

FRANCHISE DISCLOSURE DOCUMENT



Sylvan Learning, LLC,
a Delaware limited liability company
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Bedford, TX 76022
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www.sylvanlearning.com
www.sylvanfranchise.com

The franchisee will operate a short-term or permanent learning center and electronic learning environment 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 under the SYLVAN, SYLVAN LEARNING, SYLVAN SYNC, and other SYLVAN trademarks and system (each a “Center”). The franchises offered are for the operation of retail Centers under an individual franchise agreement or for development of Centers in multiple territories under a development agreement.

The total investment necessary to begin operation of a Sylvan Learning franchised business is \$107,922 to \$239,012. This includes \$46,900 to \$51,900 that must be paid to us or an affiliate.

We may offer to enter into a development 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 ~~\$128,922~~ 140,322 to ~~\$281,012~~ 299,412. This includes \$76,900 to \$121,900 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 Josh Barker, Senior Vice President, Franchise Recruitment, Unleashed Services, LLC, 2350 Airport Freeway, Suite 505, Bedford, Texas 76022, 877.203.2192 or by email at franchising@unleashedbrands.com.

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

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

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

Issuance Date: April 14, 2025.

**SYLVAN LEARNING
FRANCHISE DISCLOSURE DOCUMENT**

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including Chief Marketing Officer of Mountain Dew from March 2022 to January 2023, Vice President of Marketing – Mountain Dew and Flavors from July 2021 to March 2022, and Vice President Global Brand Marketing and Beverage Innovation from October 2019 to July 2021.

Nancy Bigley – Multi-Brand Group President: Nancy currently serves as the Multi-Brand Group President to Snapology, The Little Gym, Class 101, XP League, Water Wings, and Premier Martial Arts for Unleashed Services in Bedford, Texas, and has held that role since January 2025. Previously, Nancy served as The Little Gym’s President from October 2021 to December 2024 in Bedford, Texas. For Twist Brands, LLC, Nancy served as the Chief Executive Officer from July 2021 to October 2021, and as Chief Operating Officer from November 2020 to July 2021 in Mandeville, Louisiana.

Josh Barker – Senior Vice President of Franchise Recruitment: Josh Barker has served as Unleashed Services’ Senior Vice President of Franchise Recruitment since January 1, 2025, and previously served as Unleashed Services’ Senior Vice President of Franchise Recruitment from August 2021 to December 2024 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 Director of Franchise Development from April 2018 to October 2020.

Kal Savoie – Vice President of Franchise Recruitment: Kal Savoie has served as the Vice President of Franchise Recruitment since January 2025 and previously served as Director of Franchise Recruitment from March 2022 to December 2024 at Unleashed Services in Bedford, Texas. Previously, he served as the Sales Director from January 2021 to March 2022 and Used Car Director and Corporate Trainer from August 2015 to January 2021 at Fabre Automotive Group in Baton Rouge, Louisiana.

Timm Sasser – Vice President of Franchise Recruitment: Timm Sasser has been the Vice President of Franchise Recruitment at Unleashed Brands since April 2025 in Bedford, Texas. Previously, from February 2024 to April 2025, Timm served as Principal Owner of Generate Consulting in Fort Worth, TX. From October 2019 to February 2024, he held several positions with Mission to the World, most recently serving as Director of Development from January 2021 to February 2024 in Fort Worth, Texas.

Eric Schechterman, CFE – Vice President of Franchise Finance: Eric Schechterman has served as the Vice President of Franchise Finance of Unleashed Services 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.

ITEM 3: LITIGATION

Snapology

Concluded:

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 had 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

us or our affiliate, which we or our affiliate will then submit to our media partner. The grand opening expenditure will start around 60 days before your scheduled grand opening or once the grand opening media plan is submitted to you and will continue for 60 days after your grand opening.

INCENTIVES

Sylvan offers a 5% reduction of the Initial Franchise 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 Franchise Fee for current franchisees of Affiliated Brands in good standing when they purchase a Sylvan franchise.

Sylvan may also reduce the Initial Franchise 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 Franchise 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 2024, Sylvan charged Initial Franchise Fees ranging from \$33,210 to \$36,900 for the Franchise Agreement. Unless otherwise stated, all fees listed above in this Item 5 are uniformly imposed.

