

FRANCHISE DISCLOSURE DOCUMENT



Sylvan Learning, LLC,
a Delaware limited liability company
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~~Sylvan Learning.~~ The franchisee will operate a ~~Sylvan-branded~~ 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, SYLVANSYNC, 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.

~~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~~ Learning franchised business is ~~\$100,752~~ \$107,922 to ~~\$226,842~~ \$239,012. This includes ~~\$36,900~~ \$46,900 to ~~\$51,900~~ that must be paid to us or an affiliate.

We may offer to enter into a ~~multi-territory incentive plan~~ 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~~ Centers ranges from ~~\$201,504~~ \$128,922 to ~~\$680,526~~ \$281,012. This includes ~~\$56,900~~ \$76,900 to ~~\$76,900~~ \$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 ~~Joshua Wall, Sylvan Learning~~ Josh Barker, Senior Vice President, Franchise Recruitment, Unleashed Services, LLC ~~at~~ 2350 Airport Freeway, Suite 505, Bedford, ~~TX~~ Texas 76022, ~~or Franchising@UnleashedBrands~~ 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: ~~March 8, 2024, as amended May 10, 2024, and November 18, 2024~~ [April 14, 2025](#).

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by 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.**

SYLVAN LEARNING FRANCHISE DISCLOSURE DOCUMENT

TABLE OF CONTENTS

<u>ITEM</u>	<u>Page</u>
Item 1: The Franchisor And Any Parents, Predecessors And Affiliates	1
Item 2: Business Experience	~~65~~
Item 3: Litigation	~~87~~
Item 4: Bankruptcy	~~87~~
Item 5: Initial Fees	~~179~~
Item 6: Other Fees.....	~~1810~~
Item 7: Estimated Initial Investment.....	~~2317~~
Item 8: Restrictions On Sources Of Products And Services	~~2821~~
Item 9: Franchisee's Obligations	~~3021~~
Item 10: Financing	~~3126~~
Item 11: Franchisor's Assistance, Advertising, Computer Systems, And Training	~~3227~~
Item 12: Territory.....	~~4337~~
Item 13: Trademarks.....	~~4839~~
Item 14: Patents, Copyrights, And Proprietary Information	~~5144~~
Item 15: Obligation To Participate In The Actual Operation Of The Franchise Business	~~5145~~
Item 16: Restrictions On What The Franchisee May Sell.....	~~5448~~
Item 17: Renewal, Termination, Transfer And Dispute Resolution	~~5449~~
Item 18: Public Figures.....	~~5859~~
Item 19: Financial Performance Representations	59
Item 20: Outlets And Franchisee Information	62
Item 21: Financial Statements.....	71
Item 22: Contracts.....	71
Item 23: Receipts	71

STATE-SPECIFIC APPENDIX

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	Operations Manual Table of Contents
~~E~~ <u>A</u>	
Exhibit	List of State Administrators and Agents for Service of Process
~~F~~ <u>B</u>	
Exhibit	Financial Statements
~~G~~ <u>C</u>	
Exhibit	Franchises in Operation, Franchisees Who Have Signed But Not Yet Opened, Franchisees Who Have Left the System, and Affiliate-Owned Locations
~~H~~ <u>D</u>	
<u>Exhibit E</u>	<u>Franchise Agreement, Attachments, and State-Specific Amendments</u>
<u>Exhibit F</u>	<u>Development Agreement, Attachments, and State Specific Amendments</u>
Exhibit	Sample Form of General Release
~~I~~ <u>G</u>	

<u>Exhibit H</u>	<u>Sample Form Assignment and Assumption Agreement</u>
Exhibit ~~J~~	Franchise Disclosure Questionnaire
Exhibit	State Effective Dates
~~K~~	
Exhibit	Receipts
~~L~~	

ITEM 1: THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language of this disclosure document, “Sylvan,” “[Sylvan Learning](#),” “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~~[Franchise](#) Agreement” and we call our franchisees “~~licensees~~[franchisees](#).” 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 [Learning, LLC](#) is a Delaware limited liability company converted from Sylvan Learning, Inc. on June 18, 2015. ~~We do business under our legal name~~, 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 FB~~.

~~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 2350 Airport Freeway, Suite 505, Bedford, TX 76022.~~

~~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 Sylvan Learning Systems, Inc. Sylvan Learning, LLC acquired substantially all of our assets from Sylvan Learning Systems, Inc. on June 30, 2003. From June 30, 2003 to June 18, 2015, we were a Delaware corporation known as Sylvan Learning, Inc.~~

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”), which guarantees our performance of obligations under the Franchise Agreement and Development Agreement. 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.

Our direct and indirect subsidiaries include Educate Corporate Centers Holdings, LLC (“ECCH”), and Sylvan In-Home, LLC (“SIH”). SIH operates an online marketplace described below as mySylvan Marketplace+. The principal business address of each of the entities above is 2350 Airport Freeway, Suite 505, Bedford, TX 76022.

~~Neither Sylvan nor its affiliates or predecessors have offered or~~ ECCH and SIH have not offered nor offer franchises in ~~other~~ any 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 ~~179~~ 193 franchises as of December 31, ~~2023~~ 2024. 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 ~~185~~ 218 franchises as of December 31, ~~2023~~ 2024.
- 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 ~~102~~ 120 franchises as of December 31, ~~2023~~ 2024. 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 ~~243~~ 165 franchises as of December 31, ~~2023~~ 2024. 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 55~~ has 69 franchises as of December 31, ~~2023~~ 2024. 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 (“XPLXP League”) offers ~~XP LEAGUE~~ eSports league franchises which ~~follow~~ follows 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, under the trademark XP League. On April 21, 2022, XPL acquired certain assets of XP League, LLC, which began offering franchises in August 2020, and had ~~41~~ 40 franchises as of December 31, ~~2023~~ XP League Franchise, LLC is the owner of certain trademarks and intellectual property associated with XP League franchises. 2024.

- WW Franchise, LLC (“WW”) offers WATER WINGS SWIM SCHOOL franchises which operate a year-round indoor swim school that offers swim lessons, hosts athletic events and competitions, and other swimming related programs for children and adults. WW started offering franchises in April 2025, and therefore did not have any franchises in 2024.
- ~~Our affiliate,~~ Unleashed Services, LLC (“Unleashed Services”), ~~provides~~ is a Delaware limited liability company established on June 21, 2021. Unleashed Services offers executive management services to us, UATP, ~~TLG,~~ Snapology, TLGI, PMA, Class 101, and XPL,WW but ~~Unleashed Services~~ it does not offer franchises in any line of business.
- Unleashed Tech, LLC (“Unleashed Tech”) is a Delaware limited liability company established on February 24, 2025. Unleashed Tech provides certain technology services to us, UATP, Snapology, TLGI, PMA, Class 101, XP League, and Water Wings but does not offer franchises in any line of business.

You will not conduct business directly with UATP, ~~TLG~~TLGI, Snapology, PMA, Class 101, XP League, or ~~XPL~~WW (each an “Affiliated Brand”), unless you decide to co-brand with an ~~Affiliate~~Affiliated 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~~Affiliated Brand and will be required to sign a separate franchise agreement for that ~~Affiliate~~Affiliated 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~~ LEARNING FRANCHISE PROGRAM

We offer franchises to 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 LEARNING trademarks and system. Your Sylvan Learning franchise will include the right to operate several types of Sylvan programs, including but not limited to SylvanSync, Sylvan Edge, ACE IT!, and any other Sylvan systems we develop from time-to-time for retail customers, and in limited circumstances with our prior written approval, to institutional customers.

You will operate your Center according to the terms and conditions of our standard Franchise Agreement (“Franchise Agreement,” see Exhibit E) and our operational standards, specifications, policies, and procedures, which we will communicate to you through our confidential operations manual, newsletter, and other written directives (collectively, our “Manual”). As a franchisee, you will have the right to use our proprietary business format and system (“System”) and to do business under the Sylvan Learning

trademarks and service marks (collectively, the “Proprietary Marks”). “Franchised Business” refers to a franchisee’s operation of a Center according to the Franchise Agreement.

Our System includes distinctive programs, interior and exterior design, décor, color scheme, graphics, fixtures, and furnishings (“Indicia”); our program curricula, in-person educational tutoring services in a variety of academic subjects, products, and merchandise, which incorporate Franchisor’s Proprietary Marks, trade secrets, and other proprietary information (“Proprietary Services”); our operation and customer service standards and procedures, our advertising and marketing specifications and requirements, and our other standards, specifications, techniques, and procedures which we designate from time-to-time for developing, operating, and managing SYLVAN LEARNING® businesses (“Standards”); all of which we may change, improve, and additionally develop from time-to-time.

~~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 (the “Primary Center”). In addition, if approved by Sylvan, each franchisee may carry offer 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 retail Centers (“Additional Center”) in their territories after their first ~~Center (the “Primary Center”)~~ is fully and continuously operating, subject to Sylvan’s approval. Primary Center, Additional Center, and Satellites are generally referred to as “Center.”

DEVELOPMENT PROGRAM

Also, we may offer to enter into a development agreement (the “Development Agreement,” Exhibit F to this disclosure document) with qualified legal entities (“Developers”), which grants the right to establish and operate up to three Sylvan Learning businesses in a specified area (the “Development Area”) at specific

locations that must be approved by us, each under a separate then-current franchise agreement. If we offer and you sign a Development Agreement, you will be required to open at least two Sylvan locations. Developers must open each Center in accordance with an agreed upon opening schedule (the “Development Schedule”) included as Attachment B to the Development Agreement. You will execute your first Franchise Agreement when you execute the Development Agreement for your first location. When you are ready to open your second or third Franchised Business, you will be disclosed with the then-current franchise disclosure document and execute the then-current Franchise Agreement for each additional Franchised Business. The development fee the Developer must pay under the Development Agreement is paid in a lump sum at the time of execution of the Development Agreement and is non-refundable in all events and includes the initial franchise fee payable by you for all the Franchise Agreements to be developed thereunder.

CURRENT SYLVAN PROGRAMS

As previously discussed, the Franchise Agreement includes the right to operate several current Sylvan Learning programs listed below, as well as the right to offer any other programs developed and required by Sylvan in the future.

SylvanSync

“SylvanSync” describes the proprietary technology, digital assets, systems, business methods, techniques and methodologies that are designed to be used in connection with portable computer systems and the Internet to provide a digital learning environment incorporating assessment results, instruction, and the management of student educational programs to be delivered at locations within a defined geographical area.

~~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”~~ describes the robotics, computer programming, engineering, and mathematics learning programs ~~(the “Sylvan Edge Program”)~~ offered to students at their Centers and at other approved locations in their territories. ~~The Sylvan Edge Packages consist~~ consists 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~~ know-how 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~~ territory (see 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~~ “ACE IT!” offers 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~~ marketplace 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 this marketplace (“Marketplace Platform”)~~ was referred to as the Sylvan In-Home Tutoring Marketplace; ~~as,~~ As of the issuance date of this disclosure document, ~~Sylvan has changed the name of the Marketplace Platform it is referred to as~~ “mySylvan Marketplace+”; ~~or “mSMP+.”~~ 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~~franchised 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~~Franchised Business; however, upon Franchisor's approval, a franchisee may enroll in this program separately.

~~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~~clients' employees as part of the Bright Horizons Back-Up Care Program. As of the date of this disclosure document, new ~~licensees~~franchisees are required to participate in the Bright Horizons ~~Program~~program. The Bright Horizons Participation Agreement is attached to this disclosure document as Attachment K to the ~~License~~Franchise 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. ~~and is not seasonal in nature except for summer programs and events associated with the school year. The market for the services and products offered by a Sylvan business is competitive and you will be competing with franchised and independently owned businesses and schools that offer a wide variety of children's enrichment and tutoring programs.~~

Some states may have laws or regulations that permit only a state-certified teacher to perform certain activities in your ~~Licensed~~Franchised 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 Sylvan~~ ~~Synce~~ 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

Susan Valverde - President: Ms. Valverde is our President and has held that position since May 2024 in ~~Towson, Maryland~~ Bedford, Texas. From March 2017 to April 2024, served as our Chief Franchise Operations Officer in Towson, Maryland.

~~John McAuliffe - Brand Ambassador: Mr. McAuliffe is our Brand Ambassador and has held that position since May 2024 in Towson, Maryland. He has been with Sylvan since January 2010, and from February 2016 to April 2024, served as our Chief Executive Officer in Towson, Maryland.~~

~~Amy Przywara~~ Kyle Martin - Chief Marketing Officer: ~~Ms. Przywara has been with Sylvan since January 2009, and since June 2015, has served as~~ Kyle Martin has been the UATP and our Chief Marketing Officer ~~in Towson, Maryland.~~ since March 2025 in Bedford, Texas. Previously, he served as the Managing Partner at HLN Consulting, LLC in Plano Texas from September 2019 to March 2025. He also served as the Senior Vice President of Brand Marketing and eCommerce from May 2024 to November 2024 and Vice President of eCommerce and Paid Media from September 2023 to July 2024 for Community Coffee in Frisco, Texas. From July 2020 to December 2021, Kyle was the Head of eCommerce at Factory, LLC in Dallas, Texas. From March 2019 to August 2019, he served as the eCommerce Lead, Emerging and Allied Brands at Keurig Dr Pepper Inc. in Plano, Texas.

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 in Bedford, Texas.~~

Stephen Polozola – ~~Chief Legal Officer~~ Special Counsel: Stephen Polozola has served as Special Counsel since January 1, 2025, and previously served as the Chief Legal Officer of Unleashed Services since July 2021 to December 2024 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~~Joshua Wall, CFE – Chief Operating Officer: ~~Joe Luongo~~Josh Wall has served as the Chief Operating Officer since January 1, 2025, and previously served as the Chief Growth Officer of Unleashed Services since ~~April 2022~~July 2021 in Bedford, Texas. ~~Since~~From 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.~~ to June 2021, Josh Wall served as UATP's Executive Vice President and Chief Franchise Officer in Bedford, Texas.

~~Scott Perry – Chief Financial Officer (Outgoing): Scott Perry has served as the Chief Financial Officer at Unleashed Services since July 2021 in Bedford, Texas, departing on December 2, 2024. 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.~~

Mark McAndrew – General Counsel: Mark McAndrew has served as the General Counsel since January 1, 2025, and previously served as Deputy General Counsel of Unleashed Services from January 2024 to December 2024 in Bedford, Texas. Previously, at McDonald's in Chicago, Illinois, he served in several positions from July 2013 to January 2024, the latest being Senior Counsel - Business Counsel/ Franchising.

~~Jon Shell – Chief Financial Officer (Incoming): Jon Shell will begin serving~~has served as the Chief Financial Officer at Unleashed Services ~~beginningsince~~ December 2, 2024 in Bedford, Texas. From September 2023 to July 2024, he was the Interim Chief Executive Officer and President for Neighborly in Waco, Texas. He also served as Chief Financial Officer at Neighborly, and its subsidiaries and affiliates, from August 2015 to September 2023, and resumed that role from July 2024 to November 2024 in Waco, 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 Slemons – Chief Development Officer: Ryan Slemons has served as the Chief Development Officer of Unleashed Services 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.

Patrick O'Toole – Chief Marketing Officer: Patrick O'Toole has served as the Chief Marketing Officer of Unleashed Services since February 2025 in Bedford, Texas. From January 2023 to December 2024, he served as the Chief Marketing Officer at Burger King, US & Canada, in Miami Florida. From March 2023 to December 2024, he served as a Board Member at the Burger King Foundation in Miami, Florida. Before this position, Pat served in several roles at PepsiCo in Purchase, New York over 14 years, 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 President: Nancy currently serves as the Multi-Brand 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.

~~Josh Barker – Vice President of Franchise Recruitment: Josh Barker has served as Unleashed Services' Vice President of Franchise Recruitment since August 2021 in Houston, 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

Urban Air: Snapology

Pending: None

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 Maryland; and offer rescission to the remaining franchisee who was sold a franchise in Maryland while Snapology was not registered with the State.

Urban Air Adventure Parks

Concluded:

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, tortious interference, fraud, and fraudulent inducement. UATP sought compensatory damages in excess of six million five hundred thousand dollars on its 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 UATP 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 sought 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 UATP 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 on September 2, 2022 following the execution of a confidential settlement agreement, wherein UATP and LOFA released all claims against each other without admission of any liability in exchange for a one-time payment of five million dollars to LOFA.

Class 101

Snapology:

Pending: None

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 Maryland; and offer rescission to the remaining franchisee who was sold a franchise in Maryland while Snapology was not registered with the State.~~

Class 101:

Pending: None

Concluded:

~~*Unleashed Services, LLC vs. Tom Pabin vs. Josh Wall, pending in the 48th Judicial District of Tarrant County, Texas, bearing Cause No. 48-346174-23.* On September 18, 2023, Unleashed Services, LLC (“Unleashed”) filed ~~its Original Petition~~ a petition against Thomas Pabin (“Pabin”) requesting ~~the issuance of a~~ Declaratory Judgment ~~to construe the terms of~~ as to certain issues under 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~~ filed an Amended Counterclaim against Unleashed and Third-Party Petition against Josh Wall. ~~Within this Counterclaim and Third-Party Petition, Pabin alleged (1) Unleashed breached the employment agreement and Pabin was 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~~ alleging (1) breach of contract; (2) fraud; (3) indemnification; and (4) declaratory judgment interpreting the rights, duties, status, and legal relations of the parties under the APA and regarding his employment agreement. Unleashed and Josh Wall filed a Motion to Dismiss Pabin’s claims, which was granted on April 12, 2024 as to Pabin’s claims for breach of contract, promissory estoppel, and indemnification. On June 27, 2024, Pabin and Counter-Plaintiff Class 101, Inc. and Pabin Enterprises filed their amended Counterclaims and Third-Party Petition against Unleashed and ~~Unleashed Brands, LLC~~ Josh Wall alleging (1) breach of contract, (2) tortious interference with contract, (3) fraud, (4) indemnification, and (5) declaratory judgment. The suit was resolved on October 29, 2024 with Unleashed Brands, LLC buying back Mr. Pabin’s remaining ownership interests in Class 101 for two hundred and seventy-five~~

thousand dollars. No payment ~~is being~~ was made by Unleashed Brands, LLC or ~~Unleashed to Pabin, Class 101, Inc., or Pabin Enterprises~~ any other person or entity on the underlying claims in the lawsuit, all of which ~~are being~~ have been dismissed with prejudice. ~~As of the date of this amended disclosure document, the dismissal paperwork is being processed but has not yet been filed.~~

PMA: Premier Martial Arts

Concluded:

The Commissioner of Financial Protection and Innovation v. Premier Franchising Group, LLC doing business as Premier Martial Arts International (“PMAI”) and/or Premier Martial Arts (“PMA”). On November 18, 2021, PMA 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 PMA 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, PMA agreed to (1) refrain from violating Sections 31110 and 31200, (2) pay a \$10,000 administrative penalty, (3) file a post-effective amendment updating PMA’s then-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.

Pending:

~~*William Anthony, et al vs. Barry Van Over, Myles Baker, Premier Franchising Group, LLC dba Premier Martial Arts, Franchise Fastlane, LLC, Unleashed Brands, LLC, and Kimberly Daly, Case No. 3:22-cv-00416 in the United States District Court for the Eastern District of Tennessee, Knoxville Division.*~~ On or about November 18, 2022, a group of Premier Martial Arts franchisees filed a lawsuit (“Suit”) regarding actions that occurred before Unleashed Brands, LLC acquired Premier Martial Arts in December 2021. On December 16, 2022, an amended Complaint was filed in the Suit adding additional Plaintiffs. In the Suit, the Plaintiffs alleged violations of the Racketeering Influenced and Corrupt Organizations Act, fraudulent inducement, breach of contract, breach of the duty ~~of good faith and fair dealing~~, declaratory judgment, violations of state deceptive trade practices acts and other state laws, negligence per se, negligent misrepresentation, promissory fraud, constructive fraud, civil conspiracy, quantum meruit, unjust enrichment, and violations of state franchise laws. The Plaintiffs base their claims on (i) the assertion that misrepresentations were made during the franchise sales process about the profitability of existing studios (both generally and as set forth in Premier Franchising Group’s disclosure document), the ability to operate studios on a semi-absentee basis, and the number of employees needed to operate a studio, (ii) the lack of operational support, and (iii) the execution of releases. The Plaintiffs sought in excess of seventy-five million dollars in damages plus attorneys’ fees and costs. On September 27, 2023, the Court granted Premier Franchising Group, LLC’s motion to compel arbitration and dismissed Unleashed Brands, LLC from the Suit. Thereafter, additional lawsuits and demands for arbitration were filed both by some of the same franchisees in the Suit and by additional franchisees in Tennessee state court and/or with the American Arbitration Association, asserting the same general claims as were asserted in the Suit. (See list of Pending Cases and Concluded cases below.) ~~As of the amended date of this disclosure document, Premier Franchising Group, LLC had settled the Concluded PMA Cases listed below. PMA and Unleashed Brands intend to defend their interests vigorously in the Pending PMA Cases, virtually all of which are in the early stages without any material rulings having been issued.~~

Pending PMA Cases related to the Suit:

- ~~*Mohammad A. Akhlaghi, et al vs. Brent Seebohm, et al, Case No. 23-0643-III, was filed on May 18, 2023 and is pending in the Chancery Court for Davidson County, Tennessee, Twentieth Judicial*~~

District at Nashville. Plaintiffs seek in excess of forty million dollars in damages, plus attorneys' fees and costs.

- ~~Christopher Sprenkel and Jeffrey Neeley vs. Brent Seebohm et al~~, Case No. 24C1255, was filed on May 17, 2024 in the Circuit Court for Davidson County, Tennessee, Twentieth Judicial District at Nashville. Plaintiffs seek monetary relief in an unspecified amount, plus attorneys' fees and costs.
- ~~Robert Ross Woodley, et al vs. Brent Seebohm, et al~~, Case No. 23C2732, was filed on November 21, 2023 in the Circuit Court for Davidson County, Tennessee, Twentieth Judicial District at Nashville. Plaintiffs seek monetary relief in an unspecified amount, plus attorneys' fees and costs.
- ~~Jeremy Cale Bearden vs. Unleashed Brands, LLC~~, Case No. 24C2153, was filed on September 5, 2024 in the Circuit Court for Davidson County, Tennessee, Twentieth Judicial District at Nashville. Plaintiffs seek a declaratory judgment to dismiss the counterclaim for Commercial and Business Disparagement and Defamation that PMA asserted in an arbitration, plus attorneys' fees and costs.
- ~~Efrain Cayama, et al, vs. Brent Seebohm, et al~~, Case No. 23C2738, was filed on November 21, 2023 in the Circuit Court for Davidson County, Tennessee, Twentieth Judicial District at Nashville. Plaintiffs seek monetary relief in an unspecified amount, plus attorneys' fees and costs.
- ~~Cale Bearden, et al vs. Premier Franchising Group, LLC, et al~~, Case No. 01-23-0005-3870, was filed on November 17, 2023 with the American Arbitration Association. Claimants seek relief of \$2,000,001.00 plus attorneys' fees and costs.
- ~~David Blackwell, et al vs. Premier Franchising Group, LLC, et al~~, Case No. 01-24-0000-0633, was filed on January 5, 2024 with the American Arbitration Association. Claimants seek relief of \$499,999.00 plus attorneys' fees and costs.
- ~~Meredith Brown, et al vs. Premier Franchising Group, LLC, et al~~, Case No. 01-24-0000-0856, was filed on January 8, 2024 with the American Arbitration Association. Claimants seek relief of \$999,999.99 plus attorneys' fees and costs.
- ~~Pravin Chougule, et al vs. Premier Franchising Group, LLC, et al~~, Case No. 01-24-0000-0890, was filed on January 8, 2024 with the American Arbitration Association. Claimants seek relief of \$999,999.00 plus attorneys' fees and costs.
- ~~Jon Costolnick, et al vs. Premier Franchising Group, LLC, et al~~, Case No. 01-23-0005-3949, was filed on November 17, 2023 with the American Arbitration Association. Claimants seek relief of \$999,999.00 plus attorneys' fees and costs.
- ~~Kelli Herman, et al vs. Premier Franchising Group, LLC, et al~~, Case No. 01-24-0000-0674, was filed on January 5, 2024 with the American Arbitration Association. Claimants seek relief of \$499,999.00 plus attorneys' fees and costs.
- ~~Scott Holland, et al vs. Premier Franchising Group, LLC, et al~~, Case No. 01-23-0005-4980, was filed on November 27, 2023 with the American Arbitration Association. Claimants seek relief of \$999,000.00 plus attorneys' fees and costs.
- ~~Dale House, et al vs. Premier Franchising Group, LLC, et al~~, Case No. 01-23-0005-6533, was filed on December 6, 2023 with the American Arbitration Association. Claimants seek relief of \$999,000.00 plus attorneys' fees and costs.
- ~~Matthew Kaushal, et al vs. Premier Franchising Group, LLC, et al~~, Case No. 01-23-0005-5853, was filed on December 1, 2023 with the American Arbitration Association. Claimants seek relief of \$999,000.00 plus attorneys' fees and costs.
- ~~Glenn Loomis, et al vs. Premier Franchising Group, LLC, et al~~, Case No. 01-23-0005-4427, was filed on November 21, 2023 with the American Arbitration Association. Claimants seek relief of \$1,700,000.00 plus attorneys' fees and costs.
- ~~Sean McNally, et al vs. Premier Franchising Group, LLC, et al~~, Case No. 01-24-0004-5388, was filed on April 19, 2024 with the American Arbitration Association. Claimants seek relief of \$499,999.00 plus attorneys' fees and costs.

- ~~Richard Rubant, et al vs. Premier Franchising Group, LLC, et al~~, Case No. 01-23-0005-4919, was filed on November 27, 2023 with the American Arbitration Association. Claimants seek relief of \$999,999.00 plus attorneys' fees and costs.
- ~~Scott Steele, et al vs. Premier Franchising Group, LLC, et al~~, Case No. 01-23-0005-4421, was filed on November 21, 2023 with the American Arbitration Association. Claimants seek relief of \$999,000.00 plus attorneys' fees and costs.
- ~~Joseph Tholath, et al vs. Premier Franchising Group, LLC, et al~~, Case No. 01-24-0000-3655, was filed on January 26, 2024 with the American Arbitration Association. Claimants seek relief of \$1,700,000.00 plus attorneys' fees and costs.
- ~~Sridhar Vadlamudi, et al vs. Premier Franchising Group, LLC, et al~~, Case No. 01-24-0000-0881, was filed on January 8, 2024 with the American Arbitration Association. Claimants seek relief of \$999,999.00 plus attorneys' fees and costs.
- ~~Jason Yen, et al vs. Premier Franchising Group, LLC, et al~~, Case No. 01-24-0000-0689, was filed on January 5, 2024 with the American Arbitration Association. Claimants seek relief of \$2,000,000 plus attorneys' fees and costs.

Concluded PMA Cases related to the Suit:

- ~~David Alexander vs. Premier Franchising Group, LLC, et al~~, Case No. 23C2703, was filed on November 11, 2023 and was pending in the Circuit Court for Davidson County, Tennessee, Twentieth Judicial District at Nashville. This arbitration settled on April 30, 2024 with PMA paying Claimant \$29,833.
- ~~Holly Pitman, et al vs. Brent Seebohm, et al~~, Case No. 23C2731, was filed on November 21, 2023 in the Circuit Court for Davidson County, Tennessee, Twentieth Judicial District at Nashville and settled on July 31, 2024 with PMA paying Claimant \$5,000, which was 1/3 of the overall settlement. PMA also forgave \$10,371.36 in royalties.
- ~~Mohammad A. Akhlaghi, et al vs. Brent Seebohm, et al~~, Case No. 23-0643-III, was filed on May 18, 2023 and is pending in the Chancery Court for Davidson County, Tennessee, Twentieth Judicial District at Nashville. Plaintiffs Freddy Altomari and Cali Investment Corporation settled their claims on October 31, 2024 with PMA to pay Claimant \$30,454.54, which was 1/2 of the overall settlement. The execution of the settlement documents is pending as of the date of this amended disclosure document.
- ~~Mohammad A. Akhlaghi, et al vs. Brent Seebohm, et al~~, Case No. 23-0643-III, was filed on May 18, 2023 and is pending in the Chancery Court for Davidson County, Tennessee, Twentieth Judicial District at Nashville. Plaintiffs Casey Maidon, James Maidon, and Maidon Enterprises, LLC settled their claims on October 31, 2024 with PMA to pay Claimant \$30,454.54, which was 1/2 of the overall settlement. The execution of the settlement documents is pending as of the date of this amended disclosure document.
- ~~Mohammad A. Akhlaghi, et al vs. Brent Seebohm, et al~~, Case No. 23-0643-III, was filed on May 18, 2023 and is pending in the Chancery Court for Davidson County, Tennessee, Twentieth Judicial District at Nashville. Plaintiffs Joseph Ellman, Carly Ellman, and The Ellman Group, LLC settled their claims on October 31, 2024 with PMA to pay Claimant \$30,454.55, which was 1/2 of the overall settlement. The execution of the settlement documents is pending as of the date of this amended disclosure document.
- ~~William Anthony, et al vs. Premier Franchising Group, LLC, et al~~, Case No. 01-23-0005-4418, was filed on November 21, 2023 and was pending before the American Arbitration Association. This arbitration settled on July 31, 2024 with PMA paying Claimant \$100,000, which was 1/3 of the overall settlement.
- ~~Armstrong Stewart Holdings, LLC, et al vs. Premier Franchising Group, LLC~~, Case No. 01-23-0001-7150, was filed on April 13, 2023 and was pending before the American Arbitration Association. This arbitration settled on June 13, 2023 with PMA paying Claimant \$50,000, which was 1/3 of the overall settlement.

- ~~Katie Baker, et al vs. Premier Franchising Group, LLC, et al, Case No. 01-23-0005-4172, was filed on November 20, 2023 and was pending before the American Arbitration Association. This arbitration settled on October 24, 2024 with PMA paying Claimant \$158,333.33, which was 1/3 of the overall settlement. PMA also forgave \$11,415.58 in royalties.~~
- ~~Morgan Barth, et al vs. Premier Franchising Group, LLC, et al, Case No. 01-23-0005-4532, was filed on November 21, 2023 and was pending before the American Arbitration Association. This arbitration settled on July 15, 2024 with PMA paying Claimant \$91,666.67, which was 1/3 of the overall settlement.~~
- ~~Ed Bentley, et al vs. Premier Franchising Group, LLC, et al, Case No. 01-24-0000-4156, was filed on January 30, 2024 and was pending before the American Arbitration Association. This arbitration settled on July 8, 2024 with PMA paying Claimant \$91,666.67, which was 1/3 of the overall settlement.~~
- ~~Laura Breuche, et al vs. Premier Franchising Group, LLC, et al, Case No. 01-24-0004-4400, was filed on April 4, 2024 and was pending before the American Arbitration Association. This arbitration settled on October 24, 2024 with PMA paying Claimant \$66,666.67, which was 1/3 of the overall settlement and PMA forgave \$33,931.51 in royalties.~~
- ~~Clay Brian, et al vs. Premier Franchising Group, LLC, et al, Case No. 01-24-0000-5045, was filed on February 05, 2024 and was pending before the American Arbitration Association. This arbitration settled on October 31, 2024 with PMA paying Claimant \$30,454.55, which was 1/2 of the overall settlement. The execution of the settlement documents is pending as of the date of this amended disclosure document.~~
- ~~John Broschak, et al vs. Premier Franchising Group, LLC, et al, Case No. 01-23-0003-1860, was filed on July 19, 2023 and was pending before the American Arbitration Association. This arbitration settled on May 4, 2024 with PMA paying Claimant \$75,000, which was 1/3 of the overall settlement.~~
- ~~Alrick Crowe, et al vs. Premier Franchising Group, LLC, et al, Case No. 01-24-0004-4769, was filed on April 16, 2024 and was pending before the American Arbitration Association. This arbitration settled on October 24, 2024, with PMA paying Claimant \$158,333.33, which was 1/3 of the overall settlement. PMA also forgave \$1,731.52 in royalties.~~
- ~~Karly Doble, et al vs. Premier Franchising Group, LLC, et al, Case No. 01-24-0000-3477, was filed on January 25, 2024 and was pending before the American Arbitration Association. This arbitration settled on May 04, 2024, with PMA paying Claimant \$50,833.33, which was 1/3 of the overall settlement.~~
- ~~Joseph Feicht, et al vs. Premier Franchising Group, LLC, et al, Case No. 01-24-0000-2602, was filed on January 19, 2024 and was pending before the American Arbitration Association. This arbitration settled on October 24, 2024, with PMA paying Claimant \$25,000, which was 1/3 of the overall settlement.~~
- ~~Darci Frahm, et al vs. Premier Franchising Group, LLC, et al, Case No. 01-24-0000-3649, was filed on January 26, 2024 and was pending before the American Arbitration Association. This arbitration settled on November 15, 2024 with PMA paying Claimant \$30,454.55, which was 1/2 of the overall settlement. The execution of the settlement documents is pending as of the date of this amended disclosure document.~~
- ~~Bonnie Fraser, et al vs. Premier Franchising Group, LLC, et al, Case No. 01-24-0000-2583, was filed on January 19, 2024 and was pending before the American Arbitration Association. This arbitration settled on July 31, 2024 with PMA paying Claimant \$6,666.67, which was 1/3 of the overall settlement. PMA also forgave \$4,929.60 in royalties.~~
- ~~Matthew Glass, et al vs. Premier Franchising Group, LLC, et al, Case No. 01-24-0000-1105, was filed on January 09, 2024 and was pending before the American Arbitration Association. This arbitration settled on May 04, 2024 with PMA paying Claimant \$6,666.67, which was 1/3 of the overall settlement. PMA also forgave \$1,406.64 in royalties.~~

- ~~*Daniel Greene vs. Premier Franchising Group, LLC*, Cause No. 236-343543-23, was filed on November 27, 2023 and was pending before the 236th Judicial District, Tarrant County, Texas, which was compelled to arbitration in the case styled *Daniel L. Greene vs. Premier Franchising Group, LLC d/b/a Unleashed Brands, LLC and Premier Martial Arts*, Case No. 01-23-0005-4879. This case settled on September 28, 2024 with PMA paying Claimant \$110,000. The dismissal paperwork is being processed as of the date of this amended disclosure document.~~
- ~~*Brian Griffith, et al vs. Premier Franchising Group, LLC, et al*, Case No. 01-23-0005-6170, was filed on December 05, 2023 and was pending before the American Arbitration Association. This arbitration settled on May 04, 2024 with PMA paying Claimant \$5,000, which was 1/3 of the overall settlement.~~
- ~~*Dan Hollingsworth, et al vs. Premier Franchising Group, LLC, et al*, Case No. 01-23-0005-6539, was filed on December 06, 2023 and was pending before the American Arbitration Association. This arbitration settled on November 15, 2024 with PMA paying Claimant \$15,000, which was 1/2 of the overall settlement. The execution of the settlement documents is pending as of the date of this amended disclosure document.~~
- ~~*Lisa Marie Ivey, et al vs. Premier Franchising Group, LLC, et al*, Case No. 01-24-0000-3470, was filed on January 25, 2024 and was pending before the American Arbitration Association. This arbitration settled on May 04, 2024 with PMA paying Claimant \$5,000, which was 1/3 of the overall settlement.~~
- ~~*Elizabeth Kettlewell, et al vs. Premier Franchising Group, LLC, et al*, Case No. 01-23-0005-6528, was filed on December 06, 2023 and was pending before the American Arbitration Association. This arbitration settled on May 04, 2024 with PMA paying Claimant \$29,833.33, which was 1/3 of the overall settlement.~~
- ~~*Jason Key, et al vs. Premier Franchising Group, LLC, et al*, Case No. 01-24-0000-2592, was filed on May 7, 2024 and was pending before the American Arbitration Association. This arbitration settled on October 07, 2024 with PMA paying Claimant \$5,000, which was 1/3 of the overall settlement.~~
- ~~*Nathan Kim, et al vs. Premier Franchising Group, LLC, et al*, Case No. 01-24-0000-7646, was filed on February 16, 2024 and was pending before the American Arbitration Association. This arbitration settled on August 12, 2024 with PMA paying Claimant \$6,666.67, which was 1/3 of the overall settlement.~~
- ~~*Veronica Kormos, et al vs. Premier Franchising Group, LLC, et al*, Case No. 01-24-0000-3466, was filed on January 25, 2024 and was pending before the American Arbitration Association. This arbitration settled on November 15, 2024 with PMA paying Claimant \$30,454.55, which was 1/2 of the overall settlement. The execution of the settlement documents is pending as of the date of this amended disclosure document.~~
- ~~*Jacob Kulhanek, et al vs. Premier Franchising Group, LLC, et al*, Case No. 01-24-0000-1236, was filed on January 10, 2024 and was pending before the American Arbitration Association. This arbitration settled on August 27, 2024 with PMA paying Claimant \$10,000, which was 1/3 of the overall settlement.~~
- ~~*Megan Larson, et al vs. Premier Franchising Group, LLC, et al*, Case No. 01-24-0000-0853, was filed on January 08, 2024 and was pending before the American Arbitration Association. This arbitration settled on July 08, 2024 with PMA paying Claimant \$6,666.67, which was 1/3 of the overall settlement.~~
- ~~*Eris Lasku, et al vs. Premier Franchising Group, LLC, et al*, Case No. 01-23-0005-4018, was filed on November 17, 2023 and was pending before the American Arbitration Association. This arbitration settled on November 15, 2024 with PMA paying Claimant \$30,454.55, which was 1/2 of the overall settlement. The execution of the settlement documents is pending as of the date of this amended disclosure document.~~
- ~~*Morris Lifschutz, et al vs. Premier Franchising Group, LLC, et al*, Case No. 01-23-0005-4187, was filed on November 20, 2023 and was pending before the American Arbitration Association. This~~

arbitration settled on October 24, 2024, with PMA paying Claimant \$158,333.33, which was 1/3 of the overall settlement. PMA also forgave \$6,816.27 in royalties.

- ~~Patrick Lobb, et al vs. Premier Franchising Group, LLC, et al~~, Case No. 01-23-0005-5432, was filed on November 29, 2023 and was pending before the American Arbitration Association. This arbitration settled on May 04, 2024 with PMA paying Claimant \$91,666.67, which was 1/3 of the overall settlement.
- ~~Ryan Logan, et al vs. Premier Franchising Group, LLC, et al~~, Case No. 01-23-0005-5623, was filed on November 30, 2023 and was pending before the American Arbitration Association. This arbitration settled on July 08, 2024 with PMA paying Claimant \$6,666.67, which was 1/3 of the overall settlement.
- ~~Jason McMahon, et al vs. Premier Franchising Group, LLC, et al~~, Case No. 01-23-0005-5751, was filed on December 01, 2023 and was pending before the American Arbitration Association. This arbitration settled on September 16, 2024, with PMA paying Claimant \$10,000, which was 1/3 of the overall settlement.
- ~~Jamie Moorhouse, et al vs. Premier Franchising Group, LLC, et al~~, Case No. 01-24-0000-1456, was filed on January 11, 2024 and was pending before the American Arbitration Association. This arbitration settled on May 04, 2024 with PMA paying Claimant \$83,333.33, which was 1/3 of the overall settlement.
- ~~Vrajesh Patel, et al vs. Premier Franchising Group, LLC, et al~~, Case No. 01-24-0000-0887, was filed on January 8, 2024 and was pending before the American Arbitration Association. This arbitration settled on November 15, 2024 with PMA paying Claimant \$30,454.55, which was 1/2 of the overall settlement. The execution of the settlement documents is pending as of the date of this amended disclosure document.
- ~~Peter Pendergast, et al vs. Premier Franchising Group, LLC, et al~~, Case No. 01-23-0005-5102, was filed on November 28, 2023 and was pending before the American Arbitration Association. This arbitration settled on May 04, 2024 with PMA paying Claimant \$40,833.33, which was 1/3 of the overall settlement.
- ~~Eric Petrosevich, et al vs. Premier Franchising Group, LLC, et al~~, Case No. 01-23-0005-4875, was filed on November 27, 2023 and was pending before the American Arbitration Association. This arbitration settled on November 15, 2024 with PMA paying Claimant \$30,454.55, which was 1/2 of the overall settlement. The execution of the settlement documents is pending as of the date of this amended disclosure document.
- ~~Joshua Ragland, et al vs. Premier Franchising Group, LLC, et al~~, Case No. 01-23-0005-5337, was filed on November 29, 2023 and was pending before the American Arbitration Association. This arbitration settled on July 31, 2024 with PMA paying Claimant \$25,000, which was 1/3 of the overall settlement.
- ~~Joseph Rhoton, et al vs. Premier Franchising Group, LLC, et al~~, Case No. 01-24-0000-1108, was filed on January 09, 2024 and was pending before the American Arbitration Association. This arbitration settled on May 04, 2024 with PMA paying Claimant \$6,666.67, which was 1/3 of the overall settlement. PMA also forgave \$11,202.05 in royalties.
- ~~Michelle Richwine, et al vs. Premier Franchising Group, LLC, et al~~, Case No. 01-24-0000-1446, was filed on January 11, 2024 and was pending before the American Arbitration Association. This arbitration settled on May 04, 2024 with PMA paying Claimant \$50,833.33, which was 1/3 of the overall settlement.
- ~~Peter Silberman, et al vs. Premier Franchising Group, LLC, et al~~, Case No. 01-23-0005-5106, was filed on November 28, 2023 and was pending before the American Arbitration Association. This arbitration settled on October 24, 2024 with PMA paying Claimant \$25,000, which was 1/3 of the overall settlement.

- ~~*Strazisar, et al v. Premier Franchising Group, LLC*, Case no. 01-23-0003-3445, was filed on July 27, 2023 and was pending before the American Arbitration Association. This arbitration was settled on January 9, 2024. No sum was paid to either party in settlement of this arbitration.~~
- ~~*Amit Tacker, et al vs. Premier Franchising Group, LLC, et al*, Case No. 01-23-0001-9532, was filed on April 28, 2023 and was pending before the American Arbitration Association. This arbitration settled on June 22, 2023 with PMA paying Claimant \$16,666.67, which was 1/3 of the overall settlement.~~
- ~~*Shane Taylor, et al vs. Premier Franchising Group, LLC, et al*, Case No. 01-24-0000-4271, was filed on January 30, 2024 and was pending before the American Arbitration Association. This arbitration settled on September 16, 2024 with PMA paying Claimant \$94,500, which was 1/3 of the overall settlement. PMA also forgave \$16,450.86 in royalties.~~
- ~~*Brent Thibeaux, et al vs. Premier Franchising Group, LLC, et al*, Case No. 01-23-0005-5628, was filed on November 30, 2023 and was pending before the American Arbitration Association. This arbitration settled on November 15, 2024 with PMA paying Claimant \$30,454.55, which was 1/2 of the overall settlement. The execution of the settlement documents is pending as of the date of this amended disclosure document.~~
- ~~*Billie Torrentt, et al vs. Premier Franchising Group, LLC, et al*, Case No. 01-24-0000-3128, was filed on January 24, 2024 and was pending before the American Arbitration Association. This arbitration settled on May 04, 2024 with PMA paying Claimant \$91,666.67, which was 1/3 of the overall settlement. PMA also forgave \$1,942.49 in royalties.~~
- ~~*Luis A. Torres, et al vs. Premier Franchising Group, LLC, et al*, Case No. 01-24-0000-3960, was filed on January 29, 2024 and was pending before the American Arbitration Association. This arbitration settled on May 04, 2024 with PMA paying Claimant \$91,666.67, which was 1/3 of the overall settlement.~~
- ~~*Julian Trotman, et al vs. Premier Franchising Group, LLC, et al*, Case No. 01-24-0000-4158, was filed on January 30, 2024 and was pending before the American Arbitration Association. This arbitration settled on October 24, 2024, with PMA paying Claimant \$116,666.67, which was 1/3 of the overall settlement.~~
- ~~*Cheryl Walters, et al vs. Premier Franchising Group, LLC, et al*, Case No. 01-24-0000-4160, was filed on January 30, 2024 and was pending before the American Arbitration Association. This arbitration settled on November 15, 2024 with PMA paying Claimant \$30,454.55, which was 1/2 of the overall settlement. The execution of the settlement documents is pending as of the date of this amended disclosure document.~~
- ~~*Brian Waterman, et al vs. Premier Franchising Group, LLC, et al*, Case No. 01-24-0000-5051, was filed on February 05, 2024 and was pending before the American Arbitration Association. This arbitration settled on May 04, 2024 with PMA paying Claimant \$78,333.33, which was 1/3 of the overall settlement.~~
- ~~*Graham Waters, et al vs. Premier Franchising Group, LLC, et al*, Case No. 01-24-0004-4070, was filed on April 11, 2024 and was pending before the American Arbitration Association. This arbitration settled on October 29, 2024 with PMA paying Claimant \$158,333.33, which was 1/3 of the overall settlement. PMA also forgave \$5,522.48 in royalties.~~
- ~~*Kerri Watts, et al vs. Premier Franchising Group, LLC, et al*, Case No. 01-24-0000-3550, was filed on January 25, 2024 and was pending before the American Arbitration Association. This arbitration settled on May 04, 2024 with PMA paying Claimant \$83,333.33, which was 1/3 of the overall settlement.~~
- ~~*YS Adventures, Inc., et al vs. Premier Franchising Group, LLC*, Case No. 01-23-0001-7148, was filed on April 13, 2023 and was pending before the American Arbitration Association. This arbitration settled on June 20, 2023 with PMA paying Claimant \$50,000.~~
- ~~*Premier Franchising Group, LLC vs. Allison Pinson, et al*, Case No. 01-23-0003-0601, was filed on July 10, 2023 and was pending before the American Arbitration Association. This arbitration settled~~

~~on May 04, 2024 with PMA paying Claimant \$6,666.67, which was 1/3 of the overall settlement. PMA also forgave \$45.29 in royalties.~~

- ~~• Premier Franchising Group, LLC vs. John Dinning, et al, Case No. 01-23-0002-9523, was filed on June 30, 2023 and was pending before the American Arbitration Association. This arbitration settled on July 08, 2024 with PMA paying Claimant \$9,000, which was 1/3 of the overall settlement. PMA also forgave \$6,657.97 in royalties.~~
- ~~• Premier Franchising Group, LLC vs. Matthew Neal, et al, Case No. 01-23-0002-9379, was filed on June 29, 2023 and was pending before the American Arbitration Association. This arbitration settled on July 08, 2024 with PMA paying Claimant \$9,000, which was 1/3 of the overall settlement.~~
- ~~• Premier Franchising Group, LLC vs. Colete Young, et al, Case No. 01-24-0007-2242, was filed on August 12, 2024 and was pending before the American Arbitration Association. This arbitration settled on October 24, 2024, with PMA paying Claimant \$13,333.33, which was 1/3 of the overall settlement. PMA also forgave \$22,758.18 in royalties.~~

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~~FRANCHISE~~ AGREEMENT

The initial ~~license~~franchise fee is \$36,900 (“Initial Franchise Fee”), which includes the licenses for all the ~~optional Sylvan Edge Package and ACE IT! Program. All initial license fees~~programs that Sylvan currently offers. All Initial Franchise 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~~Franchise Agreement.

~~Multi-Territory Incentive Plan~~DEVELOPMENT AGREEMENT

If we award you multi-unit development rights, you must sign our “Multi-Territory Incentive Plan,” which ~~is an amendment to the License~~Development Agreement ~~and, which~~ attached to this disclosure document as Exhibit DE, 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~~ <u>68,300</u>
Three Territories	~~\$76,900~~ <u>95,300</u>

The Development Fee you must pay under the ~~Multi-Territory Incentive Plan~~Development Agreement (a) includes the ~~initial license fees~~Initial Franchise Fees payable by you for the ~~license agreements~~Franchise Agreements to be developed, (b) will be due in a lump sum payment upon the signing of the ~~Multi-Territory Incentive Plan~~Development Agreement, 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~~Development Agreement, and for our lost or deferred opportunities to enter into the ~~Multi-Territory Incentive Plan~~Development Agreement with others. The Development Fee is uniform for all developers.

GRAND OPENING

You must spend between \$10,000 and \$15,000 in connection with your grand opening of the Sylvan Learning Franchised Business. We will consult with you in planning your grand opening, and we may

[require that you pay all or a portion of your grand opening obligation to our media partner directly or to 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 [LicenseFranchise](#) 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 [LicenseFranchise](#) Fee for current franchisees of Affiliated Brands in good standing when they purchase a Sylvan franchise.

Sylvan may also reduce the Initial [LicenseFranchise](#) 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 [LicenseFranchise](#) 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~~[2024](#), Sylvan charged ~~initial license fees~~[Initial Franchise Fees](#) ranging from ~~\$12,500~~[33,210](#) to \$36,900 for the ~~License Agreement, including the EDGE Package License Agreement and the ACE IT! Tutoring System License~~[Franchise Agreement](#). Unless otherwise stated, all fees listed above in this Item 5 are uniformly imposed.

ITEM 6: OTHER FEES

<u>TYPE OF FEE</u> ¹ <u>Type of Fee</u> ¹	<u>AMOUNT</u> <u>Amount</u>	<u>DUE DATE</u> ⁴ <u>Due Date</u> ⁴	<u>REMARKS</u> <u>Remarks</u>
Royalty Fee	~~16% of monthly gross revenues, with a total Minimum Annual Royalty of not less than \$32,000, derived from the License Agreement.~~^{2,3,4} 11% of Gross Sales, subject to a quarterly minimum. ~~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 calendar years~~³ ~~12% of monthly gross revenues derived from the Ace It! Program amendment, subject to \$1,200 minimum annual royalty~~³ ACE IT!: 12% of Gross	~~Payable by~~Monthly on the 15th day of each~~the~~ 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.~~³See Note 2 for definition of “Gross Sales.” The quarterly minimum Royalty Fee to be assessed is \$8,000, and revenue from ACE IT! is 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.

TYPE OF FEE¹ <u>Type of Fee¹</u>	AMOUNT <u>Amount</u>	DUE DATE⁴ <u>Due Date</u>	REMARKS <u>Remarks</u>
	<u>Sales assessed on the revenue generated under the ACE IT! program.</u>		
<u>NAF Contribution³</u>	<u>5% of monthly Gross Sales.</u>	<u>Monthly on the 15th of the month.</u>	<u>We may modify the NAF Contribution periodically by providing you at least 30 days' notice.</u>
~~Territory Advertising Minimum for Local Advertising and Co-op Expenditures⁵~~ <u>Local Marketing Expenditure⁴</u>	~~8~~ <u>Greater of 6%</u> of monthly gross revenues, capped at a maximum of \$40,000 per territory per calendar year. ^{2,7} <u>³Gross Sales and \$1,500 per month.</u> Optional programs: 3% of monthly gross revenues derived from the Sylvan Edge Program	~~Payment liability accrues monthly, up to the cap~~ <u>As incurred.</u>	~~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~~ <u>We may modify the Local Marketing Expenditure periodically by providing you at least 30 days' notice.</u>
~~1-800-Educate or Other Toll-Free Number~~ <u>Advertising Cooperative (if established)⁵</u>	~~Currently \$0.20/minute~~ <u>Determined by majority vote of cooperative members.</u>	~~Payable by the 25th day of each month~~ <u>Monthly.</u>	~~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~~ <u>Contributions to the Advertising Cooperative will</u>

TYPE OF FEE¹ <u>Type of Fee¹</u>	AMOUNT <u>Amount</u>	DUE DATE⁴ <u>Due Date</u>	REMARKS <u>Remarks</u>
			<u>be credited toward your Local Marketing Expenditure.</u>
<u>Technology Fee (currently called the Hub Technology Platform fee)</u>	Currently ~~\$114~~ <u>per</u> Center per month; <u>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 third-party vendors.</u>	Payable by the ~~25th~~ <u>15th</u> day of each month.	Sylvan <u>currently</u> requires full utilization of the Hub Technology Platform in all Centers. ~~Hub fees are included on franchisees' monthly billing statements for each Center.~~ <u>We plan to phase out the Hub Technology Platform and replace it with our proprietary technology stack. We have the right to add other technology systems and/or adjust the Technology Fee on thirty (30) days' notice to franchisees. See Item 11 for more information.</u> Non-refundable.
<u>Audit⁶ Dashboard Access License Fee</u>	<u>Cost of audit, plus late fee on deficiency.⁶ Waived for the first license; \$10 per month per license after the first one.</u>	<u>Upon billing Monthly upon invoice.</u>	~~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 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.~~
<u>Contact Center Program Fee⁷ Fee⁶</u>	<u>Model A (\$700 per month flat fee plus \$10 per inquiry) or Model B (\$350 per month plus \$10/30 per inquiry (Model A) or \$350 flat fee per month plus \$30/inquiry (Model B);), depending on call volume</u>	<u>Payable by Monthly on the 25th day 15th of each the month.</u>	~~Payable for~~ <u>We have established a call center services that are provided in connection with Sylvan's "Contact Center Program."</u> Participating franchisees select their payment 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 that~~

TYPE OF FEE¹ <u>Type of Fee¹</u>	AMOUNT <u>Amount</u>	DUE DATE⁴ <u>Due Date</u>	REMARKS <u>Remarks</u>
			<u>you must use for various functions.</u>
~~Transfer Fee⁸~~ <u>Initial Training Fee</u>	~~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. None for first 2 individuals; then-current fee (currently, \$500 per day) for each additional person.~~	~~Before transfer~~ <u>Upon invoice.</u>	~~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~~ <u>See Item 11 for more information about our initial training program and training requirements. We reserve the right to charge you \$1,000 ("Initial Training Fee") if you do not timely attend the initial training at the designated timeframe, and we are required to provide out-of-schedule initial training to you and your Designated Manager. The Initial Training Fee compensates us for our costs related to providing training to you separately.</u>
~~Initial~~ <u>Additional Training Fee</u>	~~\$1,000~~ <u>Then-current additional training fee (currently, \$500 per day) plus reimbursement of our actual costs.</u>	~~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~~ <u>We can require your Designated Manager and other personnel to complete additional and remedial training as we reasonably deem necessary based on, for example, failure to comply with quality and service standards. We may also charge additional training fees if you elect to offer certain additional programs within the Sylvan system. We also conduct</u>

TYPE OF FEE¹ <u>Type of Fee¹</u>	AMOUNT <u>Amount</u>	DUE DATE⁴ <u>Due Date</u>	REMARKS <u>Remarks</u>
			<u>periodic mandatory trainings for certain topics like sales that require your and your Designated Manager's attendance.</u>
~~Additional Training Fee~~ <u>On-Site Assistance⁷</u>	~~Currently~~ <u>Then-current additional training fee (currently, \$500 per day,</u> plus reimbursement of our ~~out-of-pocket~~ <u>actual</u> costs <u>such as travel and accommodations.</u>	Upon ~~invoice~~ <u>billin</u> g.	~~Payable if Sylvan requires you or your employees to attend additional training or if you request Sylvan to provide additional~~ <u>us to send a representative to your site for training. Non-refundable or other assistance.</u>
~~Taxes and Income Taxes~~ <u>Split Territory Fee⁸</u>	~~Varies~~ <u>25% of our then-current Initial Franchise Fee.</u>	Upon ~~billing~~ <u>invoic</u> e.	~~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~~ <u>Payable if you desire to split your current Protected Area into two territories in order to develop a second Franchised Location, pursuant to a separate then-current Franchise Agreement.</u>
~~National~~ Conference Fee	Currently ~~\$900 to \$1,100~~ <u>\$1,000</u> per attendee; <u>up to \$1,500 per attendee, 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.</u>	Upon ~~invoice~~ <u>billin</u> g.	<u>We require that you attend our annual conference. Only in very limited circumstances, if you cannot attend, we may approve you to send your Designated Manager or general manager in your place. If you or your representative do not attend, you must pay us a conference materials fee of \$1,000 and we will provide you with relevant training materials from the annual conference. In</u>

~~TYPE OF FEE~~ ¹ <u>Type of Fee</u> ¹	~~AMOUNT~~ <u>Amount</u>	~~DUE DATE~~ ⁴ <u>Due Date</u>	~~REMARKS~~ <u>Remarks</u>
			addition to payment of the ~~National~~ -Conference Fee, you are responsible for wages, travel, lodging, and other fees and costs for you, your ~~employees~~ <u>Designated Manager</u> , or other personnel to attend such conferences. ~~Non-refundable~~
~~Renewal~~ <u>Compliance Review</u> Fee	~~\$6,000~~ <u>Actual cost of program, including purchases made as part of the mystery shop or audit.</u>	~~Before renewal~~ <u>Upon invoice.</u>	~~Non-refundable~~ <u>Payable if we implement a mystery shop, audit, customer satisfaction, or similar program.</u>
<u>Gift Card and Loyalty Program Fees</u>	<u>Currently \$0; amount of administrative fees once instituted.</u>	<u>As incurred.</u>	<u>You must participate in the gift card, loyalty, and other electronic incentive programs (the "Customer Card Programs") that we establish, using vendors that we designate, which may include us or our affiliates. We or our affiliates may charge, or collect on behalf of our vendors, an administrative cost for participating in these programs. If a gift card is redeemed in your Center, we will reimburse the redeemed amount minus the up to 7% administrative fee retained by the vendor or affiliate.</u>
~~Additional Center~~ <u>Renewal</u> Fee	~~\$1,000 for each additional Center opened in existing territory~~ <u>6,000 plus reimbursement of our legal and professional expenses and our other costs incurred in connection with the renewal.</u>	<u>Upon invoice.</u>	~~Non-refundable~~ <u>Payable only if you exercise your successor term option and satisfy conditions for a successor term.</u>
~~Dashboard Access License~~ <u>Holdover</u> r Fee	~~\$10 per month per license~~ <u>250 per day that you operate after the expiration of the term of the Franchise Agreement.</u>	~~Monthly upon~~ <u>Upon invoice.</u>	~~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~~ <u>Payable only if you desire to renew but have not</u>

~~TYPE OF FEE~~ ¹ <u>Type of Fee</u> ¹	~~AMOUNT~~ <u>Amount</u>	~~DUE DATE~~ ⁴ <u>Due Date</u>	~~REMARKS~~ <u>Remarks</u>
			<u>signed the renewal Franchise Agreement before the expiration date of the initial term.</u>
~~Territory Split Fee~~ ⁹ <u>Transfer Fee</u>	~~\$5,000 per territory split~~ <u>6,000 per Center plus \$2,500 transfer training fee, and reimbursement of our legal and professional expenses and our other costs incurred in connection with the renewal.</u>	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~~ <u>before transfer of your Franchised Business if you request and we consent to transfer. The \$2,500 transfer training fee is waived if the Center is transferred to an existing Sylvan Learning franchisee in good standing. The \$6,000 shall be multiplied by the number of retail Centers the franchisee operates in the Protected Area. For example, if there is one Primary Center and two Additional Centers, the Transfer Fee shall be \$18,000 plus \$2,500 (if applicable).</u>
~~Resale Assistance Program Fee~~	~~Up to~~ <u>Currently, the greater of 5% of the purchase price, and may include a \$500 administrative fee payable upon enrollment paid for your Franchised Business (in any form, including cash, credit, debt or stock) or our then-current Initial Franchise Fee (currently \$36,900.).</u>	~~Before transfer~~ <u>Prior to closing.</u>	~~Voluntary program and fees are payable~~ <u>Payable</u> only if you elect to participate in our ~~optional~~ Resale Assistance Program (“Resale Participation Program”) in connection with the sale of ~~the Licensed~~ <u>your Franchised</u> Business to an approved transferee of the ~~License~~ <u>Franchise</u> Agreement. ~~Non-refundable~~ <u>This fee is in addition to the Transfer Fee.</u>

TYPE OF FEE¹ <u>Type of Fee¹</u>	AMOUNT <u>Amount</u>	DUE DATE⁴ <u>Due Date</u>	REMARKS <u>Remarks</u>
<u>Interest⁹</u>	<u>Lesser of 18% per year or maximum lawful rate in your state.</u>	<u>Upon demand.</u>	<u>Interest is charged when any Royalty Fee or other fee or payment due to us is not paid when due or an audit reveals underpayment based on inaccurate Gross Sales.</u>
<u>Nonsufficient Funds Fee</u>	<u>\$100 per occurrence, not to exceed maximum allowed by governing law.</u>	<u>Upon demand.</u>	<u>Payable only if there are insufficient funds in the account designated by you for ACH debit to satisfy fees and amounts owed to us under the Franchise Agreement when due.</u>
<u>Audit Costs</u>	<u>Actual cost of audit.</u>	<u>Upon invoice.</u>	<u>Payable if the audit is made necessary by your failure to provide reports or supporting records as required, or provide those reports, records, or information on a timely basis, or if an understatement of Gross Sales for the period of any audit is determined to be greater than 2%.</u>
<u>Indemnification</u>	<u>Varies depending upon claim and resolution of claim.</u>	<u>Upon demand.</u>	<u>You are required to pay us for all losses and expenses we incur in connection with any third-party claim for which you are required to indemnify us under the Franchise Agreement.</u>
<u>Liquidated Damages¹⁰</u>	<u>~~Average monthly royalty over preceding 36 months~~The product of (i) the <u>Royalty Fee</u> multiplied by the ~~number of months until the injunction issues, or by 24 or such lower number of months~~<u>franchisee's Gross Sales during the entire previous twelve (12) full calendar months and (ii) the lesser of (a) three years or (b) the number of years remaining of in the License Agreement term</u><u>Initial Term.</u></u>	<u>~~Upon~~On demand-by, or notice from, Sylvan.</u>	<u>~~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~~Payable only if you default and we</u>

TYPE OF FEE¹ <u>Type of Fee¹</u>	AMOUNT <u>Amount</u>	DUE DATE⁴ <u>Due Date</u>	REMARKS <u>Remarks</u>
			<u>terminate your Franchise Agreement.</u>
<u>Public offering or private placement of your securities</u>	<u>Reimbursement of our actual costs and expenses incurred in having our legal and professional counsel review offering materials.</u>	<u>Upon demand.</u>	<u>Payable only if you offer your securities in a public or private offering.</u>
<u>Payment Processing Fee¹¹</u>	<u>Varies depending upon the volume of payments made by credit card.</u>	<u>Monthly.</u>	<u>Payable to us.</u>

DEVELOPMENT AGREEMENT

<u>Type of Fee¹</u>	<u>Amount</u>	<u>Due Date</u>	<u>Remarks</u>
<u>Transfer Fee (Controlling Interest)</u>	<u>\$25,000 plus \$1,500 for each Center yet to be developed.</u>	<u>Upon demand.</u>	<u>Payable only if you transfer your obligations under the Development Agreement to an approved third-party.</u>
<u>Administrative Fee (Convenience of Operation or Non-Controlling Interest)</u>	<u>\$3,500 but only if 20% or less of the total outstanding units or assets in the Franchised Business are being transferred to an approved Owner and limited to one time per rolling twelve-month period. Otherwise, such transfers are subject to the Transfer Fee governing Controlling Interest.</u>	<u>Upon demand.</u>	<u>Payable only if you transfer your rights under this agreement to a business entity under your common control.</u>
<u>Liquidated Damages</u>	<u>The lesser of i) \$100,000 and ii) the Minimum Royalty Fee, multiplied by 36, multiplied by the number of units undeveloped under the Development Agreement.</u>	<u>Upon demand.</u>	<u>Payable only if you default and we terminate your Development Agreement.</u>

NOTE 1: Unless otherwise ~~stated~~noted, all fees ~~are non-refundable and are imposed by and payable to Sylvan (unless we direct you to pay another person).~~ These fees in this Item 6 are uniformly imposed by Sylvan on new franchisees receiving this offering and are non-refundable.

NOTE 2: “Gross Sales” means the dollar aggregate of: (1) the sales price of all products, services, membership fees, merchandise and other items sold, and the charges for all services you perform, whether made for cash, on credit or otherwise, without reserve or deduction for inability or failure to collect, including sales and services (A) originating at the Franchised Business premises even if delivery or

performance is made offsite from the Franchised Business premises, (B) placed by mail, facsimile, telephone, the Internet and similar means if received or filled at or from the Franchised Business premises, and (C) that you in the normal and customary course of your operations would credit or attribute to the operation of the Franchised Business; and (2) all monies, trade value or other things of value that you receive from Franchised Business operations at, in, or from the Franchised Business premises that are not expressly excluded from Gross Sales, including but not limited to the redemption of approved gift cards/certificates, stored value cards, and loyalty program benefits (the initial sales or reloading of gift cards shall not be included in the calculation of Gross Sales) pursuant to the Customer Card Programs. Gross Sales does not include: (1) the exchange of merchandise between Franchised Businesses (if you operate multiple franchises) if the exchanges are made solely for the convenient operation of your business and not for the purpose of depriving us of the benefit of a sale that otherwise would have been made at, in, on or from the Franchised Business premises; (2) returns to shippers, vendors, or manufacturers; (3) sales of fixtures or furniture after being used in the conduct of the Franchised Business; (4) the sale of gift certificates and stored value cards (the redemption value will be included in Gross Sales at the time of redemption); (5) insurance proceeds; (6) sales to employees at a discount (provided such discounts will not exceed 1.5% of Gross Sales during any reporting period); (7) cash or credit refunds for transactions included within Gross Sales (limited, however, to the selling price of merchandise returned by the purchaser and accepted by you); (8) the amount of any city, county, state or federal sales, luxury or excise tax on such sales that is both (A) added to the selling price or absorbed therein and (B) paid to the taxing authority; (9) tips and gratuities; (10) Gross Sales earned through an Affiliated Brand franchise operated at the Franchised Business premises, so long as such Gross Sales constitute gross sales (or equivalent) subject to a royalty fee and other fees under such Affiliated Brand's franchise agreement; and (11) rent or other consideration paid by an Affiliated Brand franchise for occupying the Franchised Business' premises. A purchase returned to the Franchised Business may not be deducted from Gross Sales unless the purchase was previously included in Gross Sales.

NOTE 3: If established, the NAF will contribute up to 15% of its monthly balance to a separate fund (the "Unleashed Fund") utilized for marketing all Affiliated Brands, including Sylvan Learning. See Item 11 for details on the Unleashed Fund.

NOTE 4: We reserve the right to identify a Designated Supplier, which may be an affiliate of ours, of local and regional marketing services and establish a system-wide supply contract for local and regional marketing services. 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 marketing activities as permitted under the Franchise Agreement. If we collect less than the full amount of the Local Marketing Expenditure, you must spend the remaining Local Marketing Expenditure on marketing activities in your Protected Area as permitted under the Franchise Agreement and Manual.

NOTE 5: Currently, there is no established Sylvan Learning advertising cooperative ("Advertising Cooperative"). If we establish an Advertising Cooperative, we may require that you participate in an approved local or regional Advertising Cooperative with certain other franchisees and sign our then-current form of cooperative advertising agreement. If an Advertising Cooperative is established, it will operate by majority vote, with each Center (whether franchised or affiliate-owned or managed) entitled to one vote. We also will have the right to cast one vote with respect to each Advertising Cooperative. The majority vote will determine the level of contributions. The amounts you contribute will be credited against the Local Marketing Expenditure. We do not currently expect that company-owned or affiliate-owned Centers will have majority voting power in any Advertising Cooperative, but if they do, the required contribution by any member of the Advertising Cooperative will not exceed the amount you are required to spend as the Local Marketing Expenditure absent the consent of a majority (i.e., 51%) of the franchisees in the Advertising Cooperative.

NOTE 6: We have established a call center that performs various functions for franchisees, including general customer support and promotion, booking, and upselling related to events held at Sylvan Learning businesses (e.g., special events). You will pay us or our affiliate or a Designated Supplier a Call Center Fee for these services, which is either Model A (\$700 per month plus \$10 per inquiry) or Model B (\$350 per month plus \$30 per inquiry), depending on call volume.

NOTE 7: There is no additional fee for such on-site assistance for the first Sylvan Learning business you develop but may be charged if such assistance is provided with respect to the second or any subsequent Sylvan Learning business developed by you or your Affiliate.

~~**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 25th 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~~ Protected Area into two separate territories in order ~~to continue developing Centers for you to develop a second Approved Location or transfer a portion of your Protected Area~~. For each newly created territory, you will execute our then-current form of ~~license agreement and pay to us \$5,000 (the "Territory Franchise Agreement and pay 25% of the then-current Initial Franchise Fee (the "Split Territory Fee")~~). Our approval to subdivide your territory is subject to conditions, which may include successful completion of training by a new ~~manager~~ Designated Manager (if we require you to have a second ~~manager~~ Designated 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.~~ Protected Area.~~

NOTE 9: The highest interest rate allowed by law in California for late payments is 10% annually.

NOTE 10: If at the time your Franchise Agreement is terminated, you have been operating your Center for less than 12 months, the amount of liquidated damages will be based upon the system-wide Royalty Fee average for the month in which termination occurs.

NOTE 11: We require that franchisees utilize the payment processor that we designate for processing credit card payments by customers. You will be charged each month a payment card processing fee by us,

which represents your pro rata share of the system-wide fee assessed by our designated payment card processor based on the volume of credit card payments you receive.

ITEM 7: ESTIMATED INITIAL INVESTMENT

~~YOUR ESTIMATED INITIAL INVESTMENT~~

Your Estimated Initial Investment

TYPE OF EXPENDITURE <u>Type of Expenditure</u>	AMOUNT <u>Low Amount</u>	<u>High Amount</u>	METHOD OF PAYMENT <u>Method of Payment</u>	WHEN DUE <u>When Due</u>	TO WHOM PAYMENT IS TO BE MADE <u>To Whom Payment Is To Be Made</u>
Initial ~~License Fee~~ <u>Franchise Fee</u> ¹	~~\$36,900~~ <u>\$36,900</u>	<u>\$36,900</u>	Lump sum.	Upon signing the ~~License~~ <u>Franchise</u> Agreement.	~~Sylvan~~ <u>Sylvan</u> ⁸
Travel and Living Expenses While Attending Initial ~~Training~~ <u>Training</u> ²	~~\$1,400~~ <u>\$2,400</u> ²	<u>\$2,400</u>	As incurred.	Before opening.	Airlines, hotels, restaurants, etc. ⁹
Initial Three Months' Rent and Security ~~Deposit~~ <u>Deposit</u> ^{3, 10}	~~\$4,000~~ <u>\$15,500</u> ^{3, 10}	<u>\$15,500</u>	Per lease terms. ³	Per lease terms. ³	Landlord ¹⁰
Real Estate Improvements and Site ~~Preparation~~ <u>Preparation</u> ⁴	~~\$15,000~~ <u>\$75,000</u> ⁴	<u>\$75,000</u>	Lump sum or per lease terms.	Before opening or per lease terms.	Landlord and/or contractors ^{8, 10}
~~Initial Inventory and Instructional Materials~~ <u>Development Project Management Fee</u>	~~\$2,750~~ <u>\$3,050</u> ⁵ <u>6,000</u> ⁰	<u>\$6,000</u>	Lump sum.	Before opening.	Approved vendors ⁸
<u>Initial Inventory and Instructional Materials</u> ⁵	<u>\$2,750</u>	<u>\$3,050</u>	<u>Lump sum.</u>	<u>Before opening.</u>	<u>Approved vendors</u> ⁸
Specialized ~~Furnishings~~ <u>Furnishings</u> ⁶	~~\$6,000~~ <u>\$15,000</u> ⁶	<u>\$15,000</u>	Lump sum.	Before opening.	Vendors ⁸
Other Furniture and Miscellaneous Supplies	~~\$3,400~~ <u>\$4,500</u>	<u>\$4,500</u>	Lump sum.	Before opening.	Vendors ⁸

TYPE-OF EXPENDITURE <u>Type of Expenditure</u>	AMOUNT <u>Low Amount</u>	<u>High Amount</u>	METHOD-OF PAYMENT <u>Method of Payment</u>	WHEN DUE <u>When Due</u>	TO-WHOM PAYMENT-IS TO-BE MADE <u>To Whom Payment Is To Be Made</u>
Signage	\$2,000 – ~~\$8,000~~	<u>\$8,000</u>	Lump sum.	Before opening.	Vendors ⁸
~~Marketing During Initial 3-Month Period When Primary Center First Opens~~ ⁸ <u>Grand Opening Marketing</u> ^{7,8}	~~\$10,000~~ ⁷ <u>10,000</u>	<u>\$15,000</u>	As incurred.	~~Across the 3-month period:~~ <u>Due 60 days</u> before <u>grand opening</u> , the month of opening, and the month following the opening of your Primary Center.	Vendors ⁸
<u>Local Marketing Expenditure</u> ⁷	<u>\$1,500</u>	<u>\$1,500</u>	<u>Lump sum.</u>	<u>Third month after opening.</u>	<u>Approved vendors</u> ⁸
Computers and other ~~hardware~~ <u>Hardware</u> , Telephone, Internet Access & Software ¹¹	\$7,500 – ~~\$13,930~~ ¹¹	<u>\$13,930</u>	Lump sum.	Before opening.	Vendors ⁸
~~FOA Annual Membership Fee for Initial Period~~ ¹²	~~\$330~~ ¹²		~~Lump sum.~~	~~At the time you sign a License Agreement.~~	~~FOA~~ ⁸
Miscellaneous ~~Supplies~~ <u>Supplies</u> ¹²	\$15 – ~~\$150~~ ^{13, 14}	<u>\$150</u>	Lump sum.	As incurred.	Vendors ⁸
Hub Technology ~~Platform~~ <u>Platform</u> ¹³	~~\$342~~ ¹⁵ <u>\$342</u>	<u>\$342</u>	As incurred.	After opening.	Sylvan ⁸
~~Contact~~ <u>Call Center Participation</u> ¹⁴	\$1,480 – ~~\$2,930~~ ¹⁶	<u>\$2,930</u>	As incurred.	After opening.	~~Sylvan~~ ^{8, 16} <u>Sylvan</u> ^{8, 14}
~~QuickBooks or Equivalent Accounting Software~~ ¹⁵	\$135 – ~~\$600~~ ¹⁸	<u>\$600</u>	As incurred.	As incurred.	Vendors ^{9, 10}

TYPE-OF EXPENDITURE <u>Type e of Expenditure</u>	AMOUNT <u>Low Amount</u>	<u>High Amount</u>	METHOD-OF PAYMENT <u>M ethod of Payment</u>	WHEN DUE <u>When Due</u>	TO-WHOM PAYMENT-IS TO-BE MADE <u>To Whom Payment Is To Be Made</u>
Optional: Sylvan Edge <u>and/or ACE IT!</u> <u>programs</u> ¹⁶	\$0 - ~~\$3,210~~ ¹⁹	<u>\$3,210</u>	As incurred.	Before opening.	~~Vendors~~ <u>Vendo rs</u> ⁸
Additional Funds – Three ~~Months~~ <u>Months</u> ¹⁷	\$9,500 - ~~\$35,000~~ ¹⁷	<u>\$35,000</u>	As incurred.	As incurred.	Employees, suppliers, utilities ⁸
~~TOTAL~~ ¹⁹ <u>TOTAL</u> ¹⁷	~~\$100,752–~~ ~~\$226,842~~ <u>10</u> <u>7,922</u>	<u>\$239,012</u>			

NOTE 1: The Initial ~~License~~ Franchise Fee is not refundable under any circumstances. The Initial ~~License~~ Franchise 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 Development Agreement.

NOTE 2: ~~As of this issuance date of this disclosure document~~ Currently, Sylvan delivers ~~the first portions~~ some portions of the initial training program in person at Sylvan's facilities in ~~Towson, Maryland~~ Bedford, Texas or another designated facility ~~over the course of five days.~~ The second portion of the initial training program is while other portions are 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~~ This is the estimate for one 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).~~ and your costs may increase for additional attendees. This cost does not include the Initial Training Fee.

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, and~~ we will approve Center sizes of 1,000 to 2,000 square feet. ~~Center size across the current Sylvan Network varies, with most~~ Most Sylvan Learning Centers having are 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.

Your costs will increase if you elect ~~Some franchisees choose to operate at SylvanSync Satellite sites in addition to their Primary to develop Additional~~ Centers; ~~doing so is not required by Sylvan.~~ Sylvan does not recommend that you purchase or rent dedicated space for Satellites. ~~You, but 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~~ any locations 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~~If we have not identified a Designated Supplier, 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~~If Sylvan has not identified a Designated Supplier, you may use the 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~~60 days before the Primary Center first opens for business ~~in your Territory~~and 60 days after opening, 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.~~After you complete your grand opening marketing, your Local Advertising Expenditure requirement begins on the third month and every month thereafter.

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 (7th 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 (7th 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.~~ 12: 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~~13: Sylvan currently 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~~in franchisees’ monthly billing statements, due and payable by the ~~25th~~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 16~~14: Sylvan requires new ~~licensees~~franchisees to participate in the Call Center Program (formerly known as 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).~~ each Center. Call Center Program fees are not charged until you open your ~~first~~ Center. The range included in the chart above includes estimated ~~Contact~~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 ~~2023~~2024. There are two different payment models for the ~~Contact~~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 ~~Contact~~Call Center Program usage in the prior month. Sylvan then pays the Designated Supplier, which is currently a third-party vendor~~directly.~~ Contact. 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 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~~15: Sylvan requires that ~~licensees~~franchisees use QuickBooks or equivalent or better accounting software in the operation of the ~~Licensed~~Franchised Business. Any software or service used for accounting or bookkeeping must be approved by Sylvan.

NOTE ~~19~~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 ~~Program. There are no additional materials costs associated with your~~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.

~~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~~
PLANDEVELOPMENT 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	\$76,900	Lump Sum	On signing the ~~Multi-Territory Incentive Plan~~ <u>Development Agreement.</u>	Sylvan
Legal, Accounting and Other Fees ²	\$1,000	\$2,000	Lump Sum	As Incurred	Third parties

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is Made
	Low	High			
~~TOTAL³~~ <u>Initial Investment for the first Sylvan Learning Center</u>	~~\$57,900~~ <u>71,022</u>	~~\$78,900~~ <u>202,112</u>	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.		
<u>TOTAL³</u>	<u>\$128,922</u>	<u>\$281,012</u>			

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

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

~~NOTE 3-NOTE 3:~~ For each Center you develop under the ~~Multi-Territory Incentive Plan~~ Development Agreement, you will also incur the expenses in the table above in this Item 7 (except for the ~~initial franchise fee~~ Initial Franchise Fee). The cost for opening multiple ~~centers~~ Centers under the ~~Multi-Territory Incentive Plan~~ Development Agreement is the same as opening one ~~center~~ Center multiplied by the number of ~~centers~~ Centers the ~~Licensee~~ 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.

ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

PURCHASES FROM APPROVED OR DESIGNATED SUPPLIERS; PURCHASES ACCORDING TO SPECIFICATIONS

You must purchase from us or from suppliers or distributors we designate (each a “Designated Supplier”) all of your requirements for developing, constructing, and operating the Franchised Business including: (1) fixtures, furniture and other furnishings, equipment, supplies, point-of-sale systems, merchant processing systems, signs (such as interior and exterior signage), and items of décor; (2) uniforms, shirts, and all merchandise and items intended for retail sale (whether or not bearing our Proprietary Marks); (3) advertising, point-of-purchase materials, and other printed promotional materials; (4) gift certificates and stored value cards; (5) stationery, business cards, contracts, and forms; (6) bags, packaging, and supplies bearing the Proprietary Marks; (7) insurance policies from our Designated Supplier and approved carriers or brokers, to the extent permitted by law; (8) local and regional marketing services through our Designated Supplier; (9) reputation management and customer service satisfaction evaluations, and other surveys; (10) real estate brokers; (11) architect services; (12) music providers (if applicable in the future); and (13) other products and services that we require. See Item 11 for information about our computer system requirements. We will notify you in our Manuals or other communications of our standards and specifications with respect to Designated Suppliers, including situations in which we may revoke approval.

You will be required to purchase the following through us or our affiliate: (1) retail merchandise; (2) licenses to the point of sale, merchant processing, and other software programs that we designate; (3) certain digital marketing services; (4) technology solutions (e.g., franchise management system, computer equipment) identified by us; and (5) certain support services related to the operation of your Franchised Business, including the accounting systems and third party accounting services that we prescribe. We are the sole approved supplier for certain items which includes, among other things, lobby marketing materials; customer marketing materials; staff uniforms; initial inventory; front desk management (POS) software and hardware described in Item 11; and Internet site design and Internet marketing described in Item 11.

We also have certain exclusive supply, license, or merchandizing arrangements with toy, clothing, and curriculum suppliers, and they may pay us to do so (see amounts of supplier payments below). These may become part of our required curriculum or required retail sales. We may add other suppliers or discontinue such arrangements in our discretion.

Except through an interest in us or our affiliates, none of our officers owns any interest in any Designated Suppliers with whom you must or are required or recommended to do business.

In addition to the items described above, we may require you to buy from us advertising and promotional materials, direct mail flyers and related forms to our franchise owners at prices that we determine. We or our affiliate may in the future provide media buying and placement services for local marketing and advertising. If we or our affiliate purchase media time or space or place advertising, then you will pay us or our affiliate's costs plus a fee not to exceed 15% of those costs. We do not currently require you to purchase these materials or services from us. We or our affiliates may in the future offer or choose others to offer other goods or services and may become approved suppliers or the only approved supplier for other goods and services.

If we institute a Customer Card Program, you are required to participate in such programs, invest in additional equipment, and incur vendor processing or administrative fees for administration of the Customer Card Program. You must accept for payment gift card(s) presented as payment for purchases made in your Center for products and services.

SUPPLIER APPROVAL PROCESS

If we require that a product or service be purchased from an Designated Supplier and you wish to purchase it from an alternate supplier, you must submit to us a written request for approval and must include pertinent information about the supplier as required in the Manual. You may not purchase or lease the product or service until and unless we have approved the supplier in writing. We have the right to require you to submit information, specifications, and samples to us to enable us to determine whether the products or services, as applicable, comply with our standards and specifications and whether the supplier meets our criteria, as may be amended by us periodically. We also have the right to inspect the supplier's facilities and have samples from the supplier delivered to us or to an independent laboratory we designate for testing. We may condition our approval of a supplier on requirements relating to product quality, traceability, consistency, and pricing as well as supplier financial condition, corporate social responsibility policies, reliability, labor relations, client relations, frequency of delivery, concentration of purchases, standards of service (including prompt attention to complaints and positive complaint resolution history), and other criteria that we may establish periodically. You must reimburse us for all costs that we incur in connection with due diligence of your proposed supplier and our evaluation of such supplier as well as any costs we incur in monitoring a Designated Supplier's compliance with our requirements. We do not act as an agent, representative, fiduciary or other intermediary for you in our relationship with an alternative supplier you propose, and we approve. We have the right to monitor the quality of the services provided by Designated Suppliers in a manner we deem appropriate. We may impose obligations on Designated Suppliers, which will be incorporated in a written license agreement with the supplier.

We are not required to approve any particular supplier. We will notify you of our approval or disapproval within 120 days of our receipt of complete information from you that we require to evaluate a proposed supplier. Our specifications for products and services and criteria for suppliers are generally issued through written communication and available to franchisees through the Manual, but we do not disclose information regarding specifications for products and services and criteria to suppliers that we consider proprietary or confidential to us. We may re-inspect the facilities and products of any Designated Supplier, and we may revoke our approval upon the supplier's failure to continue to meet any of our then-current criteria. If we revoke our approval of any supplier, we will communicate this to you in writing and you must promptly discontinue use of that supplier.

You may purchase from any supplier those items and services for which we have not designated approved suppliers or distributors, if the items and services meet our specifications, which may include brand requirements. If brand requirements have been identified, you may purchase and use only those brands approved by us. Our approved vendor list and standards and specifications, and our modifications to our standards and specifications, are communicated to our franchisees in the Manual.

LOCATION AND LEASE

You must acquire a site for the Franchised Business in the Protected Area (as described in Item 11) that meets our site selection criteria ("Approved Location"), which are detailed in the Manual, and sign the lease for the premises within 180 days after the effective date of the Franchise Agreement. You may not acquire a site for the Franchised Business until we approve that site. Unless we otherwise agree in writing, you must lease the Approved Location and provide us for our review and approval a copy of the proposed lease for the Approved Location, which must include the Lease Rider attached as Attachment G to the Franchise Agreement. Your failure to acquire the Approved Location under a lease within the 180-day time-period following the effective date of the Franchise Agreement will constitute a default for which we will have the right to terminate the Franchise Agreement if you fail to cure the default within 30 days after delivery of the default.

INSURANCE

~~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~~must 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,~~ at your own expense, the insurance that is necessary or appropriate for liabilities caused by or occurring in connection with the development or operation of the Franchised Business, including our mandatory policies and minimum limits of coverages described below:

Revenue Disclosure

<u>Line of Coverage:</u>	<u>Limits:</u>
<u>General Liability Insurance</u>	• <u>\$1,000,000 per occurrence</u> • <u>\$2,000,000 Annual General Aggregate, Other than Products</u> • <u>\$2,000,000 Annual Aggregate, Products and Completed Operations</u> • <u>(a) premises and operations; (b) products and completed operations; (c) personal injury; (d) advertising liability; (e) abuse and molestation; (f) contractual liability; (g) employees as insureds; (h) extended bodily injury coverage; (i) damage to premises rented to you (\$100,000); (j) owned, non-owned and hired automobile insurance (\$1,000,000 combined single limit); and (k) student accident</u> • <u>Medical Expense – each claim – to be excluded</u>
<u>Commercial Property Insurance</u>	• <u>Covering business personal property and business income for one year of lost profit and continued business expenses, for full replacement cost of the Franchised Business's contents,</u>
<u>Worker's Compensation</u>	<u>\$1,000,000 limit</u>
<u>Hired and Non-Owned Auto Liability</u>	<u>\$1,000,000 per occurrence</u>
<u>Employment Practices Liability Insurance</u>	• <u>\$1,000,000 per claim</u> • <u>Wage & Hour sublimit no less than \$100,000 per occurrence</u> • <u>Coverage for 1st and 3rd party sexual harassment</u>
<u>Professional Liability (recommended but not required)</u>	<u>\$1,000,000 per occurrence</u>
<u>Other coverage as we may require from time to time.</u>	

We have the right to establish and modify the minimum required coverages and to require different or additional kinds of insurance. Each policy must include those terms and endorsements that we require, as specified in the Franchise Agreement and the Manual. We may designate periodically one or more Designated Suppliers for the required insurance, and you must use those Designated Suppliers, to the extent permitted by governing law.

You must purchase the required worker's compensation insurance, general liability insurance, property insurance, and employment practices insurance from our Designated Supplier(s). If we have not named a Designated Supplier or with respect to all other required insurance, in lieu of purchasing the insurance

through our Designated Supplier as we may designate from time-to-time, you may purchase the insurance from insurance brokers and carriers that you select, subject to those brokers and carriers satisfying our Standards and minimum requirements. You must submit to us the information and documentation that we request in connection with your request for our consent to purchase insurance from any unapproved insurance broker or insurance carrier.

You must include us as an additional insured on all of the above policies except Worker's Compensation and Professional Liability. All insurance must be provided by an approved vendor or an insurer with an A.M. Best rating of not less than an A-VIII ("excellent" and \$100,000,000 to \$250,000,000 in policy holder surplus) that is authorized to sell insurance in the state in which your Franchised Business is located. You must provide us with a certificate of insurance and additional insured endorsement complying with the above requirements no less than 30 days prior to opening your Franchised Business and at least 30 days prior to any renewal providing the endorsements as noted below. All insurance policies (except worker's compensation) must include a waiver of subrogation in favor of us and our affiliates, and each company's officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants, and employees, and must include a 30-day notice of cancellation directed to both you and to us or the person we designate.

If we have not named a Designated Supplier, you may purchase the insurance from insurance brokers and carriers that you select, subject to those brokers and carriers satisfying our Standards and minimum requirements. You must submit to us the information and documentation that we request in connection with your request for our consent to purchase insurance from any unapproved insurance broker or insurance carrier.

REVENUE DERIVED FROM FRANCHISEE PURCHASES AND LEASES

We and our affiliates may derive revenue from franchisee purchases and leases to the extent that franchisees purchase products or services from us or our affiliates, and we also may receive payments or material benefits from suppliers based on your purchases or leases from them. We have negotiated supply agreements with providers of merchandise, technology solutions, and credit card processing services under which the vendors will remit to us a percentage of revenue from purchases made by franchisees. For the fiscal year ending December 31, ~~2023~~2024, Sylvan's total revenue from franchisees' required purchases or leases of Sylvan System and SylvanSync System products and services was ~~\$1,155,788~~1,219,624, or approximately ~~34~~% of Sylvan's total revenues of ~~\$34,594,784~~31,880,184.

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.

None of our officers currently own an interest in any unaffiliated, privately-held supplier, or a material interest in any unaffiliated, publicly-held supplier, though our officers may occasionally own non-material interests in unaffiliated, publicly-held companies that may be suppliers to our franchise system.

PURCHASING COOPERATIVES; SUPPLIER NEGOTIATIONS AND ARRANGEMENTS

There currently are no purchasing or distribution cooperatives in existence connected to our franchise system. We may, but are not obligated to, negotiate purchase arrangements with suppliers for the benefit of our franchisees, and we may but are not obligated to establish national buying accounts with vendors whose products meet our specifications. We do not provide you any material benefits (such as renewal rights or the right to acquire additional franchises) based on your purchases from approved or Designated Suppliers

ITEM 9: FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the ~~License~~Franchise 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~~ <u>Obligation</u> <u>n</u>	~~SECTION IN LICENSE AGREEMENT~~ <u>Sections in Franchise Agreement</u>	<u>Sections in Development Agreement</u>	~~DISCLOSURE DOCUMENT ITEM~~ <u>Disclosure Document Items</u>
a. Site selection and acquisition/lease	~~Section 1.5 of License Agreement~~ <u>Article 3 and Attachment G</u>	<u>Articles 1 and 4</u>	Items ~~7~~ , 11, and 12
b. Pre-opening purchases/leases	~~Sections 7.1, 7.13, Articles 4 and 8 of License Agreement~~ <u>5</u>	<u>Not Applicable</u>	~~Item~~ <u>Items 7 and 8</u>
c. Site development and other pre-opening requirements	~~Sections 1.6 Articles 4 and 7.6 of License Agreement~~ <u>5</u>	<u>Article 4</u>	~~Items~~ <u>Item 7</u> and ~~11~~
d. Initial and ongoing training	~~Sections Article 8 and Section 2.B.(5, 7.10, and 7.11 of License Agreement)~~	<u>Section 6.2</u>	Item 11
e. Opening	~~Section 1.6 of License Agreement~~ <u>Article 5</u>	<u>Article 4</u>	Item 11
f. Fees	~~Sections 4.1.3, 4.1.4, Article 6, 7.8.1, and 7.8.2 of License Agreement~~	<u>Article 3</u>	Items 5, ~~and 6~~ , and ~~11~~
g. Compliance with standards and policies/ ~~Operations~~ <u>Op</u> ~~erating~~ Manual	~~Sections 1.7, 1.8, 2, 5, 6, Articles 7, 9, 10, and 8 of License Agreement~~ <u>11</u>	<u>Article 5</u>	Item 11
h. Trademarks and ~~Proprietary Information~~ <u>proprietary information</u>	~~Sections 3, 8.5, and 12.1.2 of License Agreement~~ <u>Articles 9 and 13, and Section 14.A.</u>	<u>Sections 1.2.2 and 1.4</u>	Items ~~1~~ , 13, and 14
i. Restrictions on products/services offered	~~Articles 9, 10, and Sections 1.8.3 and 7.1 of License Agreement~~ <u>11.B.-11.D.</u>	<u>Not Applicable</u>	~~Item~~ <u>Items 8 and 16</u>
j. Warranty and customer service requirements	~~Sections 6.10 and 7.4 of License Agreement~~ <u>8.A., 9.A., 10, and 15.F.</u>	<u>Not Applicable</u>	Item ~~11~~ <u>16</u>

OBLIGATION <u>Obligation</u>	SECTION IN LICENSE AGREEMENT <u>Sections in Franchise Agreement</u>	Sections in Development Agreement	DISCLOSURE DOCUMENT <u>ITEM</u> <u>Disclosure</u> <u>Document Items</u>
k. Territorial development and sales quotas	~~Sections 1.5, 6.2.2, 7.7, and 11.2.9 of License Agreement~~ <u>Section 1.B. and Article 3</u>	<u>Article 4</u>	Item 12
l. Ongoing product/service purchases	~~Sections 7.1, 7.4, and 8.1 of License Agreement~~ <u>11.B.-11.F.</u>	<u>Not Applicable</u>	~~Item~~ <u>Items 8 and 16</u>
m. Maintenance, appearance, and remodeling requirements	~~Article 10 and Sections 7.12.B(3), and 7.9 of License Agreement~~ <u>11.B.</u>	<u>Not Applicable</u>	~~Item 11~~ <u>Items 7 and 8</u>
n. Insurance	~~Section 14.2 of License Agreement~~ <u>Article 16</u>	<u>Not Applicable</u>	~~Item~~ <u>Items 6, 7, and 8</u>
o. Advertising	~~Sections 7.3, 7.5, 7.8, and 8.4 of License Agreement~~ <u>Article 15</u>	<u>Not Applicable</u>	Items 6, 7, and 11
p. Indemnification	~~Section 14.1 of License Agreement~~ <u>Article 20.B.</u>	<u>Section 7.2</u>	~~Not applicable~~ <u>Item 6</u>
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~~ <u>11.J.-11.K.</u>	<u>Article 5</u>	~~Items 11 and~~ <u>Item 15</u>
r. Records ~~and~~ reports	~~Sections 6.4, 6.5, 6.6, 7.9, 7.12, 8.1.5, and 8.2 of License Agreement~~ <u>Article 7</u>	<u>Section 5.3</u>	~~Item~~ <u>Items 6 and 11</u>
s. Inspections ~~and~~ audits	~~Article 7 and Sections 6.64.D., 7.9, 7.12, 8.1.54.E., and 8.2 of License Agreement~~ <u>11.H.</u>	<u>Not Applicable</u>	~~Item~~ <u>Items 6 and 11</u>
t. Transfer	~~Section 9 of License Agreement~~ <u>Article 17</u>	<u>Article 8</u>	Item 17
u. Renewal	~~Section 10.2 of License Agreement~~ <u>2.B.</u>	<u>Section 5.2</u>	~~Item~~ <u>Items 6 and 17</u>
v. Post-termination obligations	~~Section 12 of License Agreement~~ <u>Article 19</u>	<u>Article 9</u>	Item 17

OBLIGATION <u>Obligation</u>	SECTION IN LICENSE AGREEMENT <u>Sections in Franchise Agreement</u>	Sections in Development Agreement	DISCLOSURE DOCUMENT <u>ITEM</u> <u>Disclosure Document Items</u>
w. Non-competition covenants	Sections ~~7.3, 8.4, and 12.5~~ of License Agreement <u>14.B.-14.F.</u>	<u>Section 6.3</u>	~~Item~~ <u>Items 15 and 17</u>
x. Dispute resolution	~~Sections 7.9.4, 20, and 21~~ of License Agreement <u>Article 23</u>	<u>Article 11</u>	Item 17
y. ~~Other~~ <u>Guaranty</u> ~~Sylvan-Edge Package License Agreement~~	~~Exhibit B to the disclosure document~~ <u>Attachment D</u>	<u>Attachment D</u>	~~Items 1, 5, and 12~~ <u>Item 15</u>
~~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~~ <u>z. Other: Liquidated Damages</u>	~~Attachment K to the franchise agreement~~ <u>Section 18.F.</u>	<u>Section 9.8</u>	Item ~~16~~
~~mySylvan Marketplace+SM Franchisee Participation Pilot Agreement~~	~~Attachment L to the franchise agreement~~		~~Items 1, 12~~

ITEM 10: FINANCING

~~Sylvan does~~ We do not offer ~~any~~ direct or indirect financing. ~~Sylvan does, but we may develop relationships with preferred lenders or financing sources, which we may, when established, make available to you. We do~~ not guarantee ~~any~~ your note, lease, or other obligation. ~~We do not have agreements to refer you to third parties for financing obligations.~~

~~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 FRANCHISE AGREEMENT

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~~ begin operating the Franchised Business, we will:

~~(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.~~

1. Review your franchise site information and notify whether your proposed site is approved or rejected after receiving the complete (as determined by us) site application package. (Franchise Agreement, Section 3.B.)

2. Provide to you specifications, including requirements for dimensions, design, image, interior layout, décor, fixtures, equipment, signs, furnishings, storefront, signage, graphics, color schemes, and opening inventory. (Franchise Agreement, Section 4.A.) You must have all required construction plans and specifications prepared to suit the shape and dimensions of the Franchised Business and ensure that the plans and specifications comply with governing law, building codes, permit requirements, and any lease requirements and restrictions.

3. For your first Sylvan Learning location opening only, we will provide you with one member of our training team for two to three days of pre-opening assistance and training at your Franchised

Business location or remotely, at our option; there is no fee for the service, nor do we require you to reimburse our related costs. If pre-opening assistance is provided with respect to the second or any subsequent Franchised Business developed by you or your affiliate, or we consider pre-opening assistance necessary, or you request that we provide additional members of our training staff to provide on-site opening assistance (subject to availability of personnel), in each case, we may charge you our then-current training fee, including reimbursement of our out-of-pocket costs incurred in connection with providing the assistance, including travel, accommodations and meals for the trainers. (Franchise Agreement, Section 5.C.)

4. For all Franchised Businesses you open, we may at our option, or we will at your request, provide you with additional members of our training team to provide pre-opening assistance, subject to the availability of personnel, in which case we may require you to pay our then-current training fee (as published in the Manual) and to reimburse us for our training-related expenses, including travel, lodging and dining costs for those additional trainers who provide opening assistance. (Franchise Agreement, Section 5.D.)

5. Conduct the initial training program with you and your Designated Manager (see Item 15) without charge. (Franchise Agreement, Section 8.A.)

6. Loan you one copy (digital or hard copy) of our confidential Manual containing information and knowledge necessary and material to the System. (Franchise Agreement, Article 9).

During the operation of the Franchised Business, we will:

1. Provide to you our knowledge and expertise regarding the System and pertinent new developments, techniques, and improvements in the areas of management, sales promotion, service concepts, and other areas. We may provide these services through on-site visits, through the distribution of printed or filmed material or electronic information, meetings or seminars, telephone communications, email communications, or other communications. (Franchise Agreement, Section 5.D.)

2. Use good faith efforts to approve or disapprove your proposed promotional and marketing materials within 10 business days after we receive them. (Franchise Agreement, Section 15.A.)

3. Establish and administer a membership program, gift card acceptance program, loyalty program and master insurance program for so long as we elect to do so. (Franchise Agreement, Sections 11.R., 15.F. and 16.B.)

Except as described above, the Franchise Agreement does not require us to provide any other assistance or services to you during the operation of the Franchised Business. As the Development Agreement relates to the development of Franchised Business, the Development Agreement does not require us to provide any other assistance or services during the operation of the Franchised Businesses.

DEVELOPMENT AGREEMENT

When you sign the Development Agreement, we will provide you site selection guidelines, including our minimum standards for Center sites and sources regarding demographic information, and such site selection counseling and assistance as we may deem advisable.

During the course of the Development Agreement, we will:

1. Upon your request, disclose to you the then-current franchise disclosure document and, upon your compliance with the Development Agreement and our requirements, issue and execute remaining franchise agreements pursuant to your Development Schedule. (Development Agreement, Section 4.1.)

2. Evaluate each site application and conduct on site evaluation as we deem advisable in response to your request for site approval for each proposed site (through us or our appointed representatives). (Development Agreement, Section 4.3.2.)

CONFIDENTIAL MANUALS

The table of contents of the current Franchise Operations Manual is attached as Exhibit A to this Disclosure Document. The Franchise Operations Manual currently contains 205 pages. Our online curriculum and training resources do not have a table of contents, but they are summarized in Exhibit A. We consider these materials to be proprietary and confidential, and you are bound by the Franchise Agreement to keep them confidential.

PRICING

We may, if permitted by governing law, establish maximum, minimum, or other pricing requirements with respect to the prices you may charge for products and services, including required participation in systemwide discount programs and promotions. If we do not establish such pricing requirements, then you will have the right to determine the prices you charge.

ADDITIONAL PROGRAMS

Sylvan has developed additional programs and may continue to develop other additional educational programs and packages, such as the Sylvan Edge and the ACE IT! Program, which are included in the Franchise Agreement. If Sylvan develops additional education programs, Sylvan may, but is not obligated to, offer the additional programs to franchisees; however, Sylvan reserves the right to require franchisees to offer the additional programs in the Franchised Business as part of the Franchise Agreement.

SITE SELECTION

The Franchise Agreement will contain a Protected Area. You must submit our form of a site application for each site you identify, which we will review and notify you whether we accept or reject your proposed site. Upon our acceptance of a site, you must execute a lease within the lease deadline specified in the Franchise Agreement, which is a maximum of 180 days after the effective date of the Franchise Agreement. At least 30 days before you execute the lease, you must provide a copy to us for our approval. Failure to sign a lease within this period is a default of the Franchise Agreement for which we will have the right to terminate the Franchise Agreement if you fail to cure the default within seven days after delivery of written notice of default.

~~(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 with site selection assistance as we consider advisable, including providing our site selection guidelines and design specifications and conducting an on-site evaluation of the proposed site; however, we will not conduct an on-site evaluation for any proposed site prior to the receipt of the complete site application. If we conduct an on-site evaluation, you must reimburse us for our out-of-pocket expenses incurred in connection with the evaluation. We do not own and lease premises to franchisees.

~~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 we do not notify you in writing that we approve a site you propose, we will be deemed to have rejected the proposed site. No site may be used for the location of the Franchised Business unless we first approve it in writing.

Under the Development Agreement, you will have the right to develop, open, and operate up to three Sylvan Learning businesses within a certain Development Area that we determine. Upon development of each Franchised Business, we will identify a Protected Area that is within your Development Area in which you shall identify a suitable site. We will follow the procedure outlined above, or our then-current procedure if different, regarding executing a lease. Each Sylvan Learning Franchised Business must be developed and opened according to our then-current system standards and other approval requirements, and pursuant to the corresponding Franchise Agreement.

TYPICAL TIME BETWEEN SIGNING (OR FIRST PAYMENT) AND OPENING FOR BUSINESS

The typical length of time between signing the Franchise Agreement and the opening of your Primary Center ranges from six to nine months, depending on whether the site is known at the time the Franchise Agreement is signed. You must open your Primary Center no later than 273 days after you sign your Franchise Agreement. You must complete all portions of the initial training before you open your Primary Center, but no later than six (6) months from the time you sign the Franchise Agreement. Factors affecting this range include site availability, lease negotiations, lender approvals, city zoning, permitting, use restrictions, construction time (especially when a new building is being constructed), governmental inspections and regulations, and other factors, such as force majeure that are outside our control.

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~~ period 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 (7th 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 9th generation or later tablet computers; Sylvan does not support Apple iPad devices that are 5th generation or earlier. We estimate the costs for three to five computer workstations with operating software at \$600—\$1,000 each, 12-21 iPad (7th 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 (7th 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;
 - ~~○ Hub Center management software;~~
 - ~~○ EdAdmin software;~~
 - ~~○ SylvanSync and SylvanSync Connect software;~~
 - ~~○ 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 (7th-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 14th, 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	
<u>(including internal resources dedicated to marketing efforts)</u>	<u>29%</u>
Total	100%

~~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 “Acknowledgment”) 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.~~

INITIAL TRAINING PROGRAM

We provide you and your staff certain training through our “Sylvan University” department and through “Sylvan University-Now” (“SUNSU”), 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 SUNSU 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~~ an initial training program (“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 SylvanSynce System~~ programs at any other site, whether in person or online:

TRAINING PROGRAMS

~~SUBJECT~~ <u>Subject</u>	~~HOURS OF IN-PERSON TRAINING~~ <u>Hours of Classroom Training</u>	~~HOURS OF IN-CENTER TRAINING~~ <u>Hours of On-The-Job Training</u>	~~TRAINING DESCRIPTION~~ <u>Training Description</u>	~~LOCATION~~ <u>Location</u>
Initial Training ~~Program~~ <u>Program</u> ¹ : Franchisee Certification Part I and II	40	32	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,	Online in <u>SUNSU</u> . Live Webinars via Zoom. In a Sylvan

SUBJECT <u>Subject</u>	HOURS OF IN-PERSON TRAINING <u>Hours of Classroom Training</u>	HOURS OF IN-CENTER TRAINING <u>Hours of On-The-Job Training</u>	TRAINING DESCRIPTION <u>Training Description</u>	LOCATION <u>Location</u>
(Note-1)			training in a Sylvan Learning Center designated by Sylvan. Part II: A series of 9, 1.5-hour live webinars over a three-week period, plus approximately 5.5 hours of independent activities. Several personal consultations are also required and conducted throughout this training. (Duration varies.)	Learning Center of Sylvan's choosing. Participants will secure their own travel and lodging arrangements, as necessary.
Optional Training Courses on SUN SU ² (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 SU .
In-Center Training Training ³ (Note 43)	Approximately 6	0	0	Varies.
Annual Conferences (Note 4) Conferences ⁴	Approximately 24	0	0	In-person; varies.
Total	70	32	100 (Optional)	

All training may be held in-person, online, or at the location that we designate (which may be Sylvan's office in ~~Towson, Maryland~~ Bedford, Texas 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

NOTE 1: This Initial Training Program consists of two sequential components that ~~licensee~~ franchisee (you or, if the ~~licensee~~ Franchisee 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~~ two seats in our Franchisee Certification program at no charge under your Initial ~~License~~ Franchise 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 you and your Designated Manager have completed~~ the Initial Training Program, ~~Franchisee Certification Part I, to our satisfaction~~ 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~~ Franchise Agreement. We may charge you an ~~extra fee~~ Initial Training Fee or an Additional Training fee (as described in Item 6) if you have to offer you the Initial Training Program off our regular schedule, if you wish more than ~~three~~ two 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, or if you are required to send individuals to re-train to meet our requirements.~~

~~**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**~~ **NOTE 2: SU** 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~~ franchisees on new developments affecting them and exchanging information between our ~~licensees~~ franchisees 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~~ 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~~ 1,000 per person 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~~ Franchised 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~~ franchisees. 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.

COMPUTER SYSTEMS

We may establish and maintain an intranet facility through which Sylvan Learning businesses may communicate with each other and through which we may disseminate updates to the Manual and other confidential information. We will have no obligation to maintain the intranet indefinitely. We will establish policies and procedures for use of the intranet which will address issues such as: (1) code of conduct with respect to communications; (2) confidential treatment of materials we transmit via the intranet; (3) password protocols and security precautions; (4) grounds and procedures for suspending or revoking a franchisee's access to the intranet; and (5) privacy policies governing our access to and use of the intranet. All content communicated via the intranet will become our property. You must purchase and install all necessary additions to your technology system and establish and maintain electronic connection with the intranet that allows us to send and receive messages from you. Your obligation to maintain the intranet will continue until your Franchise Agreement expires or is terminated (or, earlier if we cease to maintain the intranet).

You must acquire and use all computer systems that we prescribe for use by our franchisees and may not use any computer system or components or software applications that do not conform to the Standards or that we have not approved in writing. Requirements may include, among other things, hook up to remote servers, off-site electronic repositories, and high-speed internet connections and service. We may require you to update or upgrade computer hardware components and software applications as we deem necessary, but not more than three times per calendar year. You must enter into all applicable software license agreements and software maintenance agreements, in the form and manner we prescribe, and pay all fees charged by third-party software and software service providers, whether billed to you directly or passed through by us. At our request, you must sign or consent to a "terms of use" agreement regarding all software

applications that we designate. We may independently access from a remote location, at any time, all information input to, and compiled by, your computer system or an off-site server, including information concerning sales, purchase orders, inventory, and expenditures. There are no contractual limitations to our right to access the information and data.

We require all franchisees to purchase a desktop computer and printer for back of the house needs, and we require all franchisees to acquire and use the Point of Sale (“POS”) system that we designate, including payment of the monthly licensing requirements related to the use of such POS. Neither we nor any of our affiliates or any third party is obligated to provide ongoing maintenance, repairs, upgrades or updates to any computer hardware or software (including without limitation your POS).

The initial equipment you must acquire includes necessary computer systems worth an estimated \$12,000 to \$20,000. The requirement to purchase the technology package may be waived for those prospective franchisees that purchase an existing location that is using a technology package that is not out-of-date. We can confirm if a technology package is required upon your request.

You must license our proprietary office management software that includes proprietary front desk management and point of sale system, online enrollment system, automated e-mail marketing tool, customer management system, and any other technology or software and respective updates that we may implement from time to time (the “Sylvan Software”). The license also gives you access to a franchisee website and related extranet services. You must pay the monthly Technology Fee of \$114 per month per Center, and up to \$750 per month per Center, 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 third-party vendors.

In addition, we require you to obtain Internet service with e-mail capability from an internet service provider (“ISP”). The fee to obtain Internet from an ISP is typically \$80-\$120 per month and monthly on-line costs typically range from \$50-\$250. We may also require that you connect to a web-based application, such as franchise management software, which enables us to independently access and poll the information on your POS system. There is no contractual limitation on our right to independently access this information. We will not have independent access to the information generated by or stored on your personal computer.

We reserve the right to develop and implement various technologies, software, or systems for the benefit of the System, in which case we may require you to adopt and use such technologies, software, or systems, and require you to pay our then-current Technology Fee as published in the Manual periodically. There is no contractual limitation on our right to implement such programs. We have had a loyalty program in the past and may implement a loyalty program for your customers in the future. If we do so, you will be required to participate and sign addenda to participate in these programs. We may develop additional customized communications software, payment systems, or other systems, and may charge additional equitable fees, and in that event, you must sign additional software license and maintenance agreements.

You must, at your own expense, maintain your computer systems and network in good repair and working order and properly update and otherwise change your computer hardware and software systems as we may require. You must pay all amounts charged by any licensor of the systems and programs you use, including charges for use, maintenance, support and update of these systems or programs. There is no contractual limitation on our ability to require the hardware and any software programs be updated.

All customer information we obtain from you and all customer information you collect from customers (collectively, “Customer Data”) and all revenues we derive from such Customer Data will be our property and our confidential information that we may use for any reason without compensation to you, including making financial performance representations in our franchise disclosure documents. You will assign all rights in Customer Data to us. You will provide copies of all Customer Data to us upon request. At your sole risk and responsibility, we may grant you the right to use Customer Data that you acquire solely in connection with operating the Franchised Business to the extent your use is permitted by governing law.

Upon expiration of your Franchise Agreement, all copies of Customer Data must be returned to us and removed from your POS, computer hardware and software and any other form of electronic media or hard copy in your possession or to which you have access.

You will: (1) comply with all applicable privacy laws (“Privacy Laws”); (2) comply with all Standards that relate to Privacy Laws and the privacy and security of Customer Data; (3) comply with any posted privacy policy and other representations made to the individual identified by Customer Data you process and communicate any limitations required thereby to any authorized receiving party in compliance with all Privacy Laws; (4) refrain from any action or omission that could cause us to breach any Privacy Laws; (5) maintain reasonable physical, technical and administrative safeguards for Customer Data and other Confidential Information that is in your possession or control in order to protect the same from unauthorized processing, destruction, modification or use that would violate the Franchise Agreement or any Privacy Law; (6) do and sign, or arrange to be done and signed, each act and document we deem necessary in our business judgment for us to maintain compliance with Privacy Laws; and (7) immediately report to us any theft or loss of Customer Data (other than the Customer Data of your own officers, directors, shareholders, employees or service providers).

You will, upon our request, provide us with information, reports and the results of any audits performed on your Franchised Business regarding your data security policies, security procedures or security technical controls related to Customer Data. You will, upon our request, provide us or our representatives with access to your technology systems and related records, policies and practices that involve processing Customer Data in order to mitigate a security incident or so that an audit may be conducted.

You will indemnify, defend and hold us harmless from losses arising out of or relating to: (1) any theft, loss or misuse of Customer Data; and (2) your breach of any of the terms, conditions or obligations relating to data security, privacy or Customer Data set forth in the Franchise Agreement.

You will immediately notify us upon discovering or otherwise learning of any theft, loss, or misuse of Customer Data. You will, at our discretion: (1) undertake remediation efforts at your sole expense; (2) undertake effort to prevent the recurrence of the same type of incident; and (3) reasonably cooperate with any remediation efforts undertaken by us. You will not make any public comment regarding any data security incident without our prior written approval. Any notifications to the media or to customers of the Franchised Business regarding theft or loss of Customer Data will be at our sole discretion, handled exclusively by us and you may not contact any customers relating to such theft or loss except at our direction or as required by governing law, in which event you must notify us in writing promptly after concluding that you have the legal obligation to notify customers and you will limit such notice to the customers to whom you are legally required to provide notice. You will reasonably cooperate with us in connection with any notice to customers and will assist in sending notices to such customers at our request.

In running the Franchised 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 Franchised Business and not for any other purpose.

Additional Programs-ADVERTISING

~~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.~~

We have no obligation to conduct advertising, except through the National Advertising Fund (“NAF”) described below. If we conduct media advertising, we may use direct mail, print, radio, Internet, or television, which may be local, regional, or national in scope. We may produce the marketing materials in-house or employ a local, regional, or national advertising agency. We are not obligated to conduct any advertising or marketing programs within your market. Our Standards allow us to require you to contract with Designated Suppliers for reputation management and net promoter score responses, as well as to allow us or the reputation management providers to respond to all website inquiries or other inquiries for all franchisees.

We have established and maintain a URL website promoting Sylvan Learning system and identifying the location of Sylvan Learning businesses. You will participate in all system-wide promotions that we conduct.

NATIONAL ADVERTISING FUND

Once established, we will administer the NAF for the creation and development of marketing, advertising, and related programs, campaigns, and materials for the implementation of our brand positioning. As noted in Item 6, you will pay to Franchisor a continuing, non-refundable monthly contribution of up to 5% of monthly Gross Sales (“NAF Contribution”). We reserve the right to suspend or decrease the NAF Contribution at any time upon 30 days’ prior notice to you. Any corporate-owned Sylvan Learning locations will contribute to the NAF at the same rate as franchisees.

We direct all initiatives related to the positioning of the brand using the NAF, including advertising and marketing programs (for example, research methods, branding, creative concepts and materials, sponsorships, and endorsements used in connection therewith); selection of geographic and media markets; and media placement and the allocation thereof. We may use the NAF to pay the costs of research (including product and services research and development), market research (for example, customer engagement with the brand, including design and décor, concept development, uniform design, customer service techniques, customer research, surveys, and focus groups) creation and production of video, audio, electronic, and written advertising and marketing programs; administration of regional, multi-regional, and national advertising and marketing programs, customer research and surveys, and testing and related development activities; promotional events; purchasing and participating in online, social media, radio, television, and billboard advertising and programming; employment marketing, advertising and promotional agencies to assist therewith; conducting community relations activities; supporting public relations, maintenance of the System websites, and online presence; and other advertising, marketing, and promotional activities as we determine are appropriate for Sylvan Learning businesses, the Proprietary Marks and the System. You will ultimately be responsible for the costs associated with the placement of any such marketing and media for the Franchised Business. The NAF will furnish you with samples of advertising, marketing formats, promotional formats, and other materials at no additional cost when we deem appropriate. Multiple copies of those materials will be provided to you at your sole cost.

The NAF is accounted for separately from our other funds, is not used to defray any of our general operating expenses, but may be used to cover reasonable salaries, administrative costs, travel expenses, and overhead as we may incur in activities related to the administration of the NAF and its programs, including as described above and with respect to collecting and accounting for contributions to the NAF. We do not use NAF funds to solicit new franchise development. We do not act as trustee with respect to the NAF and have no fiduciary duty to you or your affiliates, owners, or any other franchisees. We may spend, on behalf of the NAF, in any fiscal year, an amount that is greater or less than the aggregate contributions to the NAF in that year, and the NAF may borrow from us or others to cover deficits or may invest any surplus for future use. All interest earned on monies contributed to the NAF will be used to pay advertising costs before other assets of the NAF are expended. The NAF is not audited. We will, upon 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 NAF. We have the right to cause the NAF to be incorporated or operated through a separate

entity we own and manage if we deem it appropriate, and the successor entity will have all of the same rights and duties.

Although we endeavor to utilize the NAF to develop advertising and marketing materials and programs and to place advertising that will benefit the System, we have no obligation to ensure that expenditures by the NAF in or affecting any geographic area are proportionate or equivalent to the contributions to the NAF by Sylvan Learning businesses in that geographic area or spent marketing your Center. Nor are we under any obligation to ensure that any franchisee will benefit directly or in proportion to its NAF Contribution from the development of advertising and marketing materials or the placement of advertising. Except as expressly provided in the Franchise Agreement, we assume no direct or indirect liability or obligation to you with respect to collecting amounts due to, or maintaining, directing, or administering the NAF. We reserve the right to suspend or terminate (and, if suspended or terminated, to reinstate) the NAF. If the NAF is terminated, all unspent monies on the date of termination accrued will be distributed to franchisees in proportion to their respective contributions to the NAF accrued during the preceding three-month period, and those amounts will be spent on local marketing.

Sylvan previously established a legacy advertising fund (“Legacy Fund”) into which only franchisees who signed certain legacy license agreements contribute, which is **administered by SLC National Advertising Fund, Inc.** These franchisees will not contribute to the NAF and will continue to contribute to the Legacy Fund. Franchisees who execute the franchise agreement disclosed in this disclosure document and thereafter will contribute to the newly established NAF. We did not collect any NAF contributions in fiscal year 2024.

UNLEASHED FUND

We have the right to establish an advertising fund separate from the NAF, which we call the Unleashed Fund. You will not contribute directly to the Unleashed Fund. The Unleashed Fund is identical to the NAF except that the funds are spent marketing all of the Affiliated Brands under the Unleashed Brands umbrella. When the Unleashed Fund is established, the NAF may contribute up to 15% of its monthly balance to the Unleashed Fund. Each of the Affiliated Brands are expected to contribute to the Unleashed Fund, except the percentage contributed by each Affiliated Brand’s fund may vary. Only the Affiliated Brands that contribute to the Unleashed Fund are included in the advertising conducted by the fund. The 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 6% of Gross Sales and \$1,500 per month. 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 of the Local Marketing Expenditure, you must spend the remaining Local Marketing Expenditure on marketing activities in your Protected Area as permitted under the Franchise Agreement.

ADVERTISING COOPERATIVE

If we believe that two or more Sylvan Learning businesses may benefit by pooling their advertising dollars, we may form a local or regional Advertising Cooperative for this purpose. If we form an Advertising Cooperative for the region in which your Franchised Business is located, your membership to the Advertising Cooperative is automatic, and you must participate in the Advertising Cooperative. Contributions to the Advertising Cooperative will be credited toward your Local Marketing Expenditure. We have the right to create, dissolve, and merge Advertising Cooperatives. We will also have the power to require Advertising Cooperatives to be formed, changed, dissolved, or merged, and to create and amend their governing documents. No Advertising Cooperative has yet been created and, therefore, no governing documents are available for your review.

Governing documents will provide that any Advertising Cooperative created under authority of the Franchise Agreement will (1) operate by majority vote, with each Sylvan Learning business (whether franchised or affiliate-owned or managed) being entitled to one vote, (2) entitle us to cast one vote (in addition to any votes we may cast for affiliate-owned locations), (3) permit the members of the Advertising Cooperative, by majority vote, to determine the amount of required contributions, and (4) provide that any funds left in the Advertising Cooperative at the time of its dissolution be returned to the members in proportion to their contributions made during the 12-month period immediately preceding dissolution. All members (including company-owned and our affiliate-owned locations) will contribute at the same rate. The majority vote will determine the level of contributions. We do not currently expect that company-owned or affiliate-owned Sylvan Learning businesses will have majority voting power in any Advertising Cooperative, but if they do, the required contribution to the Advertising Cooperative for each member will

not exceed \$10,000 per year without consent of a majority (i.e., 51%) of franchisee members of such Advertising Cooperative.

GRAND OPENING ADVERTISING

You must conduct a grand opening advertising and promotional program before and after the Franchised Business opens for business in accordance with the Standards set forth in the Manual and using our required Designated Suppliers. We will consult with you in planning the grand opening program. You must spend between \$10,000 and \$15,000 in connection with your grand opening, which will begin 60 days prior to the grand opening and continue for 60 days after your grand opening. If we choose, all or a portion of this grand opening expenditure should be submitted to us or an affiliate for processing through our required media partner no later than 60 days prior to planned opening or once the grand opening media plan is submitted to you. This amount is in addition to the other required advertising investments described in this Item 11.

ADVERTISING COUNCIL

There currently are no franchisee advertising councils or Advertising Cooperatives that advise us on advertising policies. In our discretion, we reserve the right to establish an advisory council of franchisees that does advise us on advertising policies and other matters.

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 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.~~

FRANCHISE AGREEMENT

You must operate your Franchised Business at a site approved by us (“Approved Location”) within the Protected Area as identified in the Franchise Agreement. In most instances, we will identify a Protected Area when you sign your Franchise Agreement. The “Protected Area” will be determined by us and may be based upon any or all of the following: zip codes, geographic boundaries, or a radius surrounding the Approved Location. There is no minimum Protected Area. Typically, but not in all cases, available Protected Areas will have i) an average household income above \$65,000, and ii) encompass a population of approximately 8,000 students aged 4 to 18, based on the most recent U.S. Census or other publicly available data that we designate. The boundaries of your Protected Area may be altered only by written consent of the parties, except as provided in your Franchise Agreement with respect to any default of your representations, warranties, covenants or obligations therein. If you co-brand with an Affiliated Brand, your Protected Area may be different from the protected area granted under the Affiliated Brand’s franchise agreement.

~~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.~~ and subject to your compliance with the Franchise Agreement and any other agreement between you and us or our affiliates, we will neither operate nor grant others the right to operate another Sylvan Learning business in the Protected Area, except for those rights reserved to us and our affiliates. This restriction will not apply to any Sylvan Learning business that is operating or in development within the Protected Area as of the effective date of the Franchise Agreement. The Protected Area may overlap with or be overlapped by the protected area of other Sylvan Learning franchisees or locations that our affiliates own or operate, so long as there are no other Sylvan Learning businesses in the area of overlap.

We retain for ourselves and our affiliates all other rights in and to the Proprietary Services, Proprietary Marks, Indicia, and System, including: (1) the right to own and operate and to grant others the right to own and operate Sylvan Learning businesses at any location outside the Protected Area, regardless of proximity to the Protected Area; and (2) the right to sell certain programs, services, and products anywhere, directly or through third party merchandisers, with or without trademarks, through any other channels of distribution, including retail, wholesale, mail order, electronic, direct mail, the Internet or any other form of e-commerce except a Franchised Business, whether or not such sales occur within your Protected Area. You are not entitled to compensation for any such sales made in your Protected Area. We also may establish and operate, and license others to establish and operate, other types of businesses (including those franchised by our affiliates) under the Proprietary Marks or under other marks, and we or our affiliates may acquire, be acquired by, or be merged or consolidated with such businesses.

As stated in Item 11, you must focus your marketing activities within your Protected Area. You may engage in direct marketing activities in the Protected Area (even if they overlap another franchisee's protected area). 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 all policies and procedures that we develop. You may not conduct marketing activities outside of your Protected Area, unless we provide you with written consent specifically identifying the additional areas and time frame in which you may market outside of your Protected Area. You may not sell products through alternative channels of distribution, such as the Internet, direct mail, telemarketing, or other direct marketing without our consent. Continuation of your territorial protection under the Franchise Agreement does not depend on you achieving a certain sales volume, market penetration, or other contingency.

You may relocate your Franchised Business only within the Protected Area and with our written consent. If your lease expires or terminates through no fault of yours, or if the Franchised Business premises are destroyed or materially damaged by fire, flood, or other natural catastrophe and you are not in default of any agreement with us, we will permit you to relocate to another location within your Protected Area. If we grant relocation rights for this reason, you must open the Franchised Business for business at the new location within 180 days of closing the original location. If we permit you to relocate the Franchised Business for any other reason, you must open the Franchised Business for business at the new location within 30 business days of closing the original location.

DEVELOPMENT AGREEMENT

When you execute your Development Agreement, we will identify a Development Area in which you will open your Sylvan Learning businesses. During the term of the Development Agreement, we will not own or operate, or grant anyone else the right to operate a Sylvan Learning business within the Development

Area. Upon expiration or termination of the Development Agreement, your rights to the Development Area also terminate, except for the Protected Areas defined in each Franchised Business's Franchise Agreement.

ADDITIONAL FRANCHISE RIGHTS

Other than what is set forth in your Franchise Agreement and Development Agreement, we do not grant you any options or rights of first refusal to acquire additional franchises.

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~~Franchised 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.~~

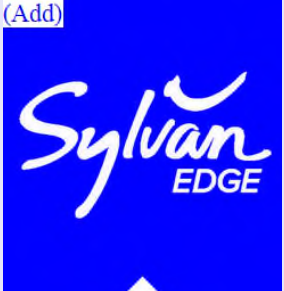
ITEM 13: TRADEMARKS

We grant you the right to operate your ~~facility~~Center under the name Sylvan Learning Center. ~~You~~Upon our approval, 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.

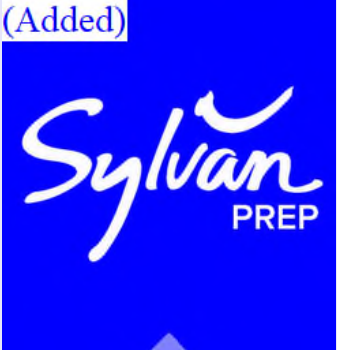
UNITED STATES REGISTERED MARKS

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:

<u>Mark</u>	<u>Mark</u> <u>Registratio</u> <u>n No.</u>	<u>Registration</u> <u>Number</u> <u>Date</u>	<u>Registration</u> <u>Date</u> <u>Internati</u> <u>onal Class</u>
<u>ACE IT!</u>	<u>3392255</u>	<u>Mar-04-2008</u>	<u>41</u>
<u>ACE IT! TUTORING</u>	<u>3402237</u>	<u>Mar-25-2008</u>	<u>41</u>

FIT4ALGEBRA	5611426	Nov-20-2018	41
LEARNING SHOULD BE PERSONAL	4713224	Mar-31-2015	41
LEARNING STRATEGIES THAT WORK	4732145	May-05-2015	41
MATH EDGE	5000236	Jul-12-2016	41
MATH ESSENTIALS	2748188	Aug-05-2003	41
(Add) 	(Del)  3584877	~~1410891~~ Mar-03-2009	~~September 23, 1986~~ 41
MOTIVATION STATION	3750780	Feb-16-2010	35
(Add) 	(Del)  4724438	~~3732803~~ Apr-21-2015	~~December 29, 2009~~ 35, 38, 41, 42
SCHOOLMATHPREP	3773786	Apr-06-2010	41
SYLVAN	4272367	Jan-08-2013	35
SYLVAN	1410891	Sep-23-1986	41
SYLVAN ADVANCED STUDY SKILLS	4732189	May-05-2015	41
SYLVAN EDGE	5088525	Nov-22-2016	41
SYLVAN EDGE	5346515	Nov-28-2017	16
(Add) 	(Del)  5088526	~~3735313~~ Nov-22-2016	~~January 5, 2010~~ 41

(Added)		(Del)	 <u>5335728</u>	~~5329939~~ <u>Nov-14-2017</u>	~~November 7, 2017~~ <u>16</u>
(Added)			<u>5142207</u>	<u>Feb-14-2017</u>	<u>41</u>
<u>SYLVAN IN HOME TUTORING</u>			<u>3292721</u>	<u>Sep-18-2007</u>	<u>41</u>
<u>SYLVAN INSIGHT</u>		(Del)	 <u>4227443</u>	~~4227443~~ <u>Oct-16-2012</u>	~~October 16, 2012~~ <u>41</u>
<u>SYLVAN LEARNING</u>			<u>3732803</u>	<u>Dec-29-2009</u>	<u>16, 41</u>
(Add)		(Del)	 <u>3735313</u>	~~4467950~~ <u>Jan-05-2010</u>	~~January 14, 2010~~ <u>16, 41</u>
(Add)		(Del)	 <u>5000235</u>	~~4732189~~ <u>Jul-12-2016</u>	~~May 5, 2015~~ <u>41</u>
(Add)			<u>5329939</u>	~~4756178~~ <u>Nov-07-2017</u>	~~June 16, 2015~~ <u>41</u>

(Added)		4990491	Jun-28-2016	41
SYLVAN LEARNING CENTER	(Del) ~~SYLVAN LE~~	~~5335718~~ 5335718	~~5335718~~ Nov-14-2017	~~November 14, 2017~~ 41
SYLVAN NATION	(Del) ~~SYLVAN~~	~~4883227~~ 5684034	~~4883227~~ Feb-26-2019	~~January 5, 2016~~ 41
(Add)		(Del) 	~~5087116~~ May-07-2019	~~November 22, 2016~~ 41
(Added)		(Del) 	~~5,142,208~~ Feb-14-2017	~~February 14, 2017~~ 41
(Added)		(Del) ~~ACE~~	~~3392255~~ Nov-22-2016	~~March 4, 2008~~ 41
SYLVAN TUTORING		4883227	Jan-05-2016	41

(Added) 	(Del) ACE IT! 5014723	~~3402237~~ Aug-02-2016	~~March-25, 2008~~ 41
(Added) 	(Del) SYLVA 5014722	~~5088525~~ Aug-02-2016	~~November-22, 2016~~ 41
SYLVANMATHPREP	3805931	Jun-22-2010	41
(Added) 	(Deleted)  3805930	~~5088526~~ Jun-22-2010	~~November-22, 2016~~ 41
SYLVANPREP	5091397	Nov-29-2016	41
SYLVANPREPONLINE	4791096	Aug-11-2015	41
SYLVANSYNC	4756178	Jun-16-2015	09
SYLVANSYNC	4467950	Jan-14-2014	41

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.

USE OF PROPRIETARY MARKS

There are no agreements currently in effect that significantly limit our rights to use or to license the use of the Proprietary Marks in any manner material to the Franchised Business. We are not aware of any superior prior rights or infringing uses that could materially affect your use of the Proprietary Marks in any state. We know of no other agreements currently in effect which significantly limit our rights to use or license the use of ~~these trademarks~~the Proprietary Marks in any manner material to ~~your license~~you.

You must use the Proprietary Marks in full compliance with provisions of the Franchise Agreement and according to the trademark usage guidelines and rules we periodically prescribe. You may not use any Proprietary Mark or any marks of our affiliates as a part of your corporate name or with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos licensed by us to you) and you may not use them to incur any obligation or indebtedness on our behalf. You may not use any name or mark associated with the sale of any unauthorized product or services in any other manner not explicitly authorized in writing by us.

You may use only the Proprietary Marks that we designate, must use them only in the manner that we authorize and permit, and must use them with the symbols, “®,” “™,” or “SM,” as appropriate. You may use the Proprietary Marks only in connection with the operation and promotion of the Franchised Business, and only in the manner we prescribe. You may not contest ownership or validity of the Proprietary Marks or any registration of the Proprietary Marks, or our right to use or to sublicense the use of the Proprietary Marks. You must sign all documents that we require to protect the Proprietary Marks and to maintain their validity and enforceability.

~~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 SylvanSynce 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.~~

INTERNET AND SOCIAL MEDIA USAGE

You may not cause or allow all or any recognizable portion of the Proprietary Marks to be used or displayed as all or part of an e-mail address, Internet domain name, uniform resource locator (“URL”) or meta-tag, or in connection with any Internet home page, website, landing pages, mobile channels, or any other Internet-related activity without our express written consent, and, then, only in a manner and consistent with our procedures, standards and specifications. This prohibition includes use of the Proprietary Marks or any derivative of the Proprietary Marks as part of the registration of any username on any gaming website, personal blogs or social networking website including Facebook, LinkedIn, Yelp, Pinterest, Instagram, TikTok, or X (formerly known as Twitter), or any virtual worlds, file sharing, audio sharing and video-sharing sites. You must comply with our social media and networking policies, which will be provided to you in the Manual and which may be modified, amended, or terminated by us at any time. (Franchise Agreement, Section 13.D.)

You may not independently establish or maintain a web site or other presence on the World Wide Web portion of the Internet, including gaming websites or social networking websites such as Facebook, LinkedIn, Yelp, Pinterest, Instagram, Tik Tok or X (formerly known as Twitter), that reflects any of the Proprietary Marks or any of our copyrighted works, including the term “SYLVAN LEARNING” or “SYLVAN” as part of its URL or domain name, that otherwise states or suggests your affiliation with us or the System, or that uses or displays any collateral merchandise offered at the Franchised Business, without our express written consent, and, then, only in a manner and consistent with our procedures, standards and specifications. We will create all social media accounts related to the Franchised Business and license such accounts to you for use in promoting the Franchised Business while the Franchise Agreement is in effect. (Franchise Agreement, Section 15.G.) Our social media and networking policies will be provided to you in the Manual and may be modified, amended, or terminated by us at any time. (Franchise Agreement, Section 15.D.)

INFRINGEMENT

If there is any infringement of, or challenge to, your use of any name, mark, or symbol, you must immediately notify us, and we may take any action that we deem appropriate, in our sole discretion. The Franchise Agreement does not require us to take affirmative action if notified of the claim. We have the right to control all administrative proceedings or litigation involving your use of the Proprietary Marks. The Franchise Agreement does not require us to participate in your defense or to indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding based on your use of the Proprietary Marks, or if the proceeding is resolved unfavorably to you. We have the right to designate one or more new, modified or replacement Proprietary Marks for your use and to require you to use the new, modified or replacement Proprietary Marks in addition to or in lieu of any previously designated Proprietary Marks. You must comply with the directive, at your expense, within 60 days following your receipt of written notice of the change. These rights arise only under the Franchise Agreement.

ITEM 14: PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

There are no patents or registered copyrights, or pending patent or copyright applications, 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.~~ our training and marketing material, the Manual, advertising, confidential operations content, software, designs, creative works, Web pages, and other works of authorship in any media (“Copyrighted Works”).

~~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~~No agreement limits 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;~~the Copyrighted Works. We do not know of any superior prior rights or infringing uses that could materially affect your use of the Copyrighted Works. We need not protect or defend the Copyrighted Works or take any action if notified of infringement, and you have no obligation to notify us of any infringement. We may take the action we deem appropriate (including no action) and exclusively control any proceeding involving the Copyrighted Works. No agreement requires us to participate in your defense or indemnify you for damages or expenses in a proceeding involving a Copyrighted Work or claims arising from your use of the Copyrighted Works.

~~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.~~

You and your Owners and employees must maintain the confidentiality of all trade secrets, the Standards and all other elements of the System, all customer information, all information contained in the Manual, and any other information that we designate as confidential and as trade secrets (“Confidential Information”). Each of your Owners must sign the Undertaking and Guaranty Agreement attached as Attachment D to the Franchise Agreement and the Confidentiality and Non-Competition Agreement attached as Attachment E to the Franchise Agreement. All of your employees with access to Confidential Information must also sign a confidentiality and non-competition agreement that you must prepare according to the jurisdiction in which your Franchised Business is located.

You must promptly notify us of any apparent infringement of, or challenge to, your use of any of the Copyrighted Works or Confidential Information. We are not required to take affirmative action when notified of a claim, or to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving any of the Copyrighted Works or Confidential Information, or if the proceeding is resolved unfavorably to you, but will take whatever action we determine to be appropriate under the circumstances. We have the right to control all administrative proceedings or

litigation involving the Copyrighted Works and Confidential Information. If we or our affiliate undertakes the defense or prosecution of any litigation pertaining to any of the Copyrighted Works or Confidential Information, you must sign all documents and perform such acts and things as, in the opinion of our legal counsel, may be necessary to carry out the defense or prosecution.

If you or any of your Owners develops any new concept, product, sales technique, or improvement in the operation or promotion of the Franchised Business, you must promptly notify us, and provide to us all necessary related information. By signing the Franchise Agreement, you and each owner permanently and irrevocably assign your respective rights in and to the concept, product, sales technique, or any improvement and permit us to use or disclose the information to our affiliates and other Sylvan Learning franchisees as we determine appropriate, without providing you any compensation.

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.~~ , which is when at least one Owner does not participate in the oversight, decision-making, and strategic direction of the Franchised Business or fails to be regularly present and engaged in its operations. The Franchised Business must be supervised at all times by a person who assumes the responsibilities of general management, and full-time responsibility for daily supervision and operation, of your Franchised Business (the “Designated Manager”). The Designated Manager may be an Owner or a general manager. We highly recommend, but do not require, that your Designated Manager own an equity interest in the Franchisee if the Franchisee is a business entity. If the Designated Manager is not an Owner, then at least one Owner must be actively involved in the business’ daily operations and such Owner cannot delegate ownership responsibilities to the Designated Manager or other employee. This Owner is ultimately responsible for compliance and business performance (including but not limited to compliance with the Franchise Agreement and standards, resourcing the business needs, accountability systems for employees, timely reporting and resolution of issues to avoid escalations to Sylvan), while day-to-day operations can remain with the Designated Manager. The Designated Manager (or an Owner if the Designated Manager does not have ownership interest in the Franchisee) must devote substantial full-time and best efforts, in person on a daily basis, to the supervision, operation, and conduct of the Franchised Business. The Designated Manager and all Owners must sign and deliver to us a Confidentiality and Non-Competition Agreement in the form attached as Attachment E to the Franchise Agreement.

~~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.~~

Your Designated Manager, one Owner, and your general manager (if applicable) must attend and complete to our satisfaction our initial training program and all other training that we require.

If your Designated Manager ceases to serve in, or no longer qualifies for, the position, you must designate another qualified person to serve as your Designated Manager within 30 days. Your proposed replacement Designated Manager must successfully complete the initial training program and sign and deliver to us a Confidentiality and Non-Competition Agreement before assuming Designated Manager responsibilities. Alternatively or in addition, Sylvan may, at its discretion, also require additional staff members to complete Franchisee or Director Certification training.

Neither you nor your Designated Manager may 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 business that competes with Sylvan Learning businesses or any of the products or services they offer. You also may not disclose any information contained in our Manual or other information proprietary to the System. Each Owner (regardless of the limitation of their ownership percentage in the Franchised Business) and Designated Manager must sign a Confidentiality and Non-Competition Agreement substantially in the form of Attachment E to the Franchise Agreement.

Each Owner of the franchise or the franchisee entity must sign an Undertaking and Guaranty substantially in the form of ~~Attachment C~~D to the ~~License~~Franchise Agreement to personally guarantee to us that you will perform all obligations under the ~~License~~Franchise Agreement in a timely manner according to the respective terms of the ~~License~~Franchise 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~~any Person 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 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 ~~business entity~~Person, then the term “Owner” also includes the Owners of that ~~business~~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.

~~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.~~

The franchisee is required to be a business entity formally organized in the state of your choosing. If the Franchise Agreement was signed under the franchisee’s individual capacity, then such individuals are required to execute the then-current form of the assignment and assumption agreement assigning the Franchise Agreement to your business entity within 30 days of the effective date of the Franchise Agreement. Our current template form of the assignment and assumption agreement is included in this disclosure document under Exhibit H.

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~~The Designated Manager may be a Center Director, but ~~you are~~the Designated Manager is not required to be a Director. ~~You are~~The Designated Manager is required to complete the Franchisee Certification curriculum regardless of whether ~~you plan~~he or she plans to act as a Center 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 Center 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~~certification on a Center if the ~~licensee~~franchisee (or, if the ~~licensee~~franchisee 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~~certification on a Center if ~~licensee~~franchisee (or, if ~~licensee~~franchisee 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~~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~~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~~Franchised 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~~Franchised 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~~Franchise 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~~Franchise Agreement, see Item 17.

The minimum staffing requirements and the hours of operation described in the ~~License~~Franchise 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~~Franchised 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.

DEVELOPMENT AGREEMENT

You must appoint a person to serve as the "Designated Principal" who is an Owner of the Developer. The Designated Principal will be responsible for general oversight and management of the development of the Franchised Businesses under the Development Schedule. Once each Franchised Business is open, the Developer or Designated Principal may appoint another to serve as Designated Manager for that Franchised Business. Each Owner and Designated Principal of the Developer must sign an Undertaking and Guaranty substantially in the form of Attachment D to the Development Agreement to personally guarantee to us that you will perform all obligations under the Development Agreement in a timely manner according to the respective terms of the Development Agreement.

ITEM 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

The courses of instruction and services that you may offer in your ~~Licensed~~Franchised Business are limited to (1) the educational programs we license to you pursuant to the ~~License~~Franchise 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~~Franchise Agreement, ~~and~~ You may offer and sell only the products, goods, and services specifically authorized by us in writing, including without limitation ancillary services that we may authorize from time to time. You

may not offer or sell any products, goods, or services not specifically authorized by us in writing. We may, at any time and in our sole and absolute discretion, add, eliminate, or modify authorized products, goods, and services; there are no contractual limitations on ~~this right~~ our rights to make such changes.

~~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.~~

We administer a multi-tier membership program for Sylvan Learning Franchised Businesses ("Membership Program"). You must participate in the Membership Program. In connection with the offer and sale of memberships for the Membership Program at your Franchised Business, you must comply with the Standards for the Membership Program, including Membership Program tiers, pricing and other terms and conditions we may establish periodically. We or our Designated Supplier will administer the Membership Program, and we reserve the right to modify the structure of such Membership Program and benefits of membership at any time upon notice to you. In connection with the sale of each membership, the customer must enter into a membership agreement in the form required by us and pay the applicable Membership Program dues.

We and our affiliates have the right, through the point-of-sale or other technology system components, or otherwise, to independent and unrestricted access to lists of the Franchised Business's members and prospects, including names, addresses and other related information ("Member Information"). We and our affiliates may use Member Information in our and their business activities, but, during the term of the Franchise Agreement, we and our affiliates will not use the Member Information that we or they learn from you or from accessing the point-of-sale or other technology system components to compete directly with the Franchised Business. Upon termination of the Franchise Agreement, we and our affiliates reserve the right to make any and all disclosures to the members of your Franchised Business and use the Member Information in any manner that we or they deem necessary or appropriate.

We reserve, to the fullest extent permitted by then-governing 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 and Membership Program prices, recommending retail and Membership Program prices, advertising specific retail prices for some or all products or services sold through your Franchised 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.

The Franchise Agreement gives you the right to operate a single Sylvan Learning Franchised Business and to offer approved products, goods, and services only at the Approved Location. You may not host or permit third parties to host programs (including after school programs, student "camps" or similar services) at the Approved Location unless we have authorized such services to be offered in advance in writing.

You must participate in and offer to your customers all customer loyalty and reward programs and all contests, sweepstakes, and other prize promotions that we designate. We will provide you the details of each program and promotion, and you must promptly display all point-of-sale advertising and promotion-related information at such places within the Franchised Business premises as we may designate. You must purchase and distribute all coupons, clothing, toys, and other collateral merchandise (and only the coupons, clothing, toys, and collateral merchandise) we designate for use in connection with each such program or promotion.

You may only use marketing and promotional materials that we have approved.

You must focus your marketing activities within your Protected Area. You may engage in direct marketing activities in the Protected Area. 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 our written consent that specifically identifies the additional areas and time frame in which you may market outside of your Protected Area. Except as described in this Item, you are not limited in the type of customers to whom you may sell approved products or services.

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 [franchise](#) agreements attached to this disclosure document.

FRANCHISE AGREEMENT

PROVISION <u>Provisio</u> <u>n</u>	SECTION IN LICENSE AGREEME NT <u>Section in</u> <u>Franchise</u> <u>Agreement</u>	SUMMARY <u>Summary</u>
a. <u>Length</u> ~~Term~~ of the <u>License</u> <u>Agreement</u> <u>franchise</u> <u>term</u>	Section ~~10.12.A.~~	~~Term is~~ 10 years <u>from the effective date of the</u> <u>Franchise Agreement.</u>
b. Renewal or ~~Extension~~ ~~of Term~~ <u>extension</u>	~~Sections 10.2~~ ~~and 10.3~~ <u>Section 2.B.</u>	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~~ <u>Renewal Fee equal to \$6,000 plus</u> <u>reimbursement of our legal and professional expenses.</u>
c. Requirements <u>for</u> <u>franchisee</u> to <u>Renew</u> <u>renew</u> or <u>Extend</u> <u>extend</u>	Section <u>10.22.B.</u>	~~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.~~

PROVISION <u>Provisio</u> <u>n</u>	SECTION IN LICENSE AGREEME NT <u>Section in</u> <u>Franchise</u> <u>Agreement</u>	SUMMARY <u>Summary</u>
		<u>Provide notice; you may not be in default of the Franchise Agreement or any other agreement, including your lease; you must renovate and modernize the Franchised Business premises to conform to our then-current image; you and employees must be in compliance with our then-current training requirements; you must have the right to possess the Franchised Business premises or have secured a substitute location; you and all Owners must execute our then-current form of general release (see Exhibit G), subject to governing law; you must satisfy our standards of financial responsibility; and you may not have a continued pattern of non-compliance as evidenced by repeated failed quality assurance evaluations, regardless of whether you have taken corrective action. If we grant you the right to a successor term, you must sign our then-current form of Franchise Agreement, which may be materially different than the current form and may reflect different royalty fees and advertising obligations.</u>
d. Termination by ~~You~~ <u>franchisee</u>	No provision	Not applicable.
e. Termination by ~~Sylvan—Without Cause~~ <u>franchisor without cause</u>	No provision	Not applicable.
f. Termination by ~~Sylvan—franchisor with cause~~ <u>With Cause</u>	<u>Section 11.1</u> <u>Article 18</u>	~~Sylvan may~~ <u>We can</u> terminate only ~~for cause following incurable material breach or failure to cure a curable if you are in~~ default.
g. “Cause” ~~Defined—Curable Defaults defined – curable defaults~~	Section ~~11.2~~ <u>18.C.</u>	~~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~~

PROVISION <u>Provision</u>	SECTION IN LICENSE AGREEMENT <u>Section in Franchise Agreement</u>	SUMMARY <u>Summary</u>
		~~your Center on time and failure to maintain insurance.~~ <u>We may terminate the Franchise Agreement if: (1) You fail to timely identify a site for the Franchised Business or timely sign the lease, and you fail to cure within seven (7) days after delivery of written notice of default; (2) You passed on an acceptable site and fail to sign a lease for your Primary Center by the lease deadline and you fail to cure within seven (7) days after delivery of written notice of default; (3) You do not obtain or maintain all insurance coverage required, and you fail to cure within five (5) days after delivery of written notice of default; (4) The Designated Manager or Owners of the Franchised Business do not successfully complete initial training, in our sole judgment, and you fail to cure within ten (10) days after delivery of written notice of default; (5) You fail to timely commence construction of your Franchised Business and fail to cure within 30 days after delivery of written notice of default; (6) You fail to timely commence operation of your Franchised Business by the opening deadline and fail to cure within 15 days after delivery of written notice of default; (7) You or your affiliate fails to pay any monies owed to Franchisor or its affiliates, or your trade creditors when due and fail to cure within ten (10) days after delivery of written notice of default; (8) You misuse the Proprietary Marks or the intellectual property and fail to correct the misuse within five (5) days after delivery of written notice of default; (9) You infringe on the rights of third-parties and fail to cure immediately after Franchisor's written or verbal notice, depending on the severity of such infringement; (10) The Franchised Business is cited for violation of health, sanitation, or safety laws or regulations, and fails to cure the violation within five (5) days after the date the citation is issued; (11) You purchase or use items for which Franchisor has identified approved suppliers from an unapproved source and fail to cure within the cure period specified in writing by Franchisor; (12) You purchase, use, or sell items not approved by the Franchisor and fail to cure within the cure period specified in writing by</u>

PROVISION <u>Provisio</u> <u>n</u>	SECTION IN LICENSE AGREEME NT <u>Section in</u> <u>Franchise</u> <u>Agreement</u>	SUMMARY <u>Summary</u>
		Franchisor; (13) <u>You refuse to permit Franchisor to inspect the Franchised Business premises, or the books, records, or accounts of Franchisee and failed to cure upon Franchisor’s demand;</u> (14) <u>You fail to operate the Franchised Business during such days and hours specified in the Manuals and fail to cure upon Franchisor’s demand;</u> (15) <u>You are not in compliance with federal, state, or local laws, including but not limited to employment, environmental, occupancy, or other laws that affect the day-to-day operations of your Franchised Business and fail to cure upon Franchisor’s demand;</u> (16) <u>You fail to produce within ten (10) calendar days books, records, federal, state, and local tax returns, sales tax returns, and such other forms, reports, information, and data that Franchisor requests for an audit and do not cure such default within five (5) calendar days;</u> (17) <u>You offer any unapproved programs without first completing the program-specific training, obtaining the required supplies, or otherwise complying with Franchisor’s requirements for offering such programs and do not cure such default upon Franchisor’s demand. This includes, but is not limited to, Sylvan Edge and ACE IT! programs;</u> (18) <u>You fail to appropriately appoint an Owner or Designated Manager or such individuals and do not operate the Franchised Business pursuant to their best efforts or on a full-time basis, and you fail to cure such default upon Franchisor’s demand; or</u> (19) <u>You fail to comply with any provision of this Agreement and fail to take appropriate corrective action within 30 days after delivery of Franchisor’s written notice of a default.</u>
h. “Cause” ~~Defined—~~ ~~Incurable~~ ~~Defaults~~ <u>defined – non-</u> <u>curable defaults</u>	Section 11.3 <u>Sections</u> 18.A. and 18.B.	~~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~~

PROVISION <u>Provisio</u> <u>n</u>	SECTION IN LICENSE AGREEME NT <u>Section in</u> <u>Franchise</u> <u>Agreement</u>	SUMMARY <u>Summary</u>
		~~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.~~ <u>The Franchise Agreement will terminate automatically without notice and without an opportunity to cure upon the happening of certain bankruptcy or insolvency-related events, or upon foreclosure or lien against the assets of the Franchised Business, subject to governing law.</u> <u>We may terminate the Franchise Agreement without providing you an opportunity for the following:</u> <u>(1) Your abandonment of the Franchised Business (for purposes of this provision “abandonment” will be deemed to occur if you fail to operate the Franchised Business on three or more consecutive days or if you otherwise convey an intention to close the Franchised Business), or lose the right to possess the premises for the Primary Center; (2) Your lease for the Primary Center expires or terminates for any reason or you otherwise lose the right to occupy the premises of the Primary Center; (3) The making of any false or materially misleading representations in your franchise application or during the franchise application process; (4) You or any of your Owners or affiliates is or has been held liable for or convicted by a court of law, pleads or has pleaded no contest to, a felony, indictable offense or other unlawful act, engages in any dishonest or unethical conduct or otherwise engages in any conduct which Franchisor believes will materially and adversely affect the reputation of the Brand, SYLVAN LEARNING franchise system, any other Sylvan Learning business, or the goodwill associated with the Proprietary Marks; (5) Violation of any governing law or revocation or suspension of any necessary license or certification, in whole or in part; (6) Violation of any confidentiality or non-compete obligations, by you or any Owner; (7) The Franchised Business fails two (2) consecutive quality assurance inspections during any rolling 12-</u>

PROVISION <u>Provisio</u> <u>n</u>	SECTION IN LICENSE AGREEME NT <u>Section in</u> <u>Franchise</u> <u>Agreement</u>	SUMMARY <u>Summary</u>
		month period or fails three (3) quality assurance inspections during any rolling 24-month period; (8) <u>You knowingly maintain false books or records or submit any false reports or statements to Franchisor;</u> (9) <u>Termination for cause of any agreement between Franchisor and you or your affiliate, including but not limited to any Franchise Agreement or Development Agreement;</u> (10) <u>Delivery of three (3) or more notices of default during any rolling 24-month period, whether or not the event(s) of default described in such notices ultimately are cured;</u> (11) <u>Transfer or attempted transfer in violation of the Franchise Agreement;</u> (12) <u>If an imminent threat or danger to public health or safety results from the operation of the Franchised Business;</u> (13) <u>Failure to follow Franchisor's instructions or protocol upon a Crisis Management Event;</u> (14) <u>Utilizing unapproved non-cash payment systems in the Franchised Business;</u> (15) <u>Accepting or processing non-U.S. currency for products and services offered by the Franchised Business, including but not limited to cryptocurrency; or</u> (16) <u>If franchisee breaches any material provision of the Franchise Agreement which breach is not susceptible to cure.</u>
Your Post-Termination Obligationsi. <u>Franchisee's obligations on termination/non-renewal</u>	Section 12 <u>Article 19</u>	~~Obligations~~<u>Under the Franchise Agreement, obligations include </u>~~complete de-identification with Sylvan,~~<u> 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).</u> <u>owed to us (including without limitation a lump sum payment of liquidated damages, described in Item 6), ceasing to hold yourself out as a franchisee or former franchisee; ceasing operating the Franchised Business; cancelling any assumed or fictitious names containing the Proprietary Marks; surrendering the Manual and all other confidential information in your possession to us; transferring the Franchised Business' telephone</u>

PROVISION <u>Provisio n</u>	SECTION IN LICENSE AGREEME NT <u>Section in Franchise Agreement</u>	SUMMARY <u>Summary</u>
		<u>number to us; at our option, assigning us your interest in the lease for the Franchised Business premises; sell to us any of the Franchised Business' assets we elect to purchase; notify members of the closure of your Franchised Business using our then-current form of notice and offering those members the option to terminate their membership and receive a pro rata refund; and comply with post term obligations (also see r., below).</u>
j. Assignment of ~~Contract~~ <u>contract</u> by ~~Sylvan~~ <u>franchisor</u>	Section ~~9.1~~ <u>17.A.</u>	~~Sylvan may transfer its~~ <u>No restriction on our right to assign our interest to any party that agrees to assume its obligations under the License in the Franchise Agreement or to transfer any of our assets.</u>
k. <u>"Transfer"</u> by ~~You~~ <u>franchisee – defined</u>	Section ~~9.2~~ <u>17.B.</u>	~~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% transfer of Franchise Agreement, transfer of the assets of the Franchised Business, and ownership changes.~~
l. <u>Franchisor approval</u> ~~Sylvan's Approval of Transfers~~ <u>transfer by franchisee</u>	Section ~~9.3~~ <u>17.B.</u>	~~Sylvan must give its prior written approval of~~ <u>We have the right to approve</u> all transfers. ~~Sylvan but~~ will not unreasonably withhold ~~its~~ approval.
m. Conditions for ~~Sylvan's Approval~~ <u>franchisor approval</u> of ~~Transfer~~ <u>transfer</u>	Section ~~9.3~~ <u>17.B.</u>	~~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~~ <u>We may condition approval on satisfaction of the following: all monetary obligations must be satisfied; you must be in full compliance with the Franchise Agreement and all other agreements; you and each owner must sign a then-current general release; the transferee must meet</u>

PROVISION <u>Provisio n</u>	SECTION IN LICENSE AGREEME NT <u>Section in Franchise Agreement</u>	SUMMARY <u>Summary</u>
		our Standards for new franchisees; the transferee must sign our then-current form of Franchise Agreement for the remainder of the franchise term left on your agreement; the transferee must agree to refurbish the Franchised Business premises; you must agree to remain liable for all pre-transfer obligations; the transferee must comply with our then-current ~~resale program~~ <u>training</u> requirements, ~~execute a then-current resale program agreement, and pay the then-current resale program fee;~~ you must use our Designated Supplier to conduct inspections of the Franchised Business premises before the transfer; the economic terms of the transfer may not, in our opinion, materially and adversely affect the post transfer viability of the Franchised Business.
<u>n. Franchisor's right of first refusal to acquire franchisee's business</u>	<u>Section 17.G.</u>	<u>We may match any bona fide offer to purchase your business.</u>
<u>o. Franchisor's option to purchase franchisee's business</u>	<u>Section 19.B.</u>	<u>We may assume your lease and purchase the assets of your business upon expiration or termination of the Franchise Agreement.</u>
<u>p. Death or disability of franchisee</u>	<u>Section 17.H.</u>	<u>Transfer of interest to his or her spouse or third party within six months of death or incapacity, subject to our approval and right of first refusal.</u>
<u>q. Non-competition covenants during the term of the franchise</u>	<u>Article 14</u>	<u>Neither you nor any owner may be involved in any Competitive Business anywhere within the United States, its territories or commonwealths, or any other country, province, state, or geographic area in which Franchisor or its affiliates have used, sought registration of, or registered the Proprietary Marks or similar marks.</u> <u>A Competitive Business means any business or enterprise that is the same or similar to Sylvan Learning businesses, including without limitation any business or enterprise, franchised and non-franchised, that operates or grants franchises or licenses for the operation of businesses specializing in supplemental education tutoring services, grades K-12 learning curriculum, personalized instruction and assessments, test preparation support, academic enrichment programs, and related services and products for children.</u>

PROVISION <u>Provisio</u> <u>n</u>	SECTION IN LICENSE AGREEME NT <u>Section in</u> <u>Franchise</u> <u>Agreement</u>	SUMMARY <u>Summary</u>
<u>r. Non-competition covenants after the franchise is terminated or expires</u>	<u>Article 14</u>	<u>For a two (2) year period following termination or expiration of the franchise, neither you nor any Owner may be involved in any Competitive Business located (1) at the former Franchised Business location, (2) within the former Protected Area, or (3) within a 25-mile radius of any other Sylvan Learning business.</u>
<u>s. Modification of the agreement</u>	<u>Section 22.B.</u>	<u>The Franchise Agreement may be modified only by a written document signed by both parties.</u>
<u>t. Integration/ merger clause</u>	<u>Section 22.A.</u>	<u>Only the terms of the Franchise Agreement are binding (subject to state law). Any other promises or statements may not be enforceable. No claim made in the Franchise Agreement is intended to disclaim the express representations made in this disclosure document.</u>
<u>u. Dispute resolution by arbitration or mediation</u>	<u>Section 23.G.</u>	<u>Except for certain claims, all disputes must be arbitrated in Texas. Subject to state law.</u>
<u>v. Choice of forum</u>	<u>Section 23.G.(4)</u>	<u>Litigation must be instituted and maintained in the state or federal courts serving the district in which we maintain our principal headquarter at the time litigation is initiated (currently Tarrant County, Texas) (subject to governing state law).</u>
<u>w. Choice of law</u>	<u>Section 23.A.</u>	<u>Texas law applies (subject to governing state law).</u>

DEVELOPMENT AGREEMENT

<u>Provision</u>	<u>Section in Development Agreement</u>	<u>Summary</u>
<u>a. Length of the franchise term</u>	<u>Section 2.A.</u>	<u>Unless sooner terminated, the term will commence on the effective date of the Development Agreement and will expire on the earlier of (i) the date you execute the final Franchise Agreement in accordance with the Development Schedule; or (ii) the expiration date set forth on the summary page of the Development Agreement.</u>
<u>b. Renewal or extension</u>	<u>No provision</u>	<u>Not applicable</u>
<u>c. Requirement for Developer to renew or extend</u>	<u>No provision</u>	<u>Not applicable</u>
<u>d. Termination by Developer</u>	<u>No provision</u>	<u>Not applicable.</u>
<u>e. Termination by</u>	<u>No provision</u>	<u>Not applicable.</u>

<u>Provision</u>	<u>Section in Development Agreement</u>	<u>Summary</u>
<u>franchisor without cause</u>		
f. <u>Termination by franchisor with cause</u>	<u>Article 9</u>	<u>Franchisor can only terminate if Developer is in default.</u>
g. <u>“Cause” defined – curable defaults</u>	<u>Sections 9.3. and 9.4.</u>	<u>Developer shall have 10 days to cure the following upon Franchisor’s written notice: (a) failure to obtain or maintain required insurance coverage at the Franchised Business; (b) failure to pay any amounts due to Franchisor; (c) failure to pay any amounts due to your trade creditors (unless such amount is subject to a bona fide dispute); (d) failure to pay any amounts for which Franchisor has advanced funds for or on your behalf, or upon which Franchisor is acting as guarantor of your obligations; (e) misappropriate, misuse, or otherwise utilize the Marks and Confidential Information in a way not authorized by Franchisor; and (f) if an approved transfer is not effected within the designated time frame following a death or permanent incapacity (mental or physical). Developer shall have 30 days to cure any other curable defaults upon delivery of Franchisor’s written notice.</u>
h. <u>“Cause” defined – non-curable defaults</u>	<u>Sylvan’s Right of First Refusal to Acquire Business</u> <u>Section 9.6 Sections 9.1. and 9.2.</u>	<u>The Development Agreement will terminate automatically without notice and without an opportunity to cure upon the happening of certain bankruptcy or insolvency-related events, or upon foreclosure or lien against the assets of the Developer.</u> ~~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).~~ <u>We may terminate the Franchise Agreement without providing you an opportunity to cure if (a) you fail to meet the Development Schedule; (b) you or any Owner is convicted of, or pleads no contest to, a felony, a crime involving moral turpitude, or any other crime or offense that Franchisor believes is reasonably likely to have an adverse effect on the System; (c) there is any transfer or attempted transfer in violation of the Development Agreement; (d) you or any Owner fails to comply with the confidentiality or non-compete covenants; (e) you or any Owner has made any material misrepresentations in</u>

<u>Provision</u>	<u>Section in Development Agreement</u>	<u>Summary</u>
		<u>connection with your developer application; or (f) Franchisor delivers to you three (3) or more written notices of default within any rolling 12-month period, whether or not the defaults described in such notices ultimately are cured.</u>
i. <u>Developer's obligations on termination/ ~~or non-renewal~~</u>	<u>Sylvan's Option to Purchase Business</u> <u>Not applicable</u> <u>Section 9.7.</u>	<u>Developer shall have no right to establish or operate any Sylvan Learning business for which a Franchise Agreement has not been executed by Franchisor at the time of termination or expiration. Our remedies for Developer's breach will include Developer's loss of its right to develop additional Sylvan Learning businesses and our retention of all development fees paid or owed by Developer. Upon termination or expiration, we will be entitled to establish, and to franchise others to establish Sylvan Learning locations in the Development Area, except as may be otherwise provided under any franchise agreement which has been executed between Franchisor and Developer or Developer's affiliates. In addition, if the Development Agreement is terminated due to a breach by you, you will be required to pay us liquidated damages for breach of that agreement.</u>
j. <u>Assignment of contract by franchisor</u>	<u>Section 8.1.</u>	<u>No restriction on our right to assign our interest in the Development Agreement or to transfer any of our assets.</u>
k. <u>"Transfer" by Developer – defined</u>	<u>Sections 8.2., 8.3., and 8.4.</u>	<u>Includes transfer of the Development Agreement, ownership changes, and transfer to an entity.</u>
l. <u>Franchisor approval of transfer by Developer</u>	<u>Sections 8.3. and 8.4.</u>	<u>We have the right to approve all transfers but will not unreasonably withhold approval.</u>
m. <u>Conditions for franchisor approval of transfer</u>	<u>Sections 8.3. and 8.4.</u>	<u>We may condition approval on satisfaction of the following: all monetary obligations must be satisfied; you have obtained our prior written consent and deliver the proposed transfer agreements to us; you must be in full compliance with the Development Agreement and all other agreements; you and each Owner must sign a general release (see Exhibit G); the transferee must meet our Standards for new developers; the transferee must sign our then-current form of Development Agreement for the remainder of the term left on your Development Agreement; the transferee must comply with our then-current training requirements; you must satisfy all of your accrued monetary obligations to us; you must pay us the corresponding Transfer Fee; you and the transferee must execute the consent to transfer agreement in the form we</u>

<u>Provision</u>	<u>Section in Development Agreement</u>	<u>Summary</u>
		<u>require; transferee and its Owners must sign our form of the Undertaking and Guaranty; and, if applicable, pay any fees related to any resale program that Franchisor maintains.</u>
n. <u>Franchisor's right of first refusal to acquire Developer's business</u>	<u>No provision</u>	<u>Not applicable.</u>
o. <u>Franchisor's option to purchase Developer's business</u>	<u>No provision</u>	<u>Not applicable.</u>
p. <u>Death or disability of Developer</u>	<u>Your Death or Disability</u> Section <u>9.58.9.</u>	Upon ~~the~~ death or <u>permanent</u> 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~~ <u>(mental or physical)</u> of the Developer or any Owner, the executor, administrator, or personal representative shall transfer such interest to a third party approved by Franchisor within six (6) months after such death or mental incapacity. In the case of transfer by devise or inheritance, if the heirs or beneficiaries of any such person are unable to meet Franchisor's requirements, the executor, administrator, or personal representative of the decedent may transfer the decedent's interest to another party approved by Franchisor within six (6) months. If the interest is not disposed of within such period, Franchisor may, at its option, terminate the Development Agreement.
q. <u>Non-competition covenants during the term of the franchise</u>	<u>Non-Competition Covenants—During Term</u> Section <u>12.5.16.2.</u>	<u>Neither you nor any owner may be involved in any Competitive Business.</u> ~~No involvement in any educational business by you or, if you are a corporation, by your shareholders.~~ <u>A Competitive Business means any business or enterprise that is the same or similar to Sylvan Learning businesses, including without limitation any business or enterprise, franchised and non-franchised, that operates or grants franchises or licenses for the operation of businesses specializing in supplemental education tutoring services, grades K-12 learning curriculum, personalized instruction and assessments, test preparation support,</u>

<u>Provision</u>	<u>Section in Development Agreement</u>	<u>Summary</u>
		<u>academic enrichment programs, and related services and products for children.</u>
r. <u>Non-competition covenants after the franchise is terminated or expires</u>	~~Non-Competition Covenants—Post-Termination~~ Section ~~12.5.26.3.~~	~~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~~ <u>For a two (2) year period following termination or expiration of the franchise, neither you nor any owner may be involved in any Competitive Business located (1) within the Development Area (other than the Franchised Businesses already open pursuant to the Development Schedule), or (2) within a 25-mile radius of any other Sylvan Learning business.</u>
s. <u>Modification of the agreement</u>	~~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~~ Section ~~13.1.~~	~~No amendments or modifications to License Agreement except by mutual writing. Sylvan standards, policies, and Confidential Manual subject to change.~~ <u>The Franchise Agreement may be modified only by a written document signed by both parties.</u>
t. <u>Integration/merger clause</u>	~~Integration/Merger~~ Section ~~30.913.1.~~	~~Only the terms of the License Agreement are binding and its Attachments constitute the full and final agreement~~ <u>The Development Agreement and its Attachments constitute the full and final agreement</u> (subject to state law). Any ~~representations or other~~ promises ~~made outside of the disclosure document and License Agreement or statements~~ may not be enforceable. <u>No claim made in the Development Agreement is intended to disclaim the express representations made in this disclosure document.</u>
u. <u>Dispute resolution by arbitration or mediation</u>	~~Dispute Resolution~~ Sections ~~7.9.4, 2311.2. and 11.3.~~	Except for certain claims, ~~all disputes must arbitrated in Texas unless contrary to applicable law and you must first mediate, and if unsuccessful, arbitrate all disputes within a five (5) mile radius of Franchisor's principal headquarters at the time arbitration is initiated (subject to governing state law).~~
v. <u>Choice of forum</u>	~~Choice of Forum~~ Section ~~2411.4.~~	~~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~~ <u>Litigation must be instituted and maintained in the state or federal courts serving the district in which we maintain our principal headquarters at the time litigation is initiated (currently Tarrant County, Texas) (subject to governing state law).</u>
w. <u>Choice of law</u>	~~Choice of Law~~ Section	~~Under the License Agreement, Texas law applies. This provision is~~ (subject to <u>governing state law</u>).

<u>Provision</u>	<u>Section in Development Agreement</u>	<u>Summary</u>
	~~24~~ <u>11.1.</u>	

Our right to terminate your ~~License~~Franchise 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 (3) 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~~ The Tables below sets forth certain historic performance information for United States franchised territories that operated continuously throughout the 12 calendar months of 2024 pursuant to a Sylvan Learning Franchise Agreement. As of December 31, 2023~~2024~~, Sylvan had ~~421 licensed~~478 franchised territories in the United States, ~~including a~~ A total of ~~459~~457 Centers, ~~which provided revenue reports to us and 22 Centers provided incomplete data.~~ Of these, ~~307 licensed~~438 franchised territories operated continuously during the ~~24~~12 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~~2024. This Item 19 also does not include ~~revenue~~Gross Sales from any territories that closed or opened during ~~2022 or 2023~~2024, and therefore were not open for the full ~~24~~12 months of ~~2022 and 2023.~~ See Item 20 for openings, closings, and other unit changes during each of 2021, 2022, and 2023.

~~2024. 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. The financial performance of company-owned territories is not included.~~

Table 1: ~~2023 Sylvan Territory~~2024 Franchisee Gross ~~Revenues~~Sales¹ by Quartile

=	<u>Top Quartile Gross Sales</u>	<u># of Units</u>	=	<u>2nd Quartile Gross Sales</u>	<u># of Units</u>
<u>High</u>	<u>\$2,991,644</u>	<u>110</u>	<u>High</u>	<u>\$460,321</u>	<u>110</u>
<u>Low</u>	<u>\$473,647</u>		<u>Low</u>	<u>\$291,797</u>	

<u>Avg.</u>	<u>\$810,698</u>		<u>Avg.</u>	<u>\$366,443</u>	
<u>Median</u>	<u>\$619,018</u>		<u>Median</u>	<u>\$375,138</u>	
<u>No Above Avg.</u>	<u>27</u>		<u>No Above Avg.</u>	<u>57</u>	
<u>% Above Avg.</u>	<u>25%</u>		<u>% Above Avg.</u>	<u>52%</u>	
	<u>3rd Quartile Gross Sales</u>	<u># of Units</u>		<u>4th Quartile Gross Sales</u>	<u># of Units</u>
<u>High</u>	<u>\$289,587</u>	<u>109</u>	<u>High</u>	<u>\$189,428</u>	<u>109</u>
<u>Low</u>	<u>\$190,681</u>		<u>Low</u>	<u>\$18,054</u>	
<u>Avg.</u>	<u>\$240,305</u>		<u>Avg.</u>	<u>\$123,299</u>	
<u>Median</u>	<u>\$246,742</u>		<u>Median</u>	<u>\$124,566</u>	
<u>No Above Avg.</u>	<u>64</u>		<u>No Above Avg.</u>	<u>57</u>	
<u>% Above Avg.</u>	<u>59%</u>		<u>% Above Avg.</u>	<u>52%</u>	

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.

Table 2: 2024 – Top 10 and Bottom 20 Franchisee Gross Sales¹

Top 25% of Territories by Gross RevenueSales	Mid-Upper 25% of Territories by Gross RevenueSales	Mid-Lower 25% of Territories by Gross RevenueSales	Bottom 25% of Territories by Gross RevenueSales
Category Average Gross Revenues			
~~\$815,079~~ ⁻¹	~~\$432,048~~ ⁻²	~~\$293,283~~ ⁻³	~~\$169,133~~ ⁻⁴
Category Median Gross Revenues			
~~\$688,803~~ ⁻⁵	~~\$433,156~~ ⁻⁶	~~\$294,502~~ ⁻⁷	~~\$179,103~~ ⁻⁸
Gross ReceiptsSales of the Top 10 Territories in Each Quartile			
~~\$2,286,964~~ <u>2,991,644.18</u>	~~\$523,730~~ <u>460,321.21</u>	~~\$339,622~~ <u>289,587.32</u>	~~\$240,172~~ <u>189,427.83</u>
~~\$1,609,142~~ <u>2,607,682.54</u>	~~\$522,473~~ <u>453,488.84</u>	~~\$338,812~~ <u>288,468.52</u>	~~\$238,881~~ <u>188,727.41</u>
~~\$1,598,190~~ <u>2,307,409.09</u>	~~\$515,234~~ <u>447,797.41</u>	~~\$336,716~~ <u>288,358.30</u>	~~\$238,777~~ <u>188,000.56</u>
~~\$1,491,633~~ <u>2,270,109.38</u>	~~\$512,973~~ <u>447,616.33</u>	~~\$336,585~~ <u>287,321.23</u>	~~\$237,653~~ <u>187,865.89</u>
~~\$1,483,158~~ <u>2,064,191.73</u>	~~\$511,493~~ <u>439,718.12</u>	~~\$336,553~~ <u>287,236.58</u>	~~\$236,509~~ <u>187,639.03</u>
~~\$1,439,560~~ <u>2,025,481.00</u>	~~\$511,152~~ <u>439,530.04</u>	~~\$333,031~~ <u>284,471.87</u>	~~\$236,411~~ <u>187,043.17</u>
~~\$1,393,252~~ <u>2,018,335.67</u>	~~\$511,071~~ <u>437,889.59</u>	~~\$331,516~~ <u>284,254.32</u>	~~\$234,926~~ <u>186,848.20</u>
~~\$1,383,225~~ <u>1,948,406.42</u>	~~\$508,481~~ <u>436,469.00</u>	~~\$329,172~~ <u>279,808.85</u>	~~\$233,694~~ <u>186,847.00</u>
~~\$1,344,690~~ <u>1,585,773.80</u>	~~\$506,097~~ <u>434,599.65</u>	~~\$329,066~~ <u>279,545.64</u>	~~\$225,008~~ <u>186,451.25</u>
~~\$1,227,392~~ <u>1,561,945.91</u>	~~\$505,256~~ <u>431,702.02</u>	~~\$327,326~~ <u>278,611.18</u>	~~\$224,877~~ <u>183,748.22</u>
Gross Receipts of the Bottom 10 Territories in Each Quartile			
Gross Sales of the Bottom 10 Territories in Each Quartile			
~~\$545,006~~ <u>495,988.99</u>	~~\$367,505~~ <u>300,695.65</u>	~~\$256,838~~ <u>196,457.18</u>	~~\$114,566~~ <u>59,151.76</u>
~~\$543,258~~ <u>493,779.49</u>	~~\$364,885~~ <u>300,183.93</u>	~~\$253,245~~ <u>196,215.99</u>	~~\$113,326~~ <u>57,167.24</u>
~~\$541,544~~ <u>493,098.23</u>	~~\$363,940~~ <u>299,421.06</u>	~~\$251,231~~ <u>195,638.94</u>	~~\$111,405~~ <u>54,054.87</u>
~~\$541,458~~ <u>493,023.13</u>	~~\$362,043~~ <u>298,214.48</u>	~~\$248,146~~ <u>195,507.20</u>	~~\$90,212~~ <u>47,090.86</u>

~~\$541,337~~ 490,371.60	~~\$361,375~~ 297,127.78	~~\$246,754~~ 194,838.48	~~\$90,002~~ 44,438.00
~~\$538,999~~ 489,845.24	~~\$357,993~~ 294,794.84	~~\$245,378~~ 194,477.52	~~\$82,722~~ 32,232.87
~~\$536,997~~ 485,489.62	~~\$347,019~~ 294,408.08	~~\$243,548~~ 191,884.99	~~\$54,516~~ 29,083.83
~~\$532,641~~ 482,033.06	~~\$344,397~~ 294,065.34	~~\$243,316~~ 191,859.32	~~\$49,942~~ 28,842.45
~~\$528,215~~ 478,561.05	~~\$341,833~~ 292,332.44	~~\$242,759~~ 190,802.74	~~\$42,721~~ 22,320.66
~~\$527,644~~ 473,647.09	~~\$341,766~~ 291,797.43	~~\$240,325~~ 190,680.83	~~\$40,616~~ 18,054.00

Notes to ~~Table~~Tables:

Note 1. “Gross Sales” as defined here and in Item 6 means the dollar aggregate of: (1) the sales price of all products, services, membership fees, merchandise and other items sold, and the charges for all services you perform, whether made for cash, on credit or otherwise, without reserve or deduction for inability or failure to collect, including sales and services (A) originating at the Franchised Business premises even if delivery or performance is made offsite from the Franchised Business premises, (B) placed by mail, facsimile, telephone, the Internet and similar means if received or filled at or from the Franchised Business premises, and (C) that you in the normal and customary course of your operations would credit or attribute to the operation of the Franchised Business; and (2) all monies, trade value or other things of value that you receive from Franchised Business operations at, in, or from the Franchised Business premises that are not expressly excluded from Gross Sales, including but not limited to the redemption of approved gift cards/certificates, stored value cards, and loyalty program benefits (the initial sales or reloading of gift cards shall not be included in the calculation of Gross Sales) pursuant to the Customer Card Programs. Gross Sales does not include: (1) the exchange of merchandise between Franchised Businesses (if you operate multiple franchises) if the exchanges are made solely for the convenient operation of your business and not for the purpose of depriving us of the benefit of a sale that otherwise would have been made at, in, on or from the Franchised Business premises; (2) returns to shippers, vendors, or manufacturers; (3) sales of fixtures or furniture after being used in the conduct of the Franchised Business; (4) the sale of gift certificates and stored value cards (the redemption value will be included in Gross Sales at the time of redemption); (5) insurance proceeds; (6) sales to employees at a discount (provided such discounts will not exceed 1.5% of Gross Sales during any reporting period); (7) cash or credit refunds for transactions included within Gross Sales (limited, however, to the selling price of merchandise returned by the purchaser and accepted by you); (8) the amount of any city, county, state or federal sales, luxury or excise tax on such sales that is both (A) added to the selling price or absorbed therein and (B) paid to the taxing authority; (9) tips and gratuities; (10) Gross Sales earned through an Affiliated Brand franchise operated at the Franchised Business premises, so long as such Gross Sales constitute gross sales (or equivalent) subject to a royalty fee and other fees under such Affiliated Brand’s franchise agreement; and (11) rent or other consideration paid by an Affiliated Brand franchise for occupying the Franchised Business’ premises. A purchase returned to the Franchised Business may not be deducted from Gross Sales unless the purchase was previously included in Gross Sales.

Note 2. Not all franchisees delivered the ACE IT! Program, which is optional although it is included in the Sylvan franchise opportunity. However, the revenue from ACE IT! Programs offered are included in Gross Sales figures represented in Tables 1 and 2.

Note 3. Some franchisees operated Additional Centers or Satellites in the territory as part of their Franchised Business during this period. Additional Centers and Satellites are optional.

Our management prepared this financial performance representation based on Gross Sales submitted to us by franchisees in accordance with regular reporting requirements pursuant to the applicable Sylvan Learning Franchise Agreements. We cannot verify the accuracy or completeness of the data supplied by the franchisees.

This financial performance representation was prepared without an audit. Prospective franchisees or sellers of franchises should be advised that no certified public accountant has audited these figures or expressed his/her opinion with regard to their contents or form. You should consult with your tax and accounting advisors regarding the effect, if any, of existing and proposed tax legislation and accounting pronouncements related to this information.

Written substantiation for this financial performance representation will be made available to you upon reasonable request. Please carefully read all of the information in these financial performance representations, and the notes following the charts, in conjunction with your review of the historical data.

- ~~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~~[Barker, Senior Vice President, Franchise Recruitment, Unleashed Services, LLC, 2350](#) Airport Freeway, Suite 505, Bedford, ~~TX~~[Texas](#) 76022, [877.203.2192](#) or by email at franchising@unleashedbrands.com, 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~~[2022](#) to ~~2023~~[2024](#)

Outlet Type	Year	Outlets Operating at the Start of the Year	Outlets Operating at the End of the Year	Net Change
Franchise	~~2021~~	466	474	+8

<u>Franchise</u>	2022	~~474~~ <u>475</u>	~~468~~ <u>469</u>	-6
	2023	~~468~~ <u>469</u>	~~474~~ <u>473</u>	~~+6~~ <u>+4</u>
~~Corporate~~	~~2021~~ <u>2024</u>	~~6~~ <u>473</u>	~~6~~ <u>478</u>	~~0~~ <u>+5</u>
<u>Corporate</u>	2022	6	5	-1
	2023	5	5	0
~~Total~~	~~2021~~ <u>2024</u>	~~472~~ <u>5</u>	~~480~~ <u>0</u>	~~+8~~ <u>-5</u>
<u>Total</u>	2022	~~480~~ <u>481</u>	~~473~~ <u>474</u>	-7
	2023	~~473~~ <u>474</u>	~~479~~ <u>478</u>	~~+6~~ <u>+4</u>
	<u>2024</u>	<u>478</u>	<u>478</u>	<u>0</u>

Table No. 2

**Transfers of Outlets from Franchisees to New Owners (Other than the Franchisor)
For Years ~~2021~~2022 to ~~2023~~2024**

State	Year	Number of Transfers
Alabama	~~2021~~ <u>2022</u>	0
	<u>2023</u>	<u>4</u>
	<u>2024</u>	<u>0</u>
<u>Arizona</u>	2022	0
	2023	~~4~~ <u>1</u>
~~Arizona~~	~~2021~~ <u>2024</u>	0
<u>California</u>	2022	~~0~~ <u>3</u>
	2023	~~1~~ <u>5</u>
~~California~~	~~2021~~ <u>2024</u>	~~5~~ <u>2</u>
<u>Colorado</u>	2022	~~3~~ <u>2</u>
	2023	~~5~~ <u>1</u>
~~Colorado~~	~~2021~~ <u>2024</u>	~~0~~ <u>1</u>
<u>Florida</u>	2022	~~2~~ <u>1</u>
	2023	~~1~~ <u>6</u>
~~Florida~~	~~2021~~ <u>2024</u>	~~3~~ <u>4</u>
<u>Illinois</u>	2022	~~1~~ <u>0</u>
	2023	~~6~~ <u>2</u>
~~Georgia~~	~~2021~~ <u>2024</u>	~~1~~ <u>0</u>
<u>Kansas</u>	2022	0
	2023	0
~~Illinois~~	~~2021~~ <u>2024</u>	~~0~~ <u>2</u>
<u>Louisiana</u>	2022	0

State	Year	Number of Transfers
	2023	~~2~~ <u>0</u>
~~Kansas~~	~~2021~~ <u>2024</u>	~~5~~ <u>1</u>
<u>Massachusetts</u>	2022	0
	2023	~~0~~ <u>2</u>
~~Massachusetts~~	~~2021~~ <u>2024</u>	0
<u>Michigan</u>	2022	0
	2023	~~2~~ <u>4</u>
~~Michigan~~	~~2021~~ <u>2024</u>	~~4~~ <u>5</u>
<u>Minnesota</u>	2022	0
	2023	~~4~~ <u>0</u>
~~Mississippi~~	~~2021~~ <u>2024</u>	~~1~~ <u>8</u>
<u>Nebraska</u>	2022	0
	2023	0
~~New Hampshire~~	~~2021~~ <u>2024</u>	~~0~~ <u>4</u>
<u>New Hampshire</u>	2022	0
	2023	2
~~New Jersey~~	~~2021~~ <u>2024</u>	0
<u>New Jersey</u>	2022	1
	2023	0
~~New Mexico~~	~~2021~~ <u>2024</u>	0
<u>New Mexico</u>	2022	0
	2023	2
~~New York~~	~~2021~~ <u>2024</u>	0
<u>New York</u>	2022	0
	2023	2
~~North Carolina~~	~~2021~~ <u>2024</u>	~~0~~ <u>1</u>
<u>North Carolina</u>	2022	1
	2023	1
~~Ohio~~	~~2021~~ <u>2024</u>	0
<u>Ohio</u>	2022	10
	2023	1
~~Oregon~~	~~2021~~ <u>2024</u>	~~0~~ <u>2</u>
<u>Oklahoma</u>	<u>2022</u>	<u>0</u>
	<u>2023</u>	<u>0</u>

State	Year	Number of Transfers
	<u>2024</u>	<u>2</u>
<u>Oregon</u>	2022	0
	2023	1
~~Pennsylvania~~	~~2021~~ <u>2024</u>	~~4~~ <u>0</u>
<u>Pennsylvania</u>	2022	2
	2023	0
~~Texas~~	~~2021~~ <u>2024</u>	~~6~~ <u>0</u>
<u>South Carolina</u>	<u>2022</u>	<u>0</u>
	<u>2023</u>	<u>0</u>
	<u>2024</u>	<u>1</u>
<u>Texas</u>	2022	8
	2023	6
~~Utah~~	~~2021~~ <u>2024</u>	~~0~~ <u>9</u>
<u>Utah</u>	2022	5
	2023	0
~~Virginia~~	~~2021~~ <u>2024</u>	0
<u>Virginia</u>	2022	0
	2023	1
~~Washington~~	~~2021~~ <u>2024</u>	~~0~~ <u>3</u>
<u>Washington</u>	2022	2
	2023	1
~~Total~~	~~2021~~ <u>2024</u>	~~26~~ <u>2</u>
<u>Wisconsin</u>	<u>2022</u>	<u>0</u>
	<u>2023</u>	<u>0</u>
	<u>2024</u>	<u>1</u>
<u>Total</u>	2022	35
	2023	42
	<u>2024</u>	<u>48</u>

Table No. 3
Status of Franchised Outlets
For Years ~~2021~~2022 to ~~2023~~2024

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~~
Alabama	2022	6	0	0	0	0	1	5
	2023	5	1	0	0	0	0	6
~~Alaska~~	~~2021~~ 2024	~~26~~	0	0	0	0	0	~~26~~
Alaska	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
~~Arizona~~	~~2021~~ 2024	~~72~~	~~10~~	0	0	0	0	~~82~~
Arizona	2022	8	0	0	0	0	0	8
	2023	8	0	0	0	0	0	8
~~Arkansas~~	~~2021~~ 2024	~~38~~	0	0	0	0	0	~~38~~
Arkansas	2022	3	0	0	0	0	1	2
	2023	2	0	0	0	0	0	2
~~California~~	~~2021~~ 2024	~~552~~	~~40~~	0	0	0	~~10~~	~~582~~
California	2022	58	2	0	0	0	1	59
	2023	59	0	0	0	0	1	58
~~Colorado~~	~~2021~~ 2024	~~358~~	~~04~~	0	0	0	0	~~362~~
Colorado	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
~~Connecticut~~	~~2021~~ 2024	~~43~~	0	0	0	0	0	~~43~~
Connecticut	2022	4	0	0	0	0	1	3
	2023	3	0	0	0	0	0	3
~~Delaware~~	~~2021~~ 2024	~~23~~	~~10~~	0	0	0	0	3
Delaware	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
~~Florida~~	~~2021~~ 2024	~~343~~	~~21~~	0	0	0	~~40~~	~~324~~
Florida	2022	32	3	0	0	0	2	33
	2023	33	2	0	0	0	0	35
~~Georgia~~	~~2021~~ 2024	~~735~~	~~01~~	0	0	0	~~02~~	~~734~~
Georgia	2022	7	0	0	0	0	0	7

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	7	1	0	0	0	1	7
~~Hawaii~~	~~2021~~ <u>2024</u>	~~2~~ <u>7</u>	0	0	0	0	0	~~2~~ <u>7</u>
<u>Hawaii</u>	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
~~Idaho~~	~~2021~~ <u>2024</u>	~~1~~ <u>2</u>	0	0	0	0	0	~~1~~ <u>2</u>
<u>Idaho</u>	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
~~Illinois~~	~~2021~~ <u>2024</u>	~~20~~ <u>2</u>	~~1~~ <u>0</u>	0	0	0	0	~~21~~ <u>2</u>
<u>Illinois</u>	2022	21	0	0	0	0	2	19
	2023	19	0	0	0	0	2	17
~~Indiana~~	~~2021~~ <u>2024</u>	~~16~~ <u>17</u>	0	0	0	0	~~1~~ <u>2</u>	15
<u>Indiana</u>	2022	~~15~~ <u>16</u>	0	0	0	0	0	~~15~~ <u>16</u>
	2023	~~15~~ <u>16</u>	0	0	0	0	0	~~15~~ <u>16</u>
~~Iowa~~	~~2021~~ <u>2024</u>	~~4~~ <u>16</u>	0	0	0	0	0	~~4~~ <u>16</u>
<u>Iowa</u>	2022	4	0	0	0	0	0	4
	2023	4	1	0	0	0	0	5
~~Kansas~~	~~2021~~ <u>2024</u>	~~6~~ <u>5</u>	~~0~~ <u>1</u>	0	0	0	0	6
<u>Kansas</u>	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
~~Kentucky~~	~~2021~~ <u>2024</u>	~~4~~ <u>6</u>	0	0	0	0	~~1~~ <u>4</u>	~~3~~ <u>2</u>
<u>Kentucky</u>	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
~~Louisiana~~	~~2021~~ <u>2024</u>	~~13~~ <u>3</u>	0	0	0	0	~~2~~ <u>1</u>	~~11~~ <u>2</u>
<u>Louisiana</u>	2022	11	0	0	0	0	2	9
	2023	9	0	0	0	0	0	9
~~Maryland~~	~~2021~~ <u>2024</u>	~~0~~ <u>9</u>	~~1~~ <u>0</u>	0	0	0	0	~~1~~ <u>9</u>
<u>Maine</u>	2022	~~1~~ <u>0</u>	0	0	0	0	0	~~1~~ <u>0</u>
	2023	~~1~~ <u>0</u>	0	0	0	0	0	~~1~~ <u>0</u>
~~Massachusetts~~	~~2021~~ <u>2024</u>	~~5~~ <u>0</u>	~~0~~ <u>1</u>	0	0	0	~~1~~ <u>0</u>	~~4~~ <u>1</u>
<u>Maryland</u>	2022	~~4~~ <u>1</u>	0	0	0	0	0	~~4~~ <u>1</u>
	2023	~~4~~ <u>1</u>	0	0	0	0	0	~~4~~ <u>1</u>

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
	2024	1	5	0	0	0	0	6
Massachusetts	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	1	4
~~Michigan~~	~~2021~~ 2024	~~20~~ 4	0	0	0	0	0	~~20~~ 4
Michigan	2022	20	0	0	0	0	0	20
	2023	20	0	0	0	0	1	19
~~Minnesota~~	~~2021~~ 2024	~~11~~ 19	0	0	0	0	~~0~~ 1	~~11~~ 18
Minnesota	2022	11	2	0	0	0	0	13
	2023	13	2	0	0	0	1	14
~~Mississippi~~	~~2021~~ 2024	~~1~~ 14	0	0	0	0	0	~~1~~ 14
Mississippi	2022	1	1	0	0	0	0	2
	2023	2	1	0	0	0	0	3
~~Missouri~~	~~2021~~ 2024	~~9~~ 3	~~2~~ 1	0	0	0	~~1~~ 0	~~10~~ 4
Missouri	2022	~~10~~ 9	0	0	0	0	1	~~9~~ 8
	2023	~~9~~ 8	0	0	0	0	0	~~9~~ 8
~~Montana~~	~~2021~~ 2024	~~3~~ 8	0	0	0	0	0	~~3~~ 8
Montana	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
~~Nebraska~~	~~2021~~ 2024	3	0	0	0	0	0	3
Nebraska	2022	3	1	0	0	0	0	4
	2023	4	0	0	0	0	0	4
~~Nevada~~	~~2021~~ 2024	~~2~~ 4	0	0	0	0	0	~~2~~ 4
Nevada	2022	2	2	0	0	0	0	4
	2023	4	0	0	0	0	0	4
~~New Hampshire~~	~~2021~~ 2024	~~3~~ 4	0	0	0	0	~~0~~ 1	3
New Hampshire	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
~~New Jersey~~	~~2021~~ 2024	~~9~~ 3	~~2~~ 0	0	0	0	0	~~11~~ 3
New Jersey	2022	11	0	0	0	0	1	10
	2023	10	1	0	0	0	0	11
~~New Mexico~~	~~2021~~ 2024	~~3~~ 1	~~0~~ 2	0	0	0	0	~~3~~ 1 3

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
New Mexico	2022	3	1	0	0	0	0	4
	2023	~~17~~ <u>4</u>	~~1~~ <u>0</u>	0	0	0	~~2~~ <u>0</u>	~~16~~ <u>4</u>
~~New York~~	~~2021~~ <u>2024</u>	~~16~~ <u>4</u>	0	0	0	0	~~1~~ <u>0</u>	~~15~~ <u>4</u>
New York	2022	15	1	0	0	0	2	14
	2023	14	1	0	0	0	2	13
~~North Carolina~~	~~2021~~ <u>2024</u>	~~25~~ <u>13</u>	~~0~~ <u>1</u>	0	0	0	0	~~25~~ <u>14</u>
North Carolina	2022	25	2	0	0	0	0	27
	2023	27	1	0	0	0	0	28
~~North Dakota~~	~~2021~~ <u>2024</u>	~~2~~ <u>28</u>	~~0~~ <u>1</u>	0	0	0	0	~~2~~ <u>29</u>
North Dakota	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
~~Ohio~~	~~2021~~ <u>2024</u>	~~17~~ <u>2</u>	0	0	0	0	0	~~17~~ <u>2</u>
Ohio	2022	17	0	0	0	0	0	17
	2023	17	0	0	0	0	0	17
~~Oklahoma~~	~~2021~~ <u>2024</u>	~~5~~ <u>17</u>	~~0~~ <u>1</u>	0	0	0	0	~~5~~ <u>18</u>
Oklahoma	2022	5	0	0	0	0	1	4
	2023	4	0	0	0	0	0	4
~~Oregon~~	~~2021~~ <u>2024</u>	~~5~~ <u>4</u>	0	0	0	0	0	~~5~~ <u>4</u>
Oregon	2022	5	0	0	0	0	1	4
	2023	4	1	0	0	0	0	5
~~Pennsylvania~~	~~2021~~ <u>2024</u>	~~10~~ <u>5</u>	~~1~~ <u>0</u>	0	0	0	0	~~11~~ <u>5</u>
Pennsylvania	2022	11	0	0	0	0	1	10
	2023	10	0	0	0	0	~~0~~ <u>1</u>	~~10~~ <u>9</u>
~~Rhode Island~~	~~2021~~ <u>2024</u>	~~2~~ <u>9</u>	~~0~~ <u>2</u>	0	0	0	~~0~~ <u>1</u>	~~2~~ <u>10</u>
Rhode Island	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
~~South Carolina~~	~~2021~~ <u>2024</u>	~~7~~ <u>2</u>	~~1~~ <u>0</u>	0	0	0	0	~~8~~ <u>2</u>
South Carolina	2022	8	0	0	0	0	0	8
	2023	8	3	0	0	0	0	11
~~South Dakota~~	~~2021~~ <u>2024</u>	~~2~~ <u>11</u>	0	0	0	0	~~0~~ <u>1</u>	~~2~~ <u>10</u>

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
South Dakota	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
~~Tennessee~~	~~2021~~ 2024	~~7~~ 2	0	0	0	0	0	~~7~~ 2
Tennessee	2022	7	0	0	0	0	0	7
	2023	7	0	0	0	0	1	6
~~Texas~~	~~2021~~ 2024	~~58~~ 6	~~6~~ 0	0	0	0	0	~~64~~ 6
Texas	2022	64	3	0	0	0	2	65
	2023	65	2	0	0	0	1	66
~~Utah~~	~~2021~~ 2024	~~7~~ 6	~~0~~ 3	~~0~~ 4	0	0	~~0~~ 1	~~7~~ 6
Utah	2022	7	0	0	0	0	1	6
	2023	6	0	0	0	0	0	6
~~Vermont~~	~~2021~~ 2024	~~1~~ 6	0	0	0	0	0	~~1~~ 6
Vermont	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
~~Virginia~~	~~2021~~ 2024	~~14~~ 1	~~1~~ 0	0	0	0	~~2~~ 0	~~13~~ 1
Virginia	2022	13	0	0	0	0	1	12
	2023	12	0	0	0	0	1	11
~~Washington~~	~~2021~~ 2024	~~24~~ 1	0	0	0	0	0	~~24~~ 1
Washington	2022	24	0	0	0	0	3	21
	2023	21	0	0	0	0	0	21
~~West Virginia~~	~~2021~~ 2024	~~0~~ 2	0	0	0	0	~~0~~ 1	~~0~~ 2
Wisconsin	2022	~~0~~ 4	0	0	0	0	0	~~0~~ 4
	~~2023~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
~~Wisconsin~~	~~2021~~ 2023	4	0	0	0	0	0	4
	~~2022~~ 2024	4	0	0	0	0	0	4
	~~2023~~	~~4~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~4~~
~~Wyoming~~	~~2021~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
Wyoming	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	1	0
~~Total~~	~~2021~~ 2024	~~46~~ 0	~~23~~ 0	0	0	0	~~15~~ 0	~~47~~ 4
	2022	~~47~~ 4	18	0	0	0	24	~~46~~ 8

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
<u>Total</u>	2023	~~468~~ <u>469</u>	18	0	0	0	~~12~~ <u>14</u>	~~474~~ <u>473</u>
	<u>2024</u>	<u>473</u>	<u>24</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>15</u>	<u>478</u>

* 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~~2022 to ~~2023~~2024

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~~
<u>Maryland</u>	2022	5	0	0	0	0	5
	2023	5	0	0	0	0	5
~~New York~~	~~2021~~ <u>2024</u>	~~15~~	0	0	0	~~0~~ <u>5</u>	~~10~~
<u>New York</u>	2022	1	0	0	1	0	0
	2023	0	0	0	0	0	0
~~Total~~	~~2021~~ <u>2024</u>	~~60~~	0	0	0	0	~~60~~
<u>Total</u>	2022	6	0	0	1	0	5
	2023	5	0	0	0	0	5
	<u>2024</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>	<u>0</u>

Table No. 5
Projected Openings as of December 31, ~~2023~~2024

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~~ <u>5</u>	~~6~~ <u>5</u>	0
~~Delaware~~ <u>Florida</u>	~~1~~ <u>5</u>	~~1~~ <u>4</u>	0
~~Florida~~ <u>Idaho</u>	~~3~~ <u>2</u>	2	0
~~Georgia~~	~~1~~	~~1~~	~~0~~
~~Idaho~~ <u>Indiana</u>	~~2~~ <u>1</u>	~~0~~ <u>1</u>	0
Iowa	~~3~~ <u>2</u>	1	0

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
~~Maine~~ Michigan	1	~~4~~ 2	0
New Jersey	~~4~~ 3	3	0
~~New York~~ North Carolina	~~4~~ 3	~~4~~ 3	0
~~North Carolina~~ Texas	~~4~~ 8	~~4~~ 6	0
~~Ohio~~ Virginia	1	1	0
~~Pennsylvania~~ West Virginia	1	1	0
~~Tennessee~~	~~4~~	~~4~~	~~0~~
~~Texas~~	~~9~~	~~7~~	~~0~~
~~West Virginia~~ Wisconsin	~~4~~ 2	~~0~~ 2	0
Total	~~37~~ 34	~~26~~ 31	0

Exhibit ~~HD~~ lists the name, address, telephone number and email address of all current Sylvan franchisees, including those who have signed ~~franchise agreements~~[Franchise Agreements](#) but are not yet open, for each of their ~~outlets~~[Centers](#) as of ~~February 15~~[December 31](#), 2024. Exhibit ~~HD~~ 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~~[a Franchised Business](#) 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~~[2024](#). 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.

[There are no franchisee organizations sponsored or endorsed by us.](#)

~~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~~

(517) 897-9368

ITEM 21: FINANCIAL STATEMENTS

Attached as Exhibit GC to this disclosure document ~~contains the audited consolidated balance sheets of Sylvan Learning, LLC as of~~ are the consolidated audited financial statements for the years ending December 31 ~~of each of 2021, 2022~~ 2024, 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~~ 2022 of UA Holdings, LLC, our parent company. A copy of the guaranty of UA Holdings, LLC is in Exhibit C. Our fiscal year end is December 31, ~~2023~~ 2024.

ITEM 22: CONTRACTS

Attached to this disclosure document are the following contracts:

<u>Exhibit E</u>	<u>Franchise Agreement, Attachments, and State-Specific Amendments</u>
<u>Exhibit F</u>	<u>Development Agreement, Attachments, and State Specific Amendments</u>
<u>Exhibit G</u>	<u>Sample Form of General Release</u>
<u>Exhibit H</u>	<u>Sample Form Assignment and Assumption Agreement</u>
~~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 LK, 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~~Franchise 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~~Franchise 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~~Franchise Agreement).

The ~~License~~Franchise Agreement provides that the laws of Texas shall govern the ~~License~~Franchise 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.

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~~I, Additional Disclosure. The following provision shall be added to the end of Exhibit ~~J~~I, 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~~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.~~

(Added graphics)

SYLVAN LEARNING LLC
BALANCE SHEET
AS OF DECEMBER 31, 2024
(In thousands)

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$2,015
Accounts receivable, net	5,881
Notes receivable, net, current, net of allowances	129
Prepays and other current assets	114
Total current assets	8,139

NOTES RECEIVABLE, net of current maturities	163
DEFERRED INITIAL FRANCHISE FEE COSTS, net of current maturities	776
OPERATING ROU ASSET	429
PROPERTY AND EQUIPMENT, net	3,284
RECEIVABLE FROM AFFILIATED ENTITIES	12,693

TOTAL ASSETS	<u>\$25,484</u>

LIABILITIES AND MEMBERS' EQUITY

CURRENT LIABILITIES

Accounts payable	\$641
Accrued liabilities	3,207
Lease liability, current portion	92
Marketing funds	1,596
Deferred franchise fee revenues, current portion	447
Total current liabilities	5,983

LEASE LIABILITY, net of current portion	352
CONTRACT LIABILITIES, net of current portion	2,613
Total Liabilities	8,948

MEMBERS' EQUITY

Accumulated earnings	16,536
Total members' equity	16,536

TOTAL LIABILITIES AND MEMBERS' EQUITY	<u>\$25,484</u>

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~~[Franchise](#) Agreement or Texas law which are in conflict with the Act.
3. In conformance with ~~Section~~[section](#) 4 of the Illinois Franchise Disclosure Act, any provision in a ~~license~~[franchise](#) agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a ~~license~~[franchise](#) 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~~[section](#) 27 of the Act supersede the provisions of Section 29 of the ~~License~~[Franchise](#) 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~~[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

Special Risks to Consider About This Franchise, Additional Disclosures.

Over the past three years, Unleashed Brands, the parent of the franchisor, acquired multiple franchise systems. After those acquisitions, some of the acquired franchisors made changes to some of the franchise business operations. Multiple franchisees questioned those changes and commenced legal proceedings against the franchisor. The franchisor prevailed in all of the proceedings. You should perform your own research about Unleashed Brands and its relationships with its franchisees. Be sure to review the litigation disclosure (Item 3) in the FDD and do an Internet search of the franchisor and its parents. In addition, before buying this franchise, you should contact existing and terminated franchisees to discuss their experience with the franchisor. Contact information for the franchisees is provided in an exhibit to the FDD.

Item 11, Additional Disclosures

Maryland franchisees are entitled to obtain an accounting of advertising expenditures pursuant to COMAR 02.02.08.04B(2). The franchisor will provide such an accounting upon 30 days' notice of such a request.

Item 17, Additional Disclosures.

The Franchise Agreement and the Development Agreement require you to sign a general release as a condition of renewal or transfer of the franchise. This release will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.

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

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.

Item 22, Additional Disclosure.

Your responses to the Questionnaire do not act as a release, estoppel, or waiver of any liability of the Franchisor under the Maryland Franchise Registration and Disclosure Law. Nothing in the Franchise Disclosure Document or in the Franchise 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.

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~~[FRANCHISE](#) 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~~[Franchise](#) Agreement.
4. The Minnesota Rider to the ~~License~~[Franchise](#) 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~~[Franchise](#) Agreement, ~~Section 13 of the agreement~~[Article 18 of the Franchise 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 [LicenseFranchise](#) 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 [LicenseFranchise](#) 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 [LicenseFranchise](#) 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 [LicenseFranchise](#) 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 [LicenseFranchise](#) Agreement has ended.
11. A provision in the [LicenseFranchise](#) 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 [LicenseFranchise](#) 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.”

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

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 ~~AB~~ 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~~Franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the ~~franchisor's~~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,~~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~~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~~ [Article 18](#) of the [LicenseFranchise](#) Agreement requires that:

- (i) during the term of the [LicenseFranchise](#) Agreement, you not engage as an owner, operator or in any managerial capacity in any educational business other than as a [Licenseefranchisee](#) of SYLVAN; and
- (ii) following termination or expiration of your [LicenseFranchise](#) Agreement (including non-renewal or transfer of your [LicenseFranchise Agreement](#) 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~~[territory](#) or at any location less than five miles from your former ~~Territory's~~[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 [LicenseFranchise](#) Agreement).

Because liquidated damages provisions may be unenforceable in North Dakota and ~~Section 13~~[Article 18](#) of the [LicenseFranchise](#) Agreement includes a liquidated damages provision, Section ~~23~~ of the North Dakota Rider to the ~~License Agreement substitutes a new Section 13 to the License Agreement that does not contain a Franchise Agreement deletes the requirement of~~ liquidated damages ~~provision~~.

Section 3 of the North Dakota Rider to your [LicenseFranchise](#) Agreement provides that Section 20 of your [LicenseFranchise](#) 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 [LicenseFranchise](#) 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 [LicenseFranchise](#) Agreement that states the no-waiver requirements of the Franchise Investment Law.

INFORMATION REQUIRED BY THE STATE OF RHODE ISLAND

~~Section~~[Article](#) 20 of the ~~License~~[Franchise](#) 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~~[Franchise](#) Agreement provides that to the extent Rhode Island law applies and is in conflict with ~~Section~~[Article](#) 20 of the ~~License~~[Franchise](#) Agreement, Rhode Island law prevails.

INFORMATION REQUIRED BY THE STATE OF SOUTH DAKOTA

Section 11 of the [LicenseFranchise](#) Agreement concerns termination of the [LicenseFranchise](#) 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 [LicenseFranchise](#) 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 [LicenseFranchise](#) Agreement.

Section 12 of the [LicenseFranchise](#) Agreement imposes certain restrictions on your freedom to compete with SYLVAN during the term of your [LicenseFranchise](#) Agreement or after its termination or expiration. Section 2 of the South Dakota Rider to the [LicenseFranchise](#) Agreement provides that to the extent that provisions of Section 12 of the [LicenseFranchise](#) 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 [LicenseFranchise](#) 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 [LicenseFranchise](#) 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 [LicenseFranchise](#) 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 [LicenseFranchise](#) Agreement amends Section 20 of the [LicenseFranchise](#) 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 [licenseefranchisee](#) 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

**WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT,
THE FRANCHISE AGREEMENT, DEVELOPMENT AGREEMENT, AND ALL
RELATED AGREEMENTS**

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

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

2. Franchisee Bill of Rights. RCW 19.100.180 may supersede provisions in the franchise agreement ~~in~~or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions ~~which may that~~ supersede the franchise agreement ~~in~~or related agreements concerning your relationship with the franchisor ~~including the areas of termination and renewal of your franchise.~~ Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. Site of Arbitration, Mediation, and/or Litigation. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site ~~shall will~~ be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. 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~~sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. General Release. A release or waiver of rights ~~executed by~~ in the franchise agreement or related agreements purporting to bind the franchisee ~~shall not include rights to waive compliance with any provision~~ under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel~~—, in accordance with RCW 19.100.220(2).~~ In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. Statute of Limitations and Waiver of Jury Trial. Provisions ~~such as those which~~contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

7. Termination by Franchisee. The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. Certain Buy-Back Provisions. Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** 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~~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~~inflation). As a result, any ~~provisions~~provision contained in the franchise agreement or elsewhere that ~~conflict~~conflicts with these limitations ~~are~~is void and unenforceable in Washington.

15. **Nonsolicitation Agreements.** 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.

16. **Questionnaires and Acknowledgments.** 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.

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or

sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

FRANCHISOR:

SYLVAN LEARNING, LLC,
a Delaware limited liability company

By: _____
Susan Valverde, President

FRANCHISEE:

_____,
a _____

By: _____
_____, its _____

FRANCHISOR:

SYLVAN LEARNING, LLC,
a Delaware limited liability company

By: _____
Susan Valverde, President

DEVELOPER:

_____,
a _____

By: _____
_____, its _____

**EXHIBIT A
TO THE FRANCHISE DISCLOSURE DOCUMENT**

**~~SYLVAN LEARNING, LLC LICENSE AGREEMENT~~
OPERATIONS MANUAL TABLE OF CONTENTS**

Confidential Sylvan Franchise Operations Manual

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Contents

<u>Introduction</u>	<u>9</u>
<u>Introduction to Sylvan</u>	<u>12</u>
<u>Company Background</u>	<u>12</u>
<u>Types of Centers and Territories</u>	<u>12</u>
<u>Mandatory and Recommended Operational and Educational Days/Hours</u>	<u>12</u>
<u>The Sylvan Brand</u>	<u>20</u>
<u>The Power of a Brand</u>	<u>20</u>
<u>Marketing Standards</u>	<u>20</u>
<u>Funding</u>	<u>21</u>
<u>Exclusive Use of Sylvan-Approved Advertising</u>	<u>23</u>
<u>Customer-Facing Center-Created Forms</u>	<u>25</u>
<u>Territory Advertising Policy: Supporting Customer Choice</u>	<u>25</u>
<u>The Sylvan Learning Center Territory Advertising Policy</u>	<u>26</u>
<u>Policy Center and Co-op Website Guidelines</u>	<u>27</u>
<u>Online Marketing Policy</u>	<u>27</u>
<u>Territory Public Relations Policy</u>	<u>27</u>
<u>Territory Media Relations Policy</u>	<u>28</u>
<u>Privacy, Data Collection, and Customer Contact</u>	<u>28</u>
<u>National Media Relations</u>	<u>30</u>
<u>National Marketing Calendar</u>	<u>31</u>
<u>National Website</u>	<u>32</u>
<u>Appointment Requests</u>	<u>33</u>
<u>Receiving Web Form Data</u>	<u>33</u>
<u>Crisis Communication</u>	<u>33</u>
<u>Relationship Marketing</u>	<u>34</u>
<u>Events and Local Marketing</u>	<u>44</u>
<u>Why Grand Openings Are So Important</u>	<u>47</u>
<u>Key Steps to Hosting a Great Event</u>	<u>47</u>
<u>Promoting your Event</u>	<u>50</u>
<u>Marketing Channels</u>	<u>51</u>
<u>Summary: Local Marketing Importance</u>	<u>52</u>
<u>Voice of the Customer</u>	<u>55</u>
<u>Enroll: Breakthrough Selling</u>	<u>56</u>
<u>Enroll: Breakthrough Selling—the Sylvan Sales Approach</u>	<u>56</u>
<u>The Enroll Sales Approach</u>	<u>57</u>
<u>Enroll: Breakthrough Selling Sales Process</u>	<u>57</u>
<u>Overcoming Common Objections</u>	<u>59</u>
<u>The Customer Experience</u>	<u>61</u>
<u>Customer Focus</u>	<u>61</u>
<u>Customer Response</u>	<u>61</u>
<u>Maintaining Quality Assurance</u>	<u>61</u>
<u>Instilling Quality Service</u>	<u>61</u>
<u>Sylvan Service Pledge</u>	<u>63</u>
<u>Answering Machine and/or Voicemail Greetings</u>	<u>63</u>
<u>Sylvan Customer Service Principles</u>	<u>64</u>
<u>The Customer Lifecycle</u>	<u>64</u>
<u>Education and Assessment</u>	<u>67</u>
<u>Assessment Practices</u>	<u>67</u>
<u>Information Release</u>	<u>67</u>
<u>STAR Assessment Delivery Area</u>	<u>67</u>
<u>Proctoring the Insight Assessments</u>	<u>68</u>
<u>Altering Standard Procedures</u>	<u>68</u>

Confidential Sylvan Franchise Operations Manual

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<u>Student Files/Folders</u>	<u>68</u>
<u>Instruction</u>	<u>69</u>
<u>Scheduling Teachers and Students</u>	<u>70</u>
<u>Scheduling Frequency for Students</u>	<u>70</u>
<u>Student-to-Teacher Ratio</u>	<u>71</u>
<u>Tracking Attendance, Absences, and Make-Ups</u>	<u>71</u>
<u>Preparing for Daily Instruction</u>	<u>72</u>
<u>Preparing for a Student's First Hour of Instruction</u>	<u>73</u>
<u>Managing Student Notebooks</u>	<u>73</u>
<u>During Instruction</u>	<u>74</u>
<u>Instructional Management: Director Responsibilities</u>	<u>74</u>
<u>Instructional Floor Management</u>	<u>75</u>
<u>Instructional Management: Teacher Responsibilities</u>	<u>75</u>
<u>Learning Logs</u>	<u>77</u>
<u>Transition Time</u>	<u>78</u>
<u>Interaction with Students and Teachers</u>	<u>78</u>
<u>Recording the Tokens Earned</u>	<u>78</u>
<u>The Sylvan Motivation Program</u>	<u>79</u>
<u>Buying at the Sylvan Store</u>	<u>79</u>
<u>Monitoring/Supervising Students</u>	<u>80</u>
<u>Managing Instructional Materials</u>	<u>80</u>
<u>After Instruction</u>	<u>81</u>
<u>Paper-Based Instruction: Updating Notebooks</u>	<u>81</u>
<u>Ongoing Conferences</u>	<u>82</u>
<u>Care Calls</u>	<u>87</u>
<u>Progress Assessment</u>	<u>87</u>
<u>Teacher Conference/Contact</u>	<u>89</u>
<u>Exit Conference</u>	<u>89</u>
<u>Application for Approval of New Materials or Programs</u>	<u>91</u>
<u>Staffing</u>	<u>93</u>
<u>Staff Management</u>	<u>93</u>
<u>Center Level Website Staff Bios</u>	<u>93</u>
<u>Sylvan Staffing Requirements</u>	<u>93</u>
<u>Dedicated Center Staff</u>	<u>95</u>
<u>Sylvan Staff Identification</u>	<u>95</u>
<u>Additional Requirements for SylvanSync Satellites</u>	<u>96</u>
<u>Individual Employee Meetings</u>	<u>96</u>
<u>Communication and Motivation</u>	<u>97</u>
<u>Sample Job Descriptions</u>	<u>100</u>
<u>Establishing Your Role as a Franchisee</u>	<u>108</u>
<u>Employer Recordkeeping</u>	<u>108</u>
<u>Employee Handbooks</u>	<u>109</u>
<u>Attracting Employment Candidates</u>	<u>110</u>
<u>Initial Screening of Employment Candidates</u>	<u>111</u>
<u>Interviewing Employment Candidates</u>	<u>112</u>
<u>Sample Acceptance Letters</u>	<u>123</u>
<u>Sample Rejection Letters</u>	<u>125</u>
<u>Performance Appraisals</u>	<u>126</u>
<u>Dealing with Employee Misconduct</u>	<u>128</u>
<u>Employee Termination</u>	<u>130</u>
<u>Employee Transfers from Center to Center</u>	<u>131</u>
<u>Center Level Website Employment Form</u>	<u>132</u>

[Confidential Sylvan Franchise Operations Manual](#)

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<u>Society of Human Resources Management</u>	<u>132</u>
<u>Troubleshooting Staffing</u>	<u>133</u>
<u>Training and Certification</u>	<u>134</u>
<u>Sylvan University</u>	<u>134</u>
<u>Initial Training and Sylvan 101</u>	<u>135</u>
<u>Director Training and Certification</u>	<u>136</u>
<u>Enroll: Breakthrough Selling Certification</u>	<u>137</u>
<u>GUIDE to Inquiry Excellence Certification</u>	<u>138</u>
<u>Math Center Certification</u>	<u>139</u>
<u>Teacher Training and Certification</u>	<u>139</u>
<u>Annual Conference</u>	<u>141</u>
<u>Maintaining Quality Service</u>	<u>142</u>
<u>Addressing Customer Concerns</u>	<u>142</u>
<u>Customer Complaints</u>	<u>143</u>
<u>Complaints to the Better Business Bureau</u>	<u>143</u>
<u>Measuring Customer Service</u>	<u>144</u>
<u>Parent Surveys</u>	<u>145</u>
<u>Inquiry Quality Check</u>	<u>146</u>
<u>Tracking Key Business Indicators</u>	<u>146</u>
<u>Quality Assurance Review (QAR)—Introduction</u>	<u>148</u>
<u>Student Test Record Storage</u>	<u>152</u>
<u>Franchise Business Consultants</u>	<u>153</u>
<u>Setting Up Your Financial and Legal Structure</u>	<u>155</u>
<u>Introduction</u>	<u>155</u>
<u>Structuring Your Business</u>	<u>155</u>
<u>Insurance</u>	<u>156</u>
<u>Occupational Safety and Health Administration Standards</u>	<u>157</u>
<u>Business Start-Up Planning</u>	<u>158</u>
<u>Naming Your Business Entity: Assumed Business Name</u>	<u>158</u>
<u>Securing a Business License and/or Permit</u>	<u>158</u>
<u>Company Tax Obligations</u>	<u>159</u>
<u>Territory Development and New Center Growth</u>	<u>161</u>
<u>Site Selection</u>	<u>161</u>
<u>Site Requirements</u>	<u>161</u>
<u>SylvanSync Satellite Site Criteria</u>	<u>163</u>
<u>Center Layout and Design</u>	<u>173</u>
<u>Introduction</u>	<u>173</u>
<u>Center Floor Plans</u>	<u>173</u>
<u>Paint Colors and Schemes</u>	<u>174</u>
<u>Center Layout and Design Assistance</u>	<u>175</u>
<u>Parent/Welcome Lobby</u>	<u>175</u>
<u>Director’s Office</u>	<u>176</u>
<u>Director of Education’s Office</u>	<u>177</u>
<u>Administrator’s Office</u>	<u>177</u>
<u>Instructional Area</u>	<u>177</u>
<u>Seminar and Testing Room</u>	<u>178</u>
<u>Staff Work Room and Storage Area</u>	<u>179</u>
<u>Vestibule (optional)</u>	<u>179</u>
<u>Cleanliness</u>	<u>179</u>
<u>Sylvan Policy on Animals in the Center</u>	<u>179</u>
<u>Center Furniture</u>	<u>180</u>
<u>Center Restroom Requirements</u>	<u>181</u>

Confidential Sylvan Franchise Operations Manual

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<u>Wall Graphics and Other Furniture</u>	<u>181</u>
<u>Additional Furniture to Be Ordered</u>	<u>181</u>
<u>Signage.....</u>	<u>181</u>
<u>Sylvan Center Setup and Ordering Procedures</u>	<u>182</u>
<u>Office Furniture and Office Equipment</u>	<u>182</u>
<u>Franchise Reporting and Accounting.....</u>	<u>184</u>
<u>Corporate Email Standards.....</u>	<u>184</u>
<u>Credit Card Payment Setup</u>	<u>184</u>
<u>Statement Billing.....</u>	<u>184</u>
<u>Franchisee Monthly Report.....</u>	<u>185</u>
<u>Annual Financial Statement</u>	<u>185</u>
<u>Accounting Overview</u>	<u>185</u>
<u>Accounting Software.....</u>	<u>186</u>
<u>Financial Statement Glossary of Terms.....</u>	<u>186</u>
<u>Break-Even Analysis.....</u>	<u>187</u>
<u>Calculating the Break-Even Point</u>	<u>187</u>
<u>Business Planning and Analysis</u>	<u>191</u>
<u>Potential Business Transfer</u>	<u>191</u>
<u>Collection Procedures</u>	<u>191</u>
<u>Returned Checks</u>	<u>192</u>
<u>Refunds</u>	<u>193</u>
<u>Financial Planning.....</u>	<u>193</u>
<u>Developing a Financial Business Plan.....</u>	<u>193</u>
<u>Profit and Loss Projections</u>	<u>199</u>
<u>Twelve-Month Profit and Loss Projection</u>	<u>199</u>
<u>Three-Year Profit Projection (Optional).....</u>	<u>199</u>
<u>Planning for Sylvan Seasonality.....</u>	<u>199</u>
<u>Planning for Technical Issues.....</u>	<u>200</u>
<u>Analysis.....</u>	<u>200</u>
<u>Document/File Retention</u>	<u>200</u>
<u>Sylvan Annual Plan.....</u>	<u>201</u>
<u>Key Personnel Profile.....</u>	<u>201</u>
<u>Staff Planning.....</u>	<u>201</u>
<u>SWOT Analysis</u>	<u>202</u>
<u>Planning Pro Forma Tool</u>	<u>202</u>
<u>Closing a Center</u>	<u>203</u>
<u>Center Closing Procedures</u>	<u>203</u>
<u>Forms/Files Currently Required (see SLCLink):</u>	<u>203</u>
<u>Disposal of Branded Materials</u>	<u>205</u>

EXHIBIT B
TO THE FRANCHISE DISCLOSURE DOCUMENT

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

LIST OF STATE ADMINISTRATORS

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

LIST OF AGENTS FOR SERVICE OF PROCESS

<u>CALIFORNIA</u> <u>Commissioner of Financial Protection and Innovation</u> <u>Department of Financial Protection and Innovation</u> <u>320 West Fourth Street, Suite 750</u> <u>Los Angeles, California 90013-2344</u> <u>(213) 576-7500</u> <u>Toll Free: (866) 275-2677</u>	<u>MINNESOTA</u> <u>Commissioner of Commerce</u> <u>85 7th Place East, Suite 280</u> <u>St. Paul, Minnesota 55101</u> <u>(651) 296-4026</u>	<u>VIRGINIA</u> <u>Clerk of the State Corporation Commission</u> <u>1300 East Main Street, 1st Floor</u> <u>Richmond, Virginia 23219</u> <u>(804) 371-9733</u>
<u>HAWAII</u> <u>Commissioner of Securities of the State of Hawaii</u> <u>Department of Commerce & Consumer Affairs</u> <u>Business Registration Division</u> <u>Securities Compliance Branch</u> <u>335 Merchant Street, Room 203</u> <u>Honolulu, Hawaii 96813</u> <u>(808) 586-2722</u>	<u>NEW YORK</u> <u>New York State Department of State</u> <u>99 Washington Avenue, 6th Floor</u> <u>Albany, New York 12231</u> <u>(518) 473-2492</u>	<u>WASHINGTON</u> <u>Director of Department of Financial Institutions</u> <u>Securities Division – 3rd Floor</u> <u>150 Israel Road, S.W.</u> <u>Tumwater, Washington 98501</u> <u>(360) 902-8760</u>
<u>ILLINOIS</u> <u>Illinois Attorney General</u> <u>500 South Second Street</u> <u>Springfield, Illinois 62706</u> <u>(217) 782-4465</u>	<u>NORTH DAKOTA</u> <u>North Dakota Securities Commissioner</u> <u>600 Boulevard Avenue, State Capitol</u> <u>Fifth Floor</u> <u>Bismarck, North Dakota 58505-0510</u> <u>(701) 328-4712</u>	<u>WISCONSIN</u> <u>Commissioner of Securities</u> <u>4822 Madison Yards Way, North Tower</u> <u>Madison, WI 53705</u> <u>(608) 261-9555</u>
<u>INDIANA</u> <u>Indiana Secretary of State</u> <u>200 West Washington Street, Room 201</u> <u>Indianapolis, IN 46204</u> <u>(317) 232-6681</u>	<u>RHODE ISLAND</u> <u>Director of Department of Business Regulation</u> <u>Department of Business Regulation</u> <u>Securities Division</u> <u>Bldg. 69, First Floor</u> <u>John O. Pastore Center</u> <u>1511 Pontiac Avenue</u> <u>Cranston, Rhode Island 02920</u> <u>(401) 462-9527</u>	
<u>MARYLAND</u> <u>Maryland Securities Commissioner</u> <u>200 St. Paul Place</u> <u>Baltimore, Maryland 21202-2020</u> <u>(410) 576-6360</u>	<u>SOUTH DAKOTA</u> <u>Director of Division of Securities</u> <u>Division of Insurance – Securities Regulation</u> <u>124 S. Euclid Avenue, Suite 104</u> <u>Pierre, SD 57501-3185</u> <u>(605) 773-3563</u>	
<u>MICHIGAN</u> <u>Dept. of Energy, Labor, & Economic Growth</u> <u>Corporations Division</u> <u>P.O. Box 30054</u> <u>Lansing, Michigan 48909</u> <u>7150 Harris Drive</u> <u>Lansing, Michigan 48909</u> <u>(517) 373-7117</u>	<u>TEXAS:</u> <u>Registered Agents Inc.</u> <u>5900 Balcones Drive, Suite 100</u> <u>Austin, Texas 78731</u>	

EXHIBIT C
TO THE FRANCHISE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

UA Holdings, LLC and Subsidiaries

Consolidated Financial Statements as of and for
the Years Ended December 31, 2024 and 2023,
and Independent Auditor's Report

UA HOLDINGS, LLC AND SUBSIDIARIES

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR’S REPORT	1–2
CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023	
Consolidated Balance Sheets	3
Consolidated Statements of Operations	4
Consolidated Statements of Changes in Members’ Equity	5
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7–25

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of UA Holdings, LLC:

Opinion

We have audited the consolidated financial statements of UA Holdings, LLC and subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the related consolidated statements of operations, changes in members' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 GAAS 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 financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Deloitte & Touche LLP

March 31, 2025

UA HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2024 AND 2023 (In thousands, except unit and par value data)

	2024	2023
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 13,144	\$ 16,048
Investments—at fair value	4,376	6,877
Accounts receivable—net	24,645	15,981
Inventory	598	1,366
Deferred attraction costs	20,258	15,535
Deferred initial franchise fee costs—current	946	1,069
Deferred income taxes	492	551
Prepays and other current assets	5,173	7,471
Total current assets	69,632	64,898
DEFERRED INITIAL FRANCHISE FEE COSTS—Net of current maturities	12,329	19,418
OPERATING LEASE RIGHT-OF-USE ASSET—Net	25,256	38,191
PROPERTY AND EQUIPMENT—Net	11,690	8,184
GOODWILL—Net	331,381	307,074
INTANGIBLE ASSETS—Net	432,462	343,739
OTHER ASSETS	388	112
TOTAL ASSETS	<u>\$ 883,138</u>	<u>\$781,616</u>
LIABILITIES AND MEMBERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 5,722	\$ 4,017
Accrued liabilities	17,441	18,244
Operating lease liability—current	4,699	5,190
Marketing funds	3,703	3,396
Deferred attractions revenues	14,900	14,677
Deferred franchise fee revenues—current	3,505	2,893
Unpaid insurance losses and loss adjustment expenses	6,080	10,034
Unearned insurance premium	0	149
Notes payable—current	4,093	2,750
Total current liabilities	60,143	61,350
OPERATING LEASE LIABILITY—Net of current portion	31,039	42,068
CONTRACT LIABILITIES—Net of current portion	51,751	53,087
NOTES PAYABLE—Net of current portion	389,199	262,540
Total liabilities	532,132	419,045
MEMBERS' EQUITY:		
Members' equity:		
Preferred units, \$1,000 par value—312,968 and 260,258 authorized, issued, and outstanding	313,777	256,078
Common units, \$1,000 par value—495,000 authorized; 234,742 issued, and outstanding, respectively	165,447	166,044
Accumulated deficit	(128,218)	(59,551)
Total members' equity	351,006	362,571
TOTAL LIABILITIES AND MEMBERS' EQUITY	<u>\$ 883,138</u>	<u>\$781,616</u>

See notes to consolidated financial statements.

UA HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In thousands)

	2024	2023
REVENUES:		
Royalty revenues	\$ 85,301	\$ 56,147
Attraction revenues	22,611	23,757
Merchandise revenues	8,596	7,617
Company-owned unit revenues	15,001	19,370
Franchise fee revenues	15,770	4,526
Marketing fund revenues	25,823	23,995
Net earned insurance premiums	(67)	3,154
Other revenues	21,675	12,921
Total revenues	<u>194,710</u>	<u>151,487</u>
OPERATING EXPENSES:		
Attraction costs	18,362	17,348
Company-owned unit costs	14,595	17,066
Marketing fund costs	25,823	23,995
Salaries and wages	38,076	25,809
Incurred insurance losses and loss adjustment expenses	(7)	7,060
Selling, general, and administrative	44,973	28,082
Amortization of goodwill and intangibles	64,469	53,620
Depreciation and amortization expense	2,039	1,868
Total operating expenses	<u>208,330</u>	<u>174,848</u>
LOSS FROM OPERATIONS	<u>(13,620)</u>	<u>(23,361)</u>
OTHER (EXPENSES) INCOME:		
Interest expense	(52,894)	(37,592)
Loss on disposal of property and equipment	(152)	(216)
Impairment of intangible assets	(2,273)	-
Other income—net	824	901
Total other expenses	<u>(54,495)</u>	<u>(36,907)</u>
LOSS BEFORE FEDERAL TAX BENEFIT AND STATE TAX EXPENSE	(68,115)	(60,268)
FEDERAL TAX (EXPENSE) BENEFIT	(290)	863
STATE TAX EXPENSE	<u>(262)</u>	<u>(211)</u>
NET LOSS	<u><u>\$ (68,667)</u></u>	<u><u>\$ (59,616)</u></u>

See notes to consolidated financial statements.

UA HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In thousands, except unit data)

	Preferred Units		Common Units		Accumulated Earnings (Deficit)	Total Members' Equity
	Units	Amount	Units	Amount		
BALANCE—January 1, 2023	260,258	\$ 260,258	234,742	\$ 169,814	\$ 65	\$ 430,137
Member tax distributions	-	(4,180)	-	(3,770)	-	(7,950)
Net loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(59,616)</u>	<u>(59,616)</u>
BALANCE—December 31, 2023	260,258	256,078	234,742	166,044	(59,551)	362,571
Member contributions	52,710	58,325	-	-	-	58,325
Member tax distributions	-	(626)	-	(597)	-	(1,223)
Net loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(68,667)</u>	<u>(68,667)</u>
BALANCE—December 31, 2024	<u>312,968</u>	<u>\$ 313,777</u>	<u>234,742</u>	<u>\$ 165,447</u>	<u>\$ (128,218)</u>	<u>\$ 351,006</u>

See notes to consolidated financial statements.

UA HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In thousands)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (68,667)	\$ (59,616)
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Allowance for credit losses	1,440	660
Depreciation and amortization expense	2,039	1,868
Amortization of goodwill and intangibles	64,469	53,620
Amortization of debt issuance costs	2,474	1,740
Operating lease right-of-use asset amortization	4,391	7,255
Gain on transfer of operating lease right-of-use asset	(1,861)	(1,117)
Impairment of assets	7,576	159
Loss on disposal of property and equipment	55	216
Change in operating assets and liabilities—net:		
Accounts receivable	(4,713)	(1,890)
Inventory	(8)	(607)
Deferred attractions costs	(4,723)	3,106
Deferred initial franchise fee costs	7,932	(284)
Deferred income taxes	59	(268)
Prepays and other current assets	2,095	1,635
Accounts payable	921	118
Accrued liabilities	(7,595)	4,958
Marketing funds	(620)	(2,605)
Deferred attractions revenues	(153)	635
Contract liabilities	(3,602)	9,773
Operating lease liability	(4,575)	(3,681)
Unpaid insurance losses and loss adjustments	(3,954)	3,663
Unearned insurance premium	(149)	(2,719)
Insurance premium refunds and losses payable	-	(20)
Net cash (used in) provided by operating activities	(7,169)	16,599
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash paid for acquisitions—net of cash acquired (Note 2)	(175,216)	-
Purchases of property and equipment	(5,374)	(1,925)
Proceeds from sale of investments	2,501	1,281
Payments made and proceeds from notes receivable	(276)	441
Net cash used in investing activities	(178,365)	(203)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments made on line of credit	-	(2,000)
Proceeds from issuance of notes payable	133,000	-
Debt issuance costs	(3,378)	-
Payments made on notes payable	(4,094)	(2,750)
Member contributions	58,325	-
Member distributions	(1,223)	(7,950)
Net cash provided by (used in) financing activities	182,630	(12,700)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(2,904)	3,696
CASH AND CASH EQUIVALENTS—Beginning of year	16,048	12,352
CASH AND CASH EQUIVALENTS—End of year	\$ 13,144	\$ 16,048
SUPPLEMENTAL DISCLOSURES—Cash paid for interest expense	\$ 52,894	\$ 37,296
NONCASH TRANSACTIONS:		
Operating lease right-of-use asset obtained in exchange for operating lease liability	\$ 506	\$ 12,886
Acquired accrued liabilities	\$ (6,793)	\$ (11)

See notes to consolidated financial statements.

UA HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In thousands)

1. NATURE OF OPERATIONS

UA Holdings, LLC (the “Company”) commenced operations on January 30, 2018, as a Delaware limited liability company. The consolidated financial statements as of December 31, 2024 and 2023, include the accounts of the Company and its subsidiaries.

At December 31, 2024, the Company had a portfolio of seven brands consisting of “Urban Air Adventure Parks,” a family entertainment franchisor; “Sylvan Learning,” a franchisor providing supplemental and enrichment education for K-12 students which was acquired on February 16, 2024; “Snapology,” a franchisor of STEM/STEAM curriculum for children; “The Little Gym,” a franchisor of enrichment and physical development centers for children; “Premier Martial Arts,” a franchisor of martial arts studios focused on children; “Class 101,” a franchisor of college guidance services; and “XP League,” a franchisor of youth eSports leagues. In addition to franchised owned locations, the Company owns and operates Company-owned locations of its brands and Adventis Insurance, Inc. (“Adventis”) (Note 9) an insurance company previously providing general liability and workers compensation coverages to franchise owners of Urban Air Adventure Parks and operating in run-off as of December 31, 2024. The Company has a perpetual duration, unless dissolved earlier in accordance with the Company operating agreement. Company-owned locations totaled 12 and 26 at December 31, 2024, and 2023, respectively.

2. ACQUISITIONS

During the year ended December 31, 2024, the Company completed its acquisition of Sylvan Learning. On February 16, 2024, Unleashed Brands, LLC (Buyer) entered into a securities purchase agreement to purchase 100% of the operating assets and assume certain liabilities of Sylvan Learning. Sylvan Learning is the leading provider of personal learning for students in grades K-12. Sylvan Learning’s mission to build academic confidence, ignite intellectual curiosity, and inspire a love for learning complemented the other brands in the Company’s portfolio. Upon applying Financial Accounting Standards Board Accounting Standards Codification (ASC) 805, *Business Combinations*, \$64,074 of goodwill was recognized. This goodwill primarily arises from the acquired workforce and the opportunity to extend existing customer relationships into new markets. As these components do not qualify as distinct intangible assets, they are included in goodwill. The goodwill is expected to be tax deductible.

The Sylvan Learning transaction was accounted for as a business combination. As a result, the consolidated statements of operations reflect Sylvan Learning’s operating results from the acquisition date. Transaction costs related to the Sylvan Learning acquisition totaled \$2,404 and are included in selling, general, and administrative expenses in the consolidated statements of operations for the year ended December 31, 2024. The base purchase consideration for the Sylvan Learning acquisition was \$185,000, subject to certain customary postclosing adjustments, which resulted in \$177,197 of cash paid and the acquisition of assets and assumption of liabilities.

The total purchase consideration has been allocated to the following assets and liabilities as of the February 16, 2024, acquisition date as follows:

Cash and cash equivalents	\$ 1,981
Accounts receivable—net	5,391
Property and equipment—net	226
Franchise agreements	100,500
Trade name	12,300
Software	2,900
Goodwill	64,074
Other assets	2,089
Accounts payable	(784)
Accrued liabilities	(6,793)
Marketing funds	(927)
Other liabilities	(882)
Contract liabilities	<u>(2,878)</u>
Total purchase price	<u>\$ 177,197</u>

In accordance with ASC 805, the total consideration transferred for the acquisition of Sylvan Learning was allocated to the identifiable assets acquired and liabilities assumed based on their respective acquisition-date fair values. The resulting allocation reflects the fair value of the net assets acquired. This allocation resulted in the recognition of the following intangible assets at the acquisition date: \$100,500 to franchise agreements, \$12,300 to the trade name, and \$2,900 to internally developed software. Management determined the estimated fair values of intangible assets as of the Sylvan Learning acquisition date using the relief from royalty method for trademarks and income approach for franchise agreements. The relief from royalty method used to estimate the fair values of trademarks estimated projected future cost savings achieved by avoiding the use of third-party trademarks or licensing third-party software. Projected cash flows or cash savings are discounted at a required rate of return that reflects the relative risk of achieving the cash flows and the time value of money. Franchise agreements were valued using the income approach method used to estimate the fair values of franchise agreements. A derivation of discounted cash flow analysis, specifically the Multi period Excess Earnings Method was performed on the future projected cash flow of the existing franchise agreements. The fair value was then determined by adding the present value of the franchisee cash flows with the present value of the income tax benefit resulting from the amortization of the asset.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation—The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). All significant intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates—The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The most significant estimates relate to measurement of unpaid insurance losses and loss adjustment expenses and impairment testing of intangible assets and goodwill.

Cash and Cash Equivalents—The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. At December 31, 2024 and 2023, the Company had \$403 and \$775 in such investments, respectively. The Company maintains deposits primarily in three financial institutions, which may at times exceed amounts covered by insurance provided by the US Federal Deposit Insurance Corporation (FDIC). The Company has not experienced any losses related to amounts in excess of FDIC limits.

Investments in Debt and Equity Securities—Investments in equity securities, with readily determinable fair values, are measured at fair value at the time of purchase, with subsequent changes in fair value included in other income or expense in the consolidated statements of operations. All of the Company's debt securities as of December 31, 2024 and 2023, were classified as available for sale. Available-for-sale securities may be sold prior to maturity and are carried at fair value. The Company accounts for its investments in debt securities in accordance with ASC 320, *Investments—Debt Securities*. Management determines the appropriate classification of its investments at the time of purchase and reevaluates such determination at each balance sheet date.

The amortized cost of debt securities is adjusted using the effective interest rate method for amortization of premiums and accretion of discounts. Such amortization and accretion are included in other income in the consolidated statements of operations. Net unrealized (losses) and gains on available-for-sale debt securities were (\$17) and \$190 for the years ended December 31, 2024 and 2023, respectively.

Other-than-Temporary Impairments on Investments—The Company determines other-than-temporary impairments on debt securities in accordance with certain provisions of ASC 320. This guidance requires the Company to evaluate whether it intends to sell an impaired debt security or whether it is more likely than not that it will be required to sell an impaired debt security before recovery of the amortized cost basis. If either of these criteria are met, an impairment equal to the difference between the debt security's amortized cost and its fair value is recognized in earnings. For impaired debt securities that do not meet these criteria, the Company determines if a credit loss exists with respect to the impaired security. If a credit loss exists, the credit loss component of the impairment, which is equal to the difference between the security's amortized cost and its projected net present value of future cash flows from the security, is recognized in other income. For the years ended December 31, 2024 and 2023, no impairment related to debt securities was recorded. At December 31, 2024 and 2023, the Company held \$4,005 and \$4,626, respectively, in debt securities.

Accounts Receivable—Accounts receivable consist of franchise royalties and other costs billed to franchisees. Accounts receivable are stated at amounts management expects to collect from outstanding balances. Credit is extended to customers based upon evaluation of the customer's financial condition, and collateral is not required. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. As of December 31, 2024 and 2023, the Company had an allowance for credit losses of \$3,662 and \$1,644, respectively.

Inventory—Inventory is stated at the lower of cost or net realizable value using the first-in, first-out method. The Company records a provision for obsolete and slow-moving inventory, when necessary, based on current inventory levels, as well as historical and expected future production levels. Based on

the Company's assessment, there was a provision for obsolete inventory of \$791 and \$0 for the years ended December 31, 2024 and 2023, respectively, and no lower of cost or net realizable value adjustments at December 31, 2024 and 2023.

Deferred Initial Franchise Fee Costs—The Company has capitalized costs in relation to commission costs incurred for the sale of franchise agreements. Capitalized costs directly related to these activities are \$13,275 and \$20,487 as of December 31, 2024 and 2023, respectively, and are reported as deferred initial franchise fee costs in the accompanying consolidated balance sheets.

Leases—The Company recognizes the assets and liabilities that arise from leases in the consolidated balance sheets. At lease inception, leases are classified as either finance leases or operating leases with the associated right-of-use assets and lease liabilities measured at the net present value of future lease payments. Operating lease right-of-use assets are expensed on a straight-line basis as lease expense over the noncancelable lease term. Lease expense for the Company's finance leases is composed of the amortization of the right-of-use asset and interest expense recognized based on the effective interest method. As of December 31, 2024 and 2023, the Company recorded operating lease right-of-use assets and lease liabilities at their fair value.

The Company has elected not to separate lease and nonlease components for all asset classes.

When the rate implicit in the lease is not determinable, rather than use the Company's incremental borrowing rate, the Company elected to use a risk-free discount rate, based on similar term US Treasury note or bond rates, for the initial and subsequent measurement of lease liabilities for all asset classes.

The Company elected not to apply the recognition requirements to all leases with an original term of 12 months or less, for which the Company is not likely to exercise a renewal option or purchase the asset at the end of the lease; rather, short-term leases will continue to be recorded on a straight-line basis over the lease term.

Contract Assets and Liabilities—The Company has contract liabilities, which represent deferred revenues from certain preopening activities and area development fees. The Company has determined that preopening activities and area development fees do not represent distinct goods or services transferred to the franchisee. Accordingly, these costs are deferred over the related franchise agreement, which is typically 10 years.

The Company's contract assets relating to attraction costs include the costs to acquire and transport the attraction equipment, labor for its installation, and other indirect costs related to contract performance. All costs incurred are recorded in the consolidated balance sheets as deferred attraction costs and are incurred on uncompleted attractions until the associated revenues are realizable, which is typically at the grand opening. As of December 31, 2024 and 2023, incurred costs related to unopened franchise locations totaled \$20,258 and \$15,535, respectively.

Fair Value of Financial Instruments—The Company's financial instruments include cash, investments, accounts receivable, and accounts payable. As of December 31, 2024 and 2023, the carrying value of these financial instruments approximate their fair values because of the short-term maturities or variable borrowing rate nature of these instruments.

Property and Equipment—Property and equipment are stated at cost, less accumulated depreciation. Expenditures which substantially improve or extend the useful life of property are capitalized. Routine maintenance and repair costs are expensed as incurred. Property and equipment are capitalized if they

have individual costs of at least \$5 and useful lives of greater than one year. Leasehold improvements are amortized over the lesser of the lease term or useful life if applicable. Upon retirement or disposition of property and equipment, the cost and related accumulated depreciation are removed from the accounts, and the gains or losses are reflected in the consolidated statements of operations.

Depreciation and amortization are calculated using the straight-line method over the established useful lives of the individual assets as follows:

	Useful Lives
Transportation assets	3–5 years
Leasehold improvements	7–15 years
Computer and software	3 years
Furniture, fixtures, and equipment	5 years
Vehicles	5 years

Impairment of Long-Lived Assets—In accordance with ASC 360-10, *Accounting for the Impairment or Disposal of Long-Lived Assets*, the Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may no longer be recoverable. The Company assesses recoverability of the carrying amount by estimating the undiscounted future net cash flows expected to result from the asset over its expected useful life, including eventual disposition. If the future undiscounted net cash flows are less than the carrying amount of the asset, an impairment loss is recorded equal to the difference between the assets carrying amount and its fair value. No impairment of long-lived assets was recognized for the years ended December 31, 2024 and 2023.

Goodwill and Intangible Assets—The Company amortizes goodwill over 10 years. Intangible assets acquired in a business combination are recorded at fair value. Intangible assets with finite lives are amortized based on the pattern in which the economic benefits of the assets are estimated to be consumed, or using the straight-line method if that pattern cannot be reliably determined, over the useful lives as disclosed in Note 6.

The Company tests goodwill and other definite-lived intangible assets for impairment if an event occurs or changes in circumstance indicate that the fair value of the entity may be below its carrying value. A goodwill impairment loss, if any, is measured as the amount by which the carrying value of the entity including goodwill exceeds its fair value.

Indefinite-lived assets are not amortized but are evaluated for impairment on an annual basis or more frequently if indicators of impairment are present. Impairment charges related to indefinite-lived assets are recognized when the fair value is less than the carrying value of the asset. Costs incurred to renew or extend the term of a recognizable asset are expensed as incurred. During the years ended December 31, 2024 and 2023, the Company recorded impairment of \$2,273 and \$0, respectively, as disclosed in Note 6.

Insurance Related Activities—The Company used Adventis, a wholly owned subsidiary of the Company and captive insurance company to issue policies for general liability coverage and workers' compensation coverage to franchise owners. The Company ceased issuing general liability policies effective May 2023 and workers' compensation coverages effective May 2024 and is currently operating in run-off.

Unpaid Insurance Losses and Loss Adjustment Expenses—Reserves for unpaid losses and loss adjustment expenses includes case basis estimates of reported losses, plus amounts for incurred but

not reported (IBNR) losses calculated based upon loss projections utilizing industry data. In establishing this reserve, the Company utilizes the findings of an independent consulting actuary. Management believes that its aggregate reserve for unpaid losses and loss adjustment expenses at year-end represents its best estimate, based on the available data, of the amount necessary to cover the ultimate cost of losses. As adjustments to these estimates become necessary, such adjustments are reflected in current operations.

Insurance Premiums—Premiums are earned over the period that coverage is provided. Unearned premiums are calculated on a daily pro rata basis for the unexpired terms of individual policies in force.

Premium Deficiency—The Company recognizes premium deficiencies when there is a probable loss on an insurance contract. Premium deficiencies are recognized if the sum of expected losses and loss adjustment expenses, expected dividends to the policy holder, unamortized deferred acquisition costs, and maintenance costs exceed unearned premiums and anticipated investment income. There were no premium deficiencies for the years ended December 31, 2024 and 2023.

Revenue Recognition—The Company's revenues are substantially composed of service revenues. Revenue is recognized when the Company satisfies its performance obligation under each contract after it has provided the service to each customer. A performance obligation is a promise in a contract to transfer a distinct product or service to a customer.

Revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring products or providing services. The nature of the Company's contracts do not give rise to any notable amounts of variable consideration with its customers. The Company's contracts do not give rise to any significant financing components (including contracts where the timing of the transfer of goods or services is at the discretion of the customer). The type or location of services performed do not significantly impact the nature, amount, timing, or uncertainty of revenues and cash flows.

The Company performs the following obligations within each franchise agreement contract—approval of real estate and facility layout for nonmobile units, training of the franchisee, and providing access to the respective brand's intellectual property, which are not distinct within the context of the contract. The Company has concluded that there is a single performance obligation related to each contract recognized at the time of the unit opening.

Substantially, all of the Company's revenues are from services provided to customers at a point in time, with the exception of franchise fee revenue and insurance premiums, which are deferred and recognized over the term of the related agreements.

The Company's costs which are not incremental to obtaining a contract are expensed as incurred.

Sales, value added, and other taxes collected from customers and remitted to governmental authorities are accounted for on a net (excluded from revenues) basis.

The primary sources of revenue for the Company are recognized as follows:

Royalty Revenues—Royalty revenue is recognized in the period earned and ranges from 7–16% of gross revenue based on the franchise brand. Royalty revenues are allocated to the outcome from the performance obligation of having access to the license, i.e., franchise location's monthly sales. The Company records the royalty revenue as the franchisee's monthly sales occur.

Attraction Revenues—Attraction revenue is recognized as revenue when earned, which is at the grand opening of the associated franchised park.

Merchandise Revenues—Merchandise revenue relates to commissions received from third-party companies that purchase inventory and sell merchandise to franchisee locations. The third-party vendors provide this merchandise at a cost to the franchisees that is lower than they could otherwise purchase individual items in like quantities, quality, etc. The third parties, under license from the Company of its trademarks, procure licensed products from manufacturers and sell them to the Company's franchisees. The Company recognizes revenue as the underlying purchases are made by the franchisees, net of estimated returns, based on agreed-upon commission rates.

Franchise Fee Revenues—Franchise fee revenue is recognized as revenue when earned. The Company receives an initial franchise fee as franchise agreements are signed. Franchise fee revenue is deferred until opening of the location, and then recognized over the term of the franchise agreement, which is typically 10 years (over time revenue). At December 31, 2024 and 2023, deferred franchise fee revenues totaled \$55,256 and \$55,980, respectively, and are classified as contract liabilities in the consolidated balance sheets (Note 7). Due to closures and terminations in the Premier Martial Arts brand, the Company accelerated recognition of \$10,758 and \$650 of revenue for the years ended December 31, 2024 and 2023, respectively, and \$8,729 and \$514 of related costs for the years ended December 31, 2024 and 2023, respectively, which are presented in franchise fee revenues and salaries and wages within the consolidated statements of operations, respectively.

Other Revenues—Other revenues include various ancillary revenue streams all recognized when earned, which is generally as services are performed.

Marketing Fund Revenues—The Company administers various marketing funds for its brands, for which franchisees and Company-owned parks both contribute. The contributions range from 1–4.5% of gross sales based on the franchise brand. These contributions are used for various forms of brand advertising in accordance with its various brand franchise agreements. The Company has a contractual obligation to use marketing fund contributions for advertising, public relations, merchandising, and similar activities. Marketing fund liabilities are included in the consolidated balance sheets as marketing funds and totaled \$3,703 and \$3,396 as of December 31, 2024 and 2023, respectively. Marketing fund revenues and expenditures are recorded on a gross basis within the consolidated statements of operations as contributions are billed, increasing both the gross amount of reported revenues and expenses and generally has no impact on income (loss) from operations and net income (loss).

The Company disaggregates revenue from contracts with customers by project type, as the Company believes it best depicts how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors. All the Company's revenues are recognized at a point-in-time with the exception of initial franchise fees and insurance premiums, which are recognized over the term of the related agreements. The following table presents the Company revenues disaggregated by timing:

	2024	2023
Over time revenue	\$ 15,703	\$ 7,680
Point in time revenue	<u>179,007</u>	<u>143,807</u>
	<u>\$ 194,710</u>	<u>\$ 151,487</u>

Advertising Costs—Advertising costs include discretionary local and national campaign marketing expenses associated with the Sylvan Brand, franchise recruitment marketing and other general corporate marketing expenditures and are included in selling, general, and administrative expenses in the consolidated statements of operations. Advertising costs are expensed as incurred and totaled \$13,160 and \$4,149 for the years ended December 31, 2024 and 2023, respectively. Franchisee contributions for the discretionary local marketing for Sylvan Learning are included in other revenues within the consolidated statements of operations.

Debt Financing Costs—Costs related to obtaining financing are capitalized and presented as a deduction against the corresponding debt. Debt financing costs are amortized over the respective debt agreement using the effective interest method with amortization expense included in interest expense in the consolidated statements of operations. In December 2022, the Company recorded \$8,700 in gross debt financing costs related to its term loan that is being amortized over the term of the debt. In February 2024, the Company recorded an additional \$3,378 in gross debt financing costs in relation to borrowings to complete the Sylvan Learning acquisition. Amortization expense totaled \$2,474 and \$1,740 for the years ended December 31, 2024 and 2023, respectively. Unamortized debt financing costs were \$7,865 and \$6,960 as of December 31, 2024 and 2023, respectively.

Income Taxes—The Company is organized as a Delaware limited liability company and, therefore, federal tax obligations are passed through to its members. The Company is subject to various state taxes.

The Company accounts for uncertain tax positions in accordance with the asset and liability method. The Company has evaluated its tax positions and has not identified any material uncertain tax positions that would not be sustained in federal or state income tax examination or that require disclosure. Accordingly, no provision for uncertainties in income taxes has been made in the accompanying consolidated financial statements. The Company recognizes interest and penalties on income taxes as a component of income tax expense.

4. FAIR VALUE MEASUREMENTS

ASC 820, *Fair Value Measurements and Disclosures*, defines fair value as the price that would be received to sell an asset, or paid to transfer a liability, in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. The fair value standard also establishes a three-level hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of observable inputs when measuring fair value.

The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability on the measurement date. The three levels are defined as follows:

Level 1—Quoted prices are available in active markets for identical instruments as of the reporting date. The type of instruments included in Level 1 include listed equities and listed derivatives.

Level 2—Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Instruments which are generally included in this category include corporate bonds and loans, less liquid and restricted equity securities and certain over-the-counter derivatives.

Level 3—Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require

significant management judgment or estimation. Instruments that are included in this category generally include general and limited partnership interests in corporate private equity and real estate funds, mezzanine funds, funds of hedge funds, distressed debt, and noninvestment grade residual interests in securitizations and collateralized debt obligations.

The Company classified its investments in exchange-traded funds as Level 1 in accordance with the criteria described above.

The following table presents the Level 1, Level 2, and Level 3 financial instruments measured, reported, and carried at fair value, as of December 31, 2024, in accordance with the valuation hierarchy:

	Level 1	Level 2	Level 3	Total
Debt securities:				
Corporate bonds	\$ -	\$ 7	\$ -	\$ 7
Other fixed income	-	2,301	-	2,301
Treasury securities	-	1,697	-	1,697
	<u>-</u>	<u>4,005</u>	<u>-</u>	<u>4,005</u>
Subtotal	-	4,005	-	4,005
Equity:				
Common stocks	-	-	-	-
Preferred stocks	371	-	-	371
	<u>371</u>	<u>-</u>	<u>-</u>	<u>371</u>
Subtotal	371	-	-	371
Total	<u>\$ 371</u>	<u>\$ 4,005</u>	<u>\$ -</u>	<u>\$ 4,376</u>

The following table presents the Level 1, Level 2, and Level 3 financial instruments measured, reported, and carried at fair value, as of December 31, 2023, in accordance with the valuation hierarchy:

	Level 1	Level 2	Level 3	Total
Debt securities:				
Corporate bonds	\$ -	\$ 7	\$ -	\$ 7
Other fixed income	-	2,591	-	2,591
Treasury securities	-	2,028	-	2,028
	<u>-</u>	<u>4,626</u>	<u>-</u>	<u>4,626</u>
Subtotal	-	4,626	-	4,626
Equity:				
Common stocks	700	-	-	700
Preferred stocks	338	-	-	338
Exchange traded funds	352	-	-	352
	<u>1,390</u>	<u>-</u>	<u>-</u>	<u>1,390</u>
Subtotal	1,390	-	-	1,390
Private equity funds	-	-	861	861
	<u>-</u>	<u>-</u>	<u>861</u>	<u>861</u>
Total	<u>\$ 1,390</u>	<u>\$ 4,626</u>	<u>\$ 861</u>	<u>\$ 6,877</u>

Investments in equity securities were measured using Level 1 fair values based upon observable quoted market prices from national security exchanges.

Investments in debt securities were measured using Level 2 fair values based upon inputs, such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, benchmark securities, offers, bids, and reference data.

Investments in alternative investments funds held by the Company as of December 31, 2024 and 2023, using significant unobservable inputs (Level 3) to measure fair value did not change from December 31, 2023, to December 31, 2024. Accordingly, no change to net unrealized and realized gains or losses were recorded in the consolidated statements of operations.

The Company may withdraw funds monthly or quarterly, depending on the fund. There are no unfunded capital commitments as of December 31, 2024 and 2023.

The Company's nonfinancial assets, which primarily consist of property and equipment, right-of-use assets, goodwill and other intangible assets, are not required to be carried at fair value on a recurring basis and are reported at carrying value.

5. PROPERTY AND EQUIPMENT—NET

Property and equipment at December 31, 2024 and 2023, consisted of the following:

	2024	2023
Company-owned units	\$ 4,907	\$ 5,000
Leasehold improvements	5,191	5,182
Computer and software	5,635	4,638
Furniture and fixtures	1,163	928
Vehicles	70	70
Construction in progress	<u>5,173</u>	<u>816</u>
Subtotal	22,139	16,634
Less accumulated depreciation and amortization	<u>(10,449)</u>	<u>(8,450)</u>
Property and equipment—net	<u>\$ 11,690</u>	<u>\$ 8,184</u>

Depreciation and amortization expense for the years ended December 31, 2024 and 2023, was \$2,039 and \$1,868, respectively.

6. GOODWILL AND INTANGIBLE ASSETS—NET

Goodwill and intangible assets at December 31, 2024, consist of the following:

	Economic Life	Total Intangible Assets and Goodwill	Accumulated Amortization	Net Intangible Assets and Goodwill
Royalty agreements	13–20 years	\$ 438,000	\$ (42,252)	\$ 395,748
Trade names	Indefinite	33,100	-	33,100
Customer relationships	5 years	2,600	(1,040)	1,560
Software	3 years	2,900	(846)	2,054
Goodwill	10 years	<u>405,682</u>	<u>(74,301)</u>	<u>331,381</u>
Total		<u>\$ 882,282</u>	<u>\$ (118,439)</u>	<u>\$ 763,843</u>

Goodwill and intangible assets at December 31, 2023, consist of the following:

	Economic Life	Total Intangible Assets and Goodwill	Accumulated Amortization	Net Intangible Assets and Goodwill
Royalty agreements	13–20 years	\$ 337,700	\$ (18,941)	\$ 318,759
Trade names	Indefinite	22,900	-	22,900
Customer relationships	5 years	2,600	(520)	2,080
Goodwill	10 years	<u>341,607</u>	<u>(34,533)</u>	<u>307,074</u>
Total		<u>\$ 704,807</u>	<u>\$ (53,994)</u>	<u>\$ 650,813</u>

Amortization expense for the years ended December 31, 2024 and 2023, was \$64,469 and \$53,620, respectively. During the year ended December 31, 2024, the Company determined that the carrying values of certain intangible assets were in excess of their fair values. Accordingly, the Company recorded an impairment loss of \$2,100 related to trade names and an impairment loss of \$173 related to royalty agreements. There was no impairment for goodwill or intangible assets recorded for the year ended December 31, 2023.

The amortization of royalty agreements, customer relationships, software, and goodwill for the years ending December 31 are as follows:

Royalty Agreements		Customer Relationships		Software		Goodwill	
2025	\$ 23,953	2025	\$ 520	2025	\$ 967	2025	\$ 40,567
2026	23,953	2026	520	2026	967	2026	40,567
2027	23,953	2027	520	2027	120	2027	40,567
2028	23,953	2028	-	2028	-	2028	40,567
2029	23,953	2029	-	2029	-	2029	40,567
Thereafter	<u>275,983</u>	Thereafter	<u>-</u>	Thereafter	<u>-</u>	Thereafter	<u>128,546</u>
Total	<u>\$ 395,748</u>	Total	<u>\$ 1,560</u>	Total	<u>\$ 2,054</u>	Total	<u>\$ 331,381</u>

7. CONTRACT LIABILITIES

Contract liabilities at December 31, 2024 and 2023, consisted of the following:

	2024	2023
Franchise fees—net	\$ 55,256	\$ 55,980
Attraction revenues	<u>14,900</u>	<u>14,677</u>
Subtotal	70,156	70,657
Less current portion	<u>(18,405)</u>	<u>(17,570)</u>
Contract liabilities—net of current portion	<u>\$ 51,751</u>	<u>\$ 53,087</u>

8. COMMITMENTS AND CONTINGENCIES

Operating Leases—Right-of-use assets represent the Company's right to use an underlying asset for the lease term, while lease liabilities represent the Company's obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities are recognized at the commencement date of a lease based on the net present value of lease payments over the lease term.

Certain of the Company's leases include options to renew or terminate the lease. The exercise of lease renewal or early termination options is at the Company's sole discretion. The Company regularly evaluates the renewal and early termination options and when they are reasonably certain of exercise, the Company includes such options in the lease term.

Right-of-use assets are assessed for impairment in accordance with the Company's long-lived asset policy. The Company reassesses lease classification and remeasures right-of-use assets and lease liabilities when a lease is modified, and that modification is not accounted for as a separate new lease or upon certain other events that require reassessment in accordance with Topic 842. During 2024, the Company terminated certain operating leases in conjunction with the targeted closure of Company-owned locations. This resulted in impairment of right-of use assets totaling \$3,584 which is included in selling, general, and administrative expenses in the consolidated statements of operations.

The Company makes significant assumptions and judgments in assessing its right-of-use assets and lease liabilities:

- Evaluates whether a contract contains a lease, by considering factors, such as whether the Company obtained substantially all rights to control an identifiable underlying asset and whether the lessor has substantive substitution rights.
- Determines whether contracts contain embedded leases.
- Evaluates leases with similar commencement dates, lengths of term, renewal options, or other contract terms, which, therefore, meet the definition of a portfolio of leases, whether to apply the portfolio approach to such leases.
- Determines for leases that contain a residual value guarantee, whether a payment at the end of the lease term was probable and, accordingly, whether to consider the amount of a residual value guarantee in future lease payments.

The Company does not have material leasing transactions with related parties.

The Company's lease agreements contain lease incentives related to tenant improvement allowances. During the years ended December 31, 2024 and 2023, tenant improvement allowances reimbursed by the landlords totaled \$1,564 and \$1,606, respectively. The Company recorded an impairment loss on two tenant improvement allowances of \$1,052 for the year ended December 31, 2024, that are included in selling, general, and administrative expenses in the consolidated statements of operations. Included in the Company's prepaids and other current assets in the consolidated balance sheets are tenant improvement allowance receivables of \$2,432 and \$5,051 as of December 31, 2024 and 2023, respectively.

The following table summarizes the lease right-of-use assets and lease liabilities as of December 31, 2024 and 2023:

	2024	2023
Right-of-use assets—operating leases	<u>\$ 25,256</u>	<u>\$ 38,191</u>
Lease liabilities:		
Current operating lease liabilities	\$ 4,699	\$ 5,190
Long-term operating lease liabilities	<u>31,039</u>	<u>42,068</u>
Total lease liabilities	<u>\$ 35,738</u>	<u>\$ 47,258</u>

Below is a summary of expenses incurred pertaining to leases for the years ended December 31, 2024 and 2023:

	2024	2023
Operating lease expense	\$ 6,135	\$ 7,323
Sublease income	<u>(163)</u>	<u>(68)</u>
Total lease expense	<u>\$ 5,972</u>	<u>\$ 7,255</u>
Weighted-average remaining lease term (in years)—operating leases	7.64	8.55
Weighted-average discount rate—operating leases	2.83 %	2.80 %

Total rent expense, including variable lease costs, such as common area maintenance and property taxes, totaled \$7,418 and \$8,487 for the years ended December 31, 2024 and 2023, respectively. These costs are included in Company-owned unit costs and selling, general, and administrative expