelle Varoutsos John Varoutsos

1665	Stallings	North Carolina	Phone: 704-299-8088 Email: Hopewelleduinc@yahoo.com	Hopewell Educational Enterprises, Inc.	Marty Conner
1488	Dublin	Ohio	Phone: 609-902-2037 / 609-865-9989 / 650-814-5291 Email: prabhakar.kasu@gmail.com / ashoklsanjose@gmail.com / jyothsna.kasu@gmail.com	Educare Learning Solutions LLC	Prabhakar Kasu Jyothsna Kasu Ashok Vuppala
1785	Harrisburg	Pennsylvania	Phone: 717-443-7725 / 413-557-4830 Email: mayamdulal@gmail.com / adhikari.naradm@gmail.com	Pro Tutoring Services LLC	Maya Dulal Narad Adhikari
1786	Media	Pennsylvania	Phone: 484-431-5548 Email: david.neill@yahoo.com	DJ Neill Management, LLC	David Neill
1041	Memphis	Tennessee	Phone: 850-377-0728 / 850-377-0719 Email: cartezone@gmail.com / kativasimone@hotmail.com	New Beginnings in Education LLC	Fredrick Perkins Kativa Perkins
8364	Bulverde	Texas	Phone: 419-234-1014 Email: j.lovin@sylvantx.com	NWSA Educators, Inc.	Joan Lovin
8368	Cinco Ranch	Texas	Phone: 713-410-7021 Email: zibaagowani@gmail.com	AZG Ventures LLC	Zibaa Pirani
8360	Conroe	Texas	Phone: 469-774-1862 / 469-744-5571 Email: thomasc01@hotmail.com / thomasrl07@hotmail.com	CR Thomas, LLC	Clarence Thomas Renitta Thomas
8369	Greatwood	Texas	Phone: 713-410-7021 Email: zibaagowani@gmail.com	AZG Ventures LLC	Zibaa Pirani
8370	Hunters Creek	Texas	Phone: 713-410-7021 Email: zibaagowani@gmail.com	AZG Ventures LLC	Zibaa Pirani
8367	Lake Jackson	Texas	Phone: 305-942-7243 Email: jwilliamsmsed@gmail.com	JWilliamsMSed LLC	Jasmine Williams
8366	Liberty	Texas	Phone: 713-703-9879 / 404-821-5685 Email: amfonteneaux@yahoo.com / blairnpb84@gmail.com	A Team Learning LLC	Arthur Fonteneaux Nina Fonteneaux

8365	Spring Branch	Texas	Phone: 713-703-9879 / 404-821-5685 Email: amfonteneaux@yahoo.com / blairnpb84@gmail.com	A Team Learning LLC	Arthur Fonteneaux Nina Fonteneaux
8362	Westbranch	Texas	Phone: 713-703-9879 / 404-821-5685 Email: amfonteneaux@yahoo.com / blairnpb84@gmail.com	A Team Learning LLC	Arthur Fonteneaux Nina Fonteneaux
4806	Morgantown	West Virginia	Phone: 724--986-3132 / 412-889-9450 Email: sobrien157@mac.com / katelyn0101@me.com	Lakeside Learning, LLC	Suzan O'Brien Katelyn O'Brien

**Franchisees Which Have Been Terminated, Canceled, Not Renewed,  
or Otherwise Ceased to do Business or Which Have Not Communicated as of December 31, 2023**

<b>Previous Owner</b>	<b>Home City</b>	<b>State</b>	<b>Last Phone No. Recorded</b>
Jason McLaughlin	Hoover	AL	205-908-4606
Carol Wettig	Prattville	AL	804-690-0557
Terry Wettig	Prattville	AL	804-690-0557
Venkat Bussa	Danville	CA	510-745-7800
Rand Bleimeister	Encino	CA	310-773-7555
Todd Crabtree	Grenada Hills	CA	310-373-0073
Bill Kramer	Oakland	CA	510-856-9000
Jack McAboy	Piedmont	CA	510-856-9000
Christine Vallen	Arvada	CO	303-920-7424
Mark Bellestri	Castle Rock	CO	(612) 481-0406
Jennifer Bellestri	Castle Rock	CO	(612) 242-0875
Dave Sekula	Jacksonville	FL	904-757-2220
Ginny Sekula	Jacksonville	FL	904-757-2220
Sultan Jan	Oldsmar	FL	205-514-6768
William Ramos Da Silva	Orlando	FL	407-688-2017
Gloria Swardenski	Pensacola	FL	850-474-9022
An Hong Tran	Alpharetta	GA	404-547-6722
Robert Keller	Bloomington	IL	708-488-0161
Nontaporn Konkaeow	Elgin	IL	312-404-9811
Sally Figueroa	Carmel	IN	850-474-9022
Smita Thakkar	Tyngsboro	MA	978-799-9035
Rick Rusthoven	Byron Center	MI	616-516-4520
Christopher Sesi	West Bloomfield	MI	248-756-6778
Christopher Sesi	West Bloomfield	MI	248-756-6778
Christopher Sesi	West Bloomfield	MI	248-756-6778
Christopher Sesi	West Bloomfield	MI	248-756-6778
Caroline Lindeman	Minnetonka	MN	303-920-7424
Mike Kelley	St. Cloud	MN	763-712-1118
Kelly Conway	Greenville	NC	706-868-1888
Krista Martin	East Wakefield	NH	717-333-4233
Tristan Plummer	East Wakefield	NH	603-871-8575

Patrick McNamara Estate	Albany	NY	999-999-9999
Patrick McNamara Estate	Albany	NY	999-999-9999
Patricia Russo	Albertson	NY	516-743-9943
Greg Caruso	White Plains	NY	914-237-4396
Mital Rathod	Olmsted Township	OH	330-523-0396
Cliff Crawford	Portland	OR	503-249-8061
Kimberli Dorn	Salem	OR	503-930-8972
Janet Crocker	Clarksville	TN	931-647-5811
Jeffrey Phillips	Nashville	TN	423-239-9215
Mike Sullivan	Abilene	TX	806-785-4400
Cindy Sullivan	Abilene	TX	806-785-4400
Matthew Sullivan	Abilene	TX	806-785-4400
Susan Fairbairn	Austin	TX	512-336-1818
Robert Jones	Austin	TX	512-336-1818
Rita McKissick	Forney	TX	214-850-2787
Cathryn Butts	Katy	TX	713-291-5565
Dennis Butts	Katy	TX	713-397-1127
Mikhael Mitchell	Missouri City	TX	832-646-5195
O.Steven Jones	San Antonio	TX	602-953-3070
Tamara Jones	San Antonio	TX	602-953-3070
Prabhjeet Singh	San Antonio	TX	210-367-7652
Sapna Chordia	Sterling	VA	703-382-6300
Ashish Gandhi	Sterling	VA	703-382-6300
David Smith III	Lakewood	WA	253-848-0771
Gail Smith	Lakewood	WA	253-848-0771
Jason Jensen	Gillette	WY	307-299-2802
Jamie Sanders	Gillette	WY	307-660-7950

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

**LIST OF CORPORATE OR AFFILIATE-OWNED OUTLETS  
AS OF DECEMBER 31, 2023**

NAME	ADDRESS	PHONE
Maryland Learning Centers, LLC	1203 Baltimore Pike Suite E, Bel Air, MD 21014	(410) 656-8832
Maryland Learning Centers, LLC	405 Frederick Rd #5, Catonsville, MD 21228	(443) 334-6156
Maryland Learning Centers, LLC	8801 Centre Park Dr #5, Columbia, MD 21045	(410) 656-8859
Maryland Learning Centers, LLC	2151 Defense Hwy #3, Crofton, MD 21114	(410) 656-8421
Maryland Learning Centers, LLC	1840 York Rd unit d, Timonium, MD 21093	(410) 656-8368

**EXHIBIT I  
TO THE FRANCHISE DISCLOSURE DOCUMENT**

**SAMPLE FORM OF GENERAL RELEASE**

## GENERAL RELEASE

This general release (the “General Release”) is made and entered into on \_\_\_\_\_ by and between Sylvan Learning, LLC (“Licensor”), (“Licensee”), \_\_\_\_\_ and \_\_\_\_\_ (each a “Guarantor,” together with the Licensee, the “Licensee Parties”). For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Licensee Parties agree as follows.

1. To the maximum extent permitted by applicable law, the Licensee Parties on behalf of themselves and each of their past and present parents, subsidiaries, affiliates, predecessors, successors, assigns, officers, directors, shareholders, partners, owners, members, managers, agents, attorneys, employees, and representatives (together with the Licensee Parties, the “Releasing Parties”) do remise, release, waive, and forever discharge Sylvan Learning, LLC, Sylvan In-Home, LLC, Unleashed Brands, LLC, Unleashed Services, LLC and each of their respective past and present parents, subsidiaries, affiliates, predecessors, successors, assigns, officers, directors, shareholders, partners, owners, members, managers, agents, attorneys, employees, and representatives (collectively, the “Licensor Parties”) from any and all claims, demands, obligations, liabilities, actions, proceedings, agreements, debts, demands, damages, accounts, charges, invoices, discounts, incentives, allowances, controversies, expenses, attorneys’ fees, suits, arbitrations, and causes of action whatsoever, in law or equity, whether known or unknown, past, present, or future, which the Releasing Parties have, have had, claim to have, or may have against the Licensor Parties including, but not limited to, any and all claims and damages in any way arising out of or related to (1) that franchise or license agreement between Licensor and Licensee dated \_\_\_\_\_ regarding the operation of a Sylvan franchise located at \_\_\_\_\_, as amended; (2) any other License Agreement, license agreement, or any other contract between any Releasing Party and any Licensor Party; (3) the offer and sale of any Sylvan franchise opportunity, (4) the disclosure requirements under the FTC Franchise Rule (16 CFR et seq); (5) any other state franchise law, (6) any alleged misrepresentations made by the Licensor Parties in the sale of a franchise to the Releasing Parties or otherwise; (7) any and all claims arising under local, state, and federal laws, rules, and ordinances, whether statutory or under common law; (8) Sylvan franchise located at \_\_\_\_\_; and (9) any relationship between the Releasing Parties and the Licensor Parties.

2. The Releasing Parties acknowledge this General Release extends to all claims the Releasing Parties do not know or suspect to exist in their favor at the time of executing this General Release, which if were known to exist may have materially affected the decision to enter into this General Release. The Releasing Parties understand the facts in respect of which this General Release is given may hereafter turn out to be other than or different from the facts known or believed to be true and agree this General Release shall be in all respects effective and not subject to termination or rescission by any such difference in facts. By executing this General Release, the Releasing Parties expressly assume the risk of the facts turning out to be different and agree this General Release shall be in all respects effective and not subject to termination or rescission by any such difference in facts. The Releasing Parties acknowledge and agree that they have had the opportunity to seek the advice of and are represented by independent legal counsel and have read and understood all the terms and provisions of this General Release. The Releasing Parties, jointly and individually, covenant and agree that none of them will commence, maintain, participate in, or prosecute any claim, demand, suit, action, or cause of action against the Licensor Parties concerning the claims released in this General Release.

3. This General Release represents the entire agreement of the parties regarding the subject matter hereof and may only be modified in writing.

[If Releasor is domiciled or has his or her principal place of business in the State of California]

### **WAIVER OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE.**

\_\_\_\_\_ (“Releasor”) for myself and on behalf of all persons acting by or through me, acknowledge that I am familiar with Section 1542 of the California Civil Code, which reads as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASING PARTY.

Releasor hereby waives and relinquishes every right or benefit which I have under Section 1542 of the Civil Code of the State of California, and any similar statute under any other state or federal law, to the fullest extent that they may lawfully waive such right or benefit. In connection with this waiver and relinquishment, Releasor acknowledges he or she may hereafter discover facts in addition to or different from those which he or she now knows or believes to be true with respect to the claims herein released, but that it is the parties' intention, subject to the terms and conditions of this General Release, to fully, finally and forever settle and release all such claims, known or unknown, suspected or unsuspected, which now exist, may exist or did exist. In furtherance of such intention, the releases given in this General Release shall be and remain in effect as full and complete releases, notwithstanding the discovery or existence of any such additional or different facts.

Releasor warrants and represents the release set forth above is a complete defense to any claim encompassed by its terms, and covenants not to initiate, prosecute, or otherwise participate in any action or proceeding in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any person or entity released under this General Release with respect to any claim or cause of action released under this General Release..

[If Releasor is domiciled or has his or her principal place of business in the State of Washington or if the franchised business is located in the State of Washington]

Notwithstanding anything to the contrary, this General Release does not apply to any claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

**IN WITNESS WHEREOF**, the parties hereto have executed this General Release as of the dates set forth below.

**LICENSEE PARTIES:**

a \_\_\_\_\_

By: \_\_\_\_\_  
\_\_\_\_\_, its \_\_\_\_\_

\_\_\_\_\_, individually

[This General Release will be modified as necessary for consistency with any state law regulating franchising.]

**EXHIBIT J  
TO THE FRANCHISE DISCLOSURE DOCUMENT**

**FRANCHISE DISCLOSURE QUESTIONNAIRE**

**(THIS FRANCHISEE DISCLOSURE QUESTIONNAIRE WILL NOT BE USED IF THE FRANCHISE IS TO BE OPERATED IN, OR YOU ARE A RESIDENT OF, CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN).**

**(THIS FRANCHISEE DISCLOSURE QUESTIONNAIRE WILL NOT BE USED IF THE FRANCHISE IS TO BE OPERATED IN, OR YOU ARE A RESIDENT OF, CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN).**

**FRANCHISE DISCLOSURE QUESTIONNAIRE**

As you know, SYLVAN LEARNING, LLC (“we” or “us”) and you are preparing to enter into a License Agreement for the operation of a SYLVAN franchise. The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, to be certain that you have been properly represented in this transaction, and to be certain that you understand the limitations on claims you may make by reason of the purchase and operation of your franchise. **You cannot sign or date this Questionnaire the same day as the Receipt for the disclosure document, but you must sign and date it the same day you sign the License Agreement and pay your franchise fee.** Please review each of the following questions carefully and provide honest responses to each question. If you answer “No” to any of the questions below, please explain your answer on the back of this sheet.

- Yes \_\_\_ No \_\_\_ 1. Have you received and personally reviewed SYLVAN License Agreement and each attachment, exhibit, or schedule attached to it?
- Yes \_\_\_ No \_\_\_ 2. Have you received and personally reviewed SYLVAN disclosure document we provided?
- Yes \_\_\_ No \_\_\_ 3. Did you sign a receipt for SYLVAN disclosure document indicating the date you received it?
- Yes \_\_\_ No \_\_\_ 4. Do you understand all the information contained in SYLVAN disclosure document and License Agreement?
- Yes \_\_\_ No \_\_\_ 5. A) Have you had ample time and the opportunity to review SYLVAN disclosure document and SYLVAN License Agreement with a lawyer, accountant or other professional advisor?
- Yes \_\_\_ No \_\_\_ B) Have you had the opportunity to discuss the benefits and risks of operating a SYLVAN franchise with your professional advisor?
- Yes \_\_\_ No \_\_\_ C) Did you discuss the benefits and risks of operating a SYLVAN franchise with an existing SYLVAN franchisee?
- Yes \_\_\_ No \_\_\_ 6. Do you understand the risks of operating a SYLVAN franchise?
- Yes \_\_\_ No \_\_\_ 7. Do you understand the success or failure of your SYLVAN franchise will depend in large part upon your skills, abilities and efforts and those of the person you employ, as well as many factors beyond your control such as weather, competition, interest rates, the economy, inflation, labor and supply costs, lease terms and the marketplace?
- Yes \_\_\_ No \_\_\_ 8. Do you understand we are not obligated to provide assistance to you in finding and securing a location for your SYLVAN Franchised Business?
- Yes \_\_\_ No \_\_\_ 9. A) Do you understand all disputes or claims you may have arising out of or relating to SYLVAN License Agreement must be brought in the judicial district in which our principal place of business is located, if not resolved informally?
- Yes \_\_\_ No \_\_\_ B) Do you understand SYLVAN License Agreement provides you can only collect compensatory damages on any claim under or relating to SYLVAN License Agreement, and not any punitive, special, consequential or exemplary damages?

**(THIS FRANCHISEE DISCLOSURE QUESTIONNAIRE WILL NOT BE USED IF THE FRANCHISE IS TO BE OPERATED IN, OR YOU ARE A RESIDENT OF, CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN).**

- Yes \_\_\_ No \_\_\_ 10. Do you understand that your Designated Manager must successfully complete our initial training program?
- Yes \_\_\_ No \_\_\_ 11. Do you understand we do not have to sell you a franchise or additional franchises or consent to your purchase of existing franchises?
- Yes \_\_\_ No \_\_\_ 12. Is it true that, except as provided in Item 19 of our FDD, we and our affiliates have made no representation, warranty, promise, guaranty, prediction, projection, or other statement, and given no information, as to the future, past, likely, or possible income, sales volume, or profitability, expected or otherwise, of SYLVAN franchise or any other business?
- Yes \_\_\_ No \_\_\_ 13. Do you understand that actual results vary from unit to unit and from time period to time period, and we cannot estimate, project, or predict the results of any particular SYLVAN business?
- Yes \_\_\_ No \_\_\_ 14. Do you acknowledge that you are an independent contractor and responsible for running your own SYLVAN business and that we do not have any authority to control, hire, or fire your employees?
- Yes \_\_\_ No \_\_\_ 15. Is it true that neither we or our affiliates, or any of our or our affiliates' employees, have provided you with services or advice that is legal, accounting, or other professional services or advice?
- Yes \_\_\_ No \_\_\_ 16. A) Do you understand that the U.S. Government has enacted anti-terrorist legislation that prevents us from carrying on business with any suspected terrorist or anyone associated directly or indirectly with terrorist activities?
- Yes \_\_\_ No \_\_\_ B) Is it true that you have never been a suspected terrorist or associated directly or indirectly with terrorist activities?
- Yes \_\_\_ No \_\_\_ C) Do you understand that we will not approve your purchase of a SYLVAN franchise if you are a suspected terrorist or associated directly or indirectly with terrorist activity?
- Yes \_\_\_ No \_\_\_ D) Is it true that you are not purchasing a SYLVAN franchise with the intent or purpose of violating any anti-terrorism law, or for obtaining money to be contributed to a terrorist organization?

For Maryland Residents Only: Such representations are not intended to nor will they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

For Washington Residents Only: Such representations are not intended to nor will they act as a waiver of any liability incurred under the Washington Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

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

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

If signing on behalf of a corporation or other entity, please complete the following:

\_\_\_\_\_  
Name of Entity

\_\_\_\_\_  
Title

**EXHIBIT K  
TO THE FRANCHISE DISCLOSURE DOCUMENT**

**STATE EFFECTIVE DATES**

### **State Effective Dates**

The following states require that the 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 disclosure document is registered, on file, or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

<b>State</b>	<b>Effective Date</b>
California	March 14, 2024
Illinois	March 14, 2024
Indiana	March 14, 2024
Maryland	Pending
Michigan	March 14, 2024
Minnesota	Pending
New York	March 14, 2024
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	March 14, 2024
Wisconsin	March 14, 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 L  
TO THE FRANCHISE DISCLOSURE DOCUMENT**

**RECEIPTS**



**RECEIPT**

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

If Sylvan offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement or make a payment with franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable law.

New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. Iowa requires that we give you this disclosure document at the earlier of the first personal meeting or 14 calendar days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Sylvan 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state regulatory agency listed in Exhibit F. Franchisor authorizes the respective state agencies identified on Exhibit F to receive service of process for it in a particular state.

The name, principal business address, and telephone number of the franchise seller offering the franchise is:

Name	Principal Business Address	Telephone Number
Joshua Wall	2350 Airport Freeway, Suite 505, Bedford, TX 76022	877.958.9716

Issuance date: March 8, 2024.

I received a disclosure document dated March 8, 2024 (and with effective dates of state registration as listed on the State Effective Dates page) that included the following Exhibits:

- Exhibit A License Agreement for Sylvan and SylvanSync, Attachments, and State-Specific Amendments
- Exhibit B Sylvan Edge Package License Agreement
- Exhibit C ACE IT! Tutoring System License Agreement
- Exhibit D Multi-Territory Incentive Plan Amendment
- Exhibit E Operations Manual Table of Contents
- Exhibit F List of State Administrators and Agents for Service of Process
- Exhibit G Financial Statements
- Exhibit H Franchises in Operation, Franchisees Who Have Signed But Not Yet Opened, and Franchisees Who Have Left the System
- Exhibit I Sample Form of General Release
- Exhibit J Franchise Disclosure Questionnaire
- Exhibit K State Effective Dates
- Exhibit L Receipts

Print Name	Signature	Date
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If signing on behalf of a company in addition to individually, please complete the following:

Company Name	Authorized Signatory and Signature
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**Please sign this copy of the receipt, date your signature, and return it by mail or email to Joshua Wall, 2350 Airport Freeway, Suite 505, Bedford, TX 7602.**