ITEM 6: OTHER FEES

Type of Fee ¹	Amount	Due Date	Remarks
Royalty Fee	11% of Gross Sales <u>generated from all services other than Sylvan Edge and ACE IT! programs</u> , subject to a quarterly minimum. <u>Sylvan Edge and ACE IT!</u> : 12% of Gross Sales assessed on the revenue generated under the <u>Sylvan Edge and ACE IT! program</u> .	Monthly on the 15 th of the month.	See <u>Note 2</u> for definition of “ <u>Gross Sales</u> .” The quarterly minimum Royalty Fee to be assessed is \$8,000, and revenue <u>the Royalty Fee from Sylvan Edge and ACE IT! is</u> credited towards meeting the minimum Royalty Fee assessment. The minimum Royalty Fee assessment is waived for the first six months after grand opening of the Primary Center.
NAF Contribution ³	5% of monthly Gross Sales ; <u>Revenue derived from Sylvan Edge and ACE IT!! are excluded from the Gross Sales upon which the NAF Contribution is assessed.</u>	Monthly on the 15 th of the month.	We may modify the NAF Contribution periodically by providing you at least 30 days’ notice.
Local Marketing Expenditure ⁴	Greater of 6% of monthly Gross Sales and/or \$1,500 per month ; <u>revenue derived from Sylvan Edge and ACE IT! are excluded.</u> <u>Sylvan Edge: 3% of Gross Sales generated under the Sylvan Edge program.</u>	As incurred.	We may modify the Local Marketing Expenditure periodically by providing you at least 30 days’ notice.

scheduling students, tracking attendance, billing customers, and reporting revenue). The Hub Technology Platform Fee is included in franchisees’ monthly billing statements, due and payable by the 15th 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. In the next year, Sylvan intends to sunset the Hub Technology Platform and replace it with its own proprietary software. When this occurs the Hub Technology Fee will be replaced with the Technology Fee.

NOTE 14: Sylvan requires new franchisees to participate in the Call Center Program (formerly known as the Contact Center Program) for the first twelve months of operation of each Center. Call Center Program fees are not charged until you open your Center. The range included in the chart above includes estimated Call 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 2024. There are two different payment models for the Call 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 Call Center Program usage in the prior month. Sylvan then pays the Designated Supplier, which is currently a third-party vendor. Call Center Program fees are subject to change from time to time based upon changes in the third-party vendor fees charged to Sylvan. We reserve the right to switch the Designated Supplier to our Affiliate. We reserve the right to suspect your requirement to participate if your Center outperforms certain metrics.

NOTE 15: Sylvan requires that franchisees use QuickBooks or equivalent or better accounting software in the operation of the Franchised Business. Any software or service used for accounting or bookkeeping must be approved by Sylvan.

NOTE 16: You are required to obtain certain materials to operate your Sylvan Edge program or ACE IT! 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 or ACE IT! Program.

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. These figures do not include payroll for the owner. This estimate is based on information provided to us by franchisees, and from our experience in opening and operating company-owned Centers. As of the issuance date of this disclosure document, the U.S. government has imposed tariffs for goods imported from various countries. This tariff, including tariffs on imports from China and other countries, is subject to change from time to time—including potentially material increases—as determined by the United States government. While the duration and level of applicable tariffs (and the items to which they apply) are uncertain going forward, such tariffs will directly impact (i.e., increase) your estimated initial investment, including, but not limited to, the cost of your required build-out, furniture, fixtures, equipment, merchandise, and other supplies for your Franchised Business.

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 – DEVELOPMENT AGREEMENT
(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 ¹	\$56,900 <u>68,300</u>	\$76,900 <u>95,000</u>	Lump Sum	On signing the Development	Sylvan

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is Made
	Low	High			
		<u>.300</u>		Agreement.	
Legal, Accounting and Other Fees ²	\$1,000	\$2,000	Lump Sum	As Incurred	Third parties
Initial Investment for the first Sylvan Learning Center	\$71,022	\$202,112	See table above. The low range is equal to the low range of the total from the above table, less the Initial Franchise Fee, and the high range is equal to the high range of the total from the above table, less the Initial Franchise Fee.		
TOTAL³	\$128,9221 <u>40,322</u>	\$281,0122 <u>99,412</u>			

NOTE 1: You must develop two to three Centers under the Development Agreement. The Development Fee due under the Development Agreement 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 Development Agreement.

NOTE 3: For each Center you develop under the Development Agreement, 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 Development Agreement is the same as opening one Center multiplied by the number of Centers the franchisee 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.

Unleashed Fund is not audited, and we are not required to provide you a report of Unleashed Fund. We will have the right to cause the Unleashed Fund to be incorporated or operated through a separate entity our affiliates own and manage if we deem it appropriate, and the successor entity will have all of the same rights and duties.

If we are required to do so by your state law, we will within 60 days after your written request (but no more than once annually) provide a copy of our unaudited annual statement of monies collected and costs incurred by the Unleashed Fund. In our last fiscal year ending December 31, 2024, we did not create or maintain an Unleashed Fund.

LOCAL MARKETING EXPENDITURE

You must make the Local Marketing Expenditure which is ~~the greater of (i)~~ 6% of monthly Gross Sales ~~and (revenue derived from Sylvan Edge and ACE IT! are excluded) or~~ \$1,500 per month, whichever is greater, and (ii) 3% of monthly Gross Sales generated under the Sylvan Edge program. At our request, you must provide us copies of invoices and other documentation reasonably satisfactory to us to evidence your compliance with this obligation. If we determine that you have failed to comply with the Local Marketing Expenditure requirement for any period, we may notify you of any additional amounts that you must spend (up to the then-current percentage of Gross Sales required by us) on local marketing, and if you have not spent such additional amounts (in addition to any ongoing marketing requirements) within the time period required by us, we may collect those unspent amounts directly from your account and contribute them to the NAF, without any liability or obligation to use such funds for your local advertising. We will provide you not less than 30 days' notice of any change in the amount of your Local Marketing Expenditure. Alternatively, at our discretion, we or our affiliate may collect these monies from you and place the advertising on your behalf.

You must focus your marketing activities within your Protected Area. You may engage in direct marketing activities in the Protected Area only. "Direct marketing activities" include personal solicitations, direct mailings, sporting event sponsorships and advertising, and school event sponsorships and advertising but do not include website advertising, targeted emails, or text messages to existing customers. We may develop policies and procedures that apply to all types of advertising and marketing efforts, including social media advertising, and you must comply with those policies and procedures. You may not conduct marketing activities outside of your Protected Area, unless we provide you written consent specifically identifying the additional areas and time frame in which you may market outside of your Protected Area.

Your promotional and marketing materials must comply with governing law and conform to our standards and specifications related to advertising, marketing, and trademark use. You must submit to us samples of proposed promotional and marketing materials, and notify us of the intended media, before first publication or use. We will use good faith efforts to approve or disapprove proposed promotional and marketing materials within 10 business days after receipt. You may not use the promotional or marketing materials until we expressly approve the materials and the proposed media. Once approved, you may use the materials only in connection with the media for which they were approved. We may disapprove your promotional or marketing materials, or the media for which they were approved, at any time, and you must discontinue using any disapproved materials or media upon your receipt of written notice of disapproval.

As stated in Item 6, we reserve the right to identify a Designated Supplier of local and regional marketing services and establish a system-wide supply contract for local and regional marketing services, which may be one of our affiliates. Under these circumstances, we may collect all or a portion of the Local Marketing Expenditure and apply it to fees payable to the Designated Supplier for those marketing services. If the full amount of the Local Marketing Expenditure is applied to fees due under a system-wide supply contract, you may, but are not required, to conduct additional or supplemental local marketing activities as permitted under the Franchise Agreement. If we collect less than the full amount

LIST OF STATE ADMINISTRATORS

STATE	STATE ADMINISTRATOR	STATE	STATE ADMINISTRATOR
CALIFORNIA	Dept. of Financial Protection and Innovation 320 W. 4 th St., Ste. 750 Los Angeles, CA 90013 213.576.7505 866.275.2677	NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty St. 21st Fl New York, NY 10005 212-416-8222
HAWAII	Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant St. Honolulu, HI 96813 808.586.2722	NORTH DAKOTA	North Dakota Securities Department 600 East Blvd. Ave. State Capitol, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510 701.328.4712
ILLINOIS	Franchise Bureau Office of the Attorney General 500 S. Second St. Springfield, IL 62706 217.782.4465	RHODE ISLAND	Securities Division Dept. of Business Regulation 1511 Pontiac Ave. John O. Pastore Complex – Building 69-1 Cranston, RI 02920 401.462.9585
INDIANA	Securities Commissioner Indiana Securities Division 302 W. Washington St., Room E-111 Indianapolis, IN 46204 317.232.6681	SOUTH DAKOTA	Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, SD 57501 605.773.4823 605.773.3563
MARYLAND	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202-2021 410.576.6360	VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main St, 9 th Floor Richmond, VA 23219 804.371.9051
MICHIGAN	Michigan Dept. of Attorney General Consumer Protection Division Franchise Section 525 West Ottawa Street G. Mennen Williams Bldg, 1 st Floor Lansing, MI 48909 517.373.1837	WASHINGTON	Securities Division, Department of Financial Institutions, PO Box 41200, Olympia, WA 98504-1200 360.902.8760
MINNESOTA	Minnesota Dept. of Commerce 85 7 th Place East, Ste 280 St. Paul, MN 55101-2198 651.539.1600	WISCONSIN	Securities and Franchise Registration Wisconsin Securities Commission 345 W. Washington St, 4 th Floor Madison, WI 53703 608.266.3364

**SYLVAN LEARNING®
FRANCHISE AGREEMENT**

SUMMARY PAGE

FRANCHISE AGREEMENT NO. #: #[_____]

EFFECTIVE DATE: [_____, 20__].

FRANCHISEE(S): [_____].

ADDRESS FOR NOTICES: _____.

TELEPHONE NUMBER: _____.

E-MAIL ADDRESS: [_____]@_____.com].

FRANCHISOR: SYLVAN LEARNING, LLC, a Delaware limited liability company.

ADDRESS FOR NOTICE: 2350 Airport Freeway, Suite 505, Bedford, Texas 76022.

PROTECTED AREA NAME: [_____, ____]; [_____, ____]; & [_____, ____].

INITIAL FRANCHISE FEE: \$36,900.

CALL CENTER FEE (default is Model B if no selection made): Model A (\$700 per month plus \$10 per inquiry) or
~~or~~ Model B (\$350 per month plus \$30 per inquiry)

GRAND OPENING ADVERTISING AMOUNT: \$10,000 minimum.

MONTHLY ROYALTY FEE: 11% of monthly Gross Sales generated from all services other than ACE IT! and Sylvan Edge programs, subject to a quarterly minimum of \$8,000; and
12% of monthly Gross Sales ~~assessed on the revenue~~ generated from ACE IT! and Sylvan Edge programs.

NAF CONTRIBUTION: Up to 5% of monthly Gross Sales generated from all services other than ACE IT! and Sylvan Edge programs.

LOCAL MARKETING EXPENDITURE: ~~Greater of~~ 6% of monthly Gross Sales generated from all services other than ACE IT! and Sylvan Edge programs or \$1,500 per month, whichever is greater; and 3% of monthly Gross Sales generated from Sylvan Edge.

TECHNOLOGY FEE: Up to \$750 per month, which is subject to adjustment upward in an amount equal to the annual increase in the Consumer Price Index for all urban consumers when measured on January 1 of each year or in an amount equal to any increase passed on by the applicable

operation of the Franchised Business in accordance with the Standards; (4) purchasing and inventory control; and such other matters as Franchisor deems appropriate. If this Agreement is being signed in conjunction with your development and operation of your first Sylvan Learning business, Franchisor will make available one member of Franchisor's training staff to provide you two to three days of remote or on-site opening assistance, at our discretion. There is no additional fee for such assistance for the first Sylvan Learning business you develop, but if such assistance is provided with respect to the second or any subsequent Sylvan Learning business developed by you or your Affiliate, or if Franchisor deems necessary or you request that Franchisor provide additional members of its training staff to provide on-site opening assistance (subject to availability of personnel), then in each such case, Franchisor may charge, and you agree to pay, its then-current training fee for such on-site assistance, including reimbursement of Franchisor's out of pocket costs it incurs in connection with providing such on-site opening assistance, including travel, accommodations and meals for the trainer(s) providing such assistance. If you request more than one member to assist you with pre-opening or provide additional training, Franchisor shall charge the then-current training fee per day per each additional member requested, as well as reimbursement of Franchisor for its out-of-pocket costs incurred in connection with providing such assistance.

D. Ongoing Assistance.

Franchisor periodically, as it deems appropriate, will advise and consult with you regarding the operation of your Franchised Business, and provide to you its knowledge and expertise regarding the System and pertinent new developments, techniques, and improvements in business management, sales promotion, service concepts, and other areas. Franchisor may provide these services through visits by Franchisor's representatives to the Franchised Business, the distribution of printed or filmed material, or electronic information, meetings, or seminars, telephone communications, email communications, or other communications.

6. FEES

A. Initial Franchise Fee.

Upon execution of this Agreement, you shall pay Franchisor an Initial Franchise Fee in the amount specified in the Summary Page. Franchisee acknowledges and agrees the Initial Franchise Fee is fully earned by Franchisor when paid and is not refundable. In the event any Initial Franchise Fee discounts were applied because one of the Owners is a veteran, and if the veteran who was the basis of such veteran's incentive is no longer an Owner for any reason, other than death or disability, then, at the fifth anniversary of the Effective Date or upon any transfer, Franchisee shall reimburse Franchisor the entire amount of the discount applied to the Initial Franchise Fee.

The Initial Franchise Fee shall be paid in full upon the execution of this Agreement, subject to any applicable development fees that Franchisee previously paid to Franchisor pursuant to a separate development agreement and which may be applied against the Initial Franchise Fee under the terms of such development agreement.

B. Royalty Fee.

You shall pay to Franchisor a nonrefundable and continuing monthly Royalty Fee in the amount specified in the Summary Page for the right to use the System and the Proprietary Marks, as they may be amended by Franchisor from time to time, at the Franchised Business location and in connection with the operation of the Franchised Business. The Royalty Fee for Gross Sales generated on all Sylvan programs, except for the [Sylvan Edge and ACE IT! System](#) (defined in [Section 11.V.](#)), shall be 11% of monthly Gross Sales. The Royalty Fee for Gross Sales generated on the [Sylvan Edge and ACE IT! System](#) shall be 12% of monthly Gross Sales, which Franchisee shall report separately pursuant to Franchisor's then-current procedures. In each quarterly period, Franchisee shall be required to meet a minimum of \$8,000 (the "[Minimum Royalty](#)") in Royalty Fees paid to Franchisor, which shall include Royalty Fees

assessed on the [Sylvan Edge and ACE IT!](#) System Gross Sales. If Franchisee does not submit at least the Minimum Royalty in routine payments of the Royalty Fee per quarter, then Franchisee shall submit the difference between the actual Royalty Fees paid and the Minimum Royalty upon invoice by Franchisor. The Minimum Royalty assessment shall be waived for the first 180 days after the Opening Date of the Franchised Business.

C. Administrative Fees.

In addition to the Royalty Fee and any other fees charged in this Agreement, you shall pay to Franchisor certain administrative fees each month related to support services provided to the Franchised Business, as follows:

(1) Call Center. If Franchisor establishes or designates a centralized call center for Sylvan Learning businesses operating in the United States (“Call Center”), you must pay Franchisor or the designated provider the then-current fee for Call Center services (the “Call Center Fee”) pursuant to the selection on the Summary Page. Both the services and the associated fee may be revised from time to time, subject to Section 11.U. The Call Center program may include commissions paid to the Designated Supplier for scheduling classes, soliciting prospective customers, and soliciting and booking special events for the Franchised Business. Policies and procedures related to bookings through the Call Center, including your obligations with respect to such bookings and related commissions, will be set forth in the Manual, as it may be amended by Franchisor from time to time. Fees that are collected by Designated Suppliers of services related to the Call Center are established by such Designated Suppliers and will vary depending on the number of licenses provided to your Franchised Business and the overall number of licenses provided to Sylvan Learning businesses operating in the United States. Franchisor reserves the right to appoint its Affiliate to serve as Designated Supplier of the Call Center.

(2) Membership Program. All Membership Program fees, pursuant to Section 11.R, below, you collect from members will be included in your Gross Sales and subject to the monthly Royalty Fee.

(3) Technology Fee. You must pay Franchisor a Technology Fee as specified in the Summary Page and Section 11.E, below.

(4) Payments to Affiliates. If any of our Affiliates provides products and services to you, whether under a separate agreement or otherwise, you must promptly pay any and all outstanding invoices and other payments to such Affiliate. Late or non-payment of our Affiliate invoices is a breach of this Agreement, and any such overdue and unpaid invoices to our Affiliates become payable and an outstanding obligation under this Agreement, which is subject to default and termination under Article 18.

D. National Advertising Fund.

Upon 30 days’ notice to Franchisee, Franchisor may implement, and thereafter will administer and control the National Advertising Fund (“NAF”) for Sylvan Learning businesses in the United States. You will pay to Franchisor a continuing, non-refundable monthly contribution of up to 5% of monthly Gross Sales derived from all services other than ACE IT! and Sylvan Edge programs (“NAF Contribution”) to the NAF. Franchisor reserves the right to suspend collection of the NAF Contribution, or lower or increase the NAF Contribution at any time as indicated in the Manual or by other written notice, provided that (i) the NAF Contribution will not exceed 5% of Gross Sales; and (ii) Franchisor provides Franchisee at least 30 days’ notice of any increase from the then-current NAF Contribution collected before such noticed increase to the NAF Contribution goes into effect.

E. Conferences.

Franchisor may, at its sole option, conduct conferences to discuss System developments including operational efficiency, personnel training, bookkeeping, accounting, inventory control, performance standards, advertising programs, merchandising procedures, and such other matters as

the future, which you must participate in and incorporate into your reporting procedures at your own cost and expense.

E. Accounting Practices.

If you fail to comply with any of the reporting requirements described in this Article 7 then Franchisor may require you to engage a bookkeeping service provider, designated or approved by Franchisor, to provide bookkeeping services for the Franchised Business for such period of time that Franchisor deems appropriate, in its sole discretion.

F. Sylvan Edge and ACE IT! System Reporting and Recordkeeping.

Franchisee shall timely and accurately report academic, operational, and financial information of the type and in the form that Franchisor identifies from time to time. Franchisor reserves the right to require Franchisee to separately account for and report the Sylvan Edge and ACE IT! System's Gross Sales in whatever procedure and process that Franchisor maintains for Sylvan Edge and ACE IT! programs.

8. TRAINING AND ASSISTANCE

A. Training.

Franchisor will provide an initial training program at its headquarters or such other location as Franchisor may designate at designated times throughout the year. At least one Owner and your Designated Manager must complete Franchisor's initial training program before you open your Franchised Business, and no later than six (6) months from the Effective Date at one of these designated times indicated by Franchisor. An Owner, your Designated Manager, and such other of your management personnel (such as a general manager) as Franchisor may reasonably require must attend and successfully complete the initial training program. There is no charge for up to two individuals (including the Designated Manager) to attend the initial training program if completed timely. If you and your Designated Manager are unable to complete the initial training program satisfactorily by the required time period, and Franchisor provides you the initial training off its designated training schedule, you must pay Franchisor an initial training fee of \$1,000 ("Initial Training Fee") to compensate Franchisor for its costs related to proving such initial training program separately. "Designated Manager" means the individual identified in Attachment C and that satisfies the requirements and conditions set forth in Section 11.L. At your request, Franchisor may permit additional individuals to attend the same training program (subject to certain conditions, as set forth in the Manual), provided there is availability for additional participants in the training program and, if approved, you pay to Franchisor its then-current training fee as published in the Manual from time-to-time. If Franchisee is other than an individual, Franchisor may require (in addition to the training of the key personnel identified in Attachment C and the Designated Manager) that any or all owners of beneficial interests in Franchisee (each a "Owner"), who are individuals and own more than a ten percent (10%) beneficial interest in Franchisee, to attend and successfully complete, to Franchisor's satisfaction, such portions of the initial training program as determined by Franchisor appropriate for Owners not involved in the day-to-day operations of the Franchised Business.

Your Designated Manager, general manager, and other Franchised Business personnel shall attend and successfully complete to Franchisor's satisfaction all safety training courses and programs that Franchisor requires from time-to-time, including, without limitation, all training that may be required by the state or local municipality where your Franchised Business is located, and shall maintain such certifications at all times throughout the Term. Franchisor may charge, and you agree to pay, the then-current training fee or tuition for all safety training courses and programs that it provides plus, when applicable, reimbursement of Franchisor's out of pocket costs it incurs in connection with providing such training, including travel, accommodations and meals for the individual(s) providing such training.

V. ACE IT! Program.

(1) Franchisor 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 approved to be delivered both in Sylvan Learning retail Centers and Satellites, as well as in third-party locations, such as schools and community centers, under the ACE IT! and ACE IT! TUTORING name (the “ACE IT! System”);

(2) Franchisor hereby approves and grants to Franchisee 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 related Proprietary Marks, to conduct the ACE IT! business in connection with retail services offered directly to consumers, as approved by Franchisor, and in connection with Third-Party Contracts with schools, other government entities, community centers, and other third party locations in the Protected Area, subject to the terms and conditions of this Agreement. Franchisor 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 Manuals and any other written directives issued by Franchisor for use in the ACE IT! System, or otherwise upon written notice to Franchisee. Franchisee agrees to comply with all of Franchisor’s requirements in such regard, including, without limitation, offering and selling products, programs, and services that Franchisor specifies.

(3) Franchisee may offer and use the ACE IT! System in connection with the Franchised Business at the following “Authorized Locations,” which means

(i) schools and institutions within the Protected Area;

(ii) schools and institutions outside of the Protected Area, provided (a) Franchisee submits a written request to offer and use the ACE IT! System at such location and that Franchisor grants approval for such offering and use in writing to Franchisee, and (b) Franchisee agrees that Franchisee shall immediately cease offering any ACE IT! programs under this Agreement upon Franchisor’s written notice for any reason; and

(iii) the Approved Location, any Additional Center(s), and Satellites(s) in the Protected Area, provided that Franchisee submits a written request to offer and use the ACE IT! System at such locations and that Franchisor grants approval for such offering and use in writing to Franchisee. Franchisor shall have no obligation to approve any request to allow Franchisee to offer the ACE IT! System in retail Centers or Satellites.

(4) Prior to commencing business operations, Franchisee 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. Franchisee 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. Franchisee shall comply with all local, state and federal requirements relating to confidential treatment of student identities. Franchisee may not share permits, licenses, or approvals issued to another Franchisee of Franchisor or Franchisor itself. Franchisee is responsible to ensure that the Authorized Locations are aware of Franchisee’s status as an independently owned and operated business requiring separate and specific permits, licenses, and approvals. Franchisee agrees that if accreditation for supplemental education programs or services offered by Franchisee is available from an accrediting body or organization, Franchisee shall attain and maintain such accreditation when designated in Manual(s) for offering the ACE IT! System.

“Opening Date” means the date by which the Franchised Business must open for business to the public, as set forth in Attachment B, which date will be no later than 273 days following the Effective Date.

“Owner(s)” means any Person holding more than ten percent of the Stock in you and its 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 Person, then the term “Owner” also includes the Owners of that Business Entity.

“Person” means an individual (and the heirs, executors, administrators, or other legal representatives of an individual), a partnership, a corporation, a limited liability company, a government, or any department or agency thereof, trust, business trust, association, joint stock company, joint venture, sole proprietorship, unincorporated association or organization, or any other entity.

“Proprietary Marks” means the trade names, service marks, trademarks, logos, emblems, and indicia of origin as Franchisor may designate in writing for use in connection with the System, including, but not limited to, the collection of trademarks listed in the chart below for the country in which your Franchised Business is located.

“Protected Area” means the geographic area identified in Attachment B to this Agreement.

“Renewal Fee” means \$6,000 plus reimbursement of legal and professional fees and other costs incurred by Franchisor in connection with the renewal.

“Royalty Fee” means the continuing royalty fee Franchisee must pay to Franchisor as set forth in Section 6.B, and identified on the Summary Page, and shall include all royalty fees for all Sylvan Learning programs, including but not limited to Sylvan Edge and ACE IT!.

“Site Application” means the documents and information that Franchisee must submit to Franchisor prior to Franchisor’s evaluation of a proposed site, including without limitation a description of the proposed site, demographic characteristics, traffic patterns, parking, character of the neighborhood, competition from other businesses in the area, the proximity to other businesses, the nature of other businesses in proximity to the site, and other commercial characteristics (including the purchase price, rental obligations and other lease terms for the proposed site) and the size, appearance, other physical characteristics and a site plan of the premises that Franchisee wishes to include in the development of the Franchised Business, if any.

“Standards” means the standards, specifications, policies, procedures, and techniques that Franchisor has developed relating to the location, establishment, operation, and promotion of Franchisor’s Franchised Businesses, all of which may be changed by Franchisor in its sole discretion. The Standards include, among other things: required and recommended business practices; product preparation techniques; presentation standards; standards and specifications for Franchised Business design and appearance; customer service standards; sales techniques and procedures; and other management, operational, and accounting procedures.

“Stock” means (a) all shares of capital stock (whether denominated as common stock or preferred stock), equity interests, beneficial, partnership or membership interests, joint venture interests, participations or other ownership or profit interests in or equivalents (regardless of how designated) of or in a Person (other than an individual), whether voting or non-voting, and all rights (including management rights) as and to become a member of any limited liability company; and (b) all securities convertible into or exchangeable for any other Stock and all warrants, options or other rights to purchase, subscribe for or otherwise acquire any other Stock, whether or not presently convertible, exchangeable or exercisable.

“Transfer Fee” means \$6,000 per Center plus \$2,500 (“Transfer Training Fee”), and reimbursement of legal and professional fees and other costs incurred by Franchisor in connection with the Transfer. If the transferee is an existing Sylvan Learning franchisee in good standing, Franchisor shall waive the Transfer Training Fee. For purposes of clarity, if Franchisee maintains any Additional Centers during the time of

**SYLVAN LEARNING®
FRANCHISE AGREEMENT**

ATTACHMENT G

LEASE RIDER

THIS AGREEMENT is made and entered into on _____, 20____, by and among Sylvan Learning, LLC, having its principal offices at 2350 Airport Freeway, Suite 505, Bedford, Texas, 76022 (“Franchisor”), [____], having its principal offices at [____] (“Landlord”), and [____], having its principal offices at (“Tenant”).

BACKGROUND

- A. Landlord and Tenant have executed a lease agreement dated _____ (“Lease”) for the premises located at _____ (“Leased Premises”) for use by Tenant as a business to be opened pursuant to Franchisor’s proprietary marks and system in connection with a franchise agreement dated **Error! Reference source not found.** _____, by and between Franchisor and Tenant (“Franchise Agreement”);
- B. A condition to the approval of Tenant’s specific location by Franchisor is that the Lease for the Leased Premises specify that the Leased Premises may be used only for the operation of a Sylvan Learning franchise facility (“Franchised Business”) and contain the agreements set forth herein; and
- C. Landlord acknowledges that Franchisor requires the modifications to the Lease set forth herein as a condition to its approving the Leased Premises as a site for the Franchised Business, and that Landlord agrees to modify and amend the Lease in accordance with the terms and conditions contained herein.

AGREEMENT

In consideration of the mutual undertakings and commitments set forth herein, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

1. Use Clause. The Leased Premises shall be used as set forth in the Lease with any exclusive uses incorporated therein.
2. Termination of the Franchise Agreement. If the Franchise Agreement between Franchisor and Tenant is terminated for any reason during the term of the Lease or any extension thereof, Tenant, upon the written request of Franchisor, shall assign to Franchisor, a subsidiary or affiliate of Franchisor, or any other franchisee of Franchisor subject to any assignment conditions set forth in the Lease (with respect to any franchisee, it shall be conditioned on franchisee’s satisfaction of permitted transferee language as set forth in the lease, if any) (collectively hereinafter referred to as “Franchisor Assignee”) all of its rights, title and interest in and to the Lease, and Franchisor Assignee may agree to assume from the date of assignment all of Tenant’s obligations remaining under the Lease, and may assume Tenant’s occupancy rights, and the right to sublease the premises, for the remainder of the term of the Lease. If Franchisor Assignee elects to accept the assignment of the Lease from Tenant, it shall give Tenant and Landlord written notice of its election to acquire the leasehold interest. Landlord hereby consents to the assignment of the Lease from Tenant to Franchisor Assignee and shall not charge any fee or accelerate rent under the Lease. Alternatively, in the event of a termination of the underlying Lease, Franchisor Assignee may elect to enter into a new lease with Landlord containing terms and conditions no less favorable than the Lease. Landlord and Tenant shall deliver possession of the Leased Premises to Franchisor Assignee, free and clear of all rights of Tenant or third parties,

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:

State	Effective Date
California	April 14, 2025 (Exempt)
Illinois	April 14, 2025 (Exempt)
Indiana	April 16, 2025
Maryland	Pending April 18, 2025 (Exempt)
Michigan	April 14, 2025
Minnesota	Pending
New York	Pending (Exempt)
North Dakota	Pending April 16, 2025 (Exempt)
Rhode Island	Pending April 29, 2025 (Exempt)
South Dakota	April 16, 2025
Virginia	Pending April 30, 2025, as amended [pending] , (Exempt)
Washington	Pending April 24, 2025 (Exempt)
Wisconsin	April 16, 2025, as amended May 15, 2025

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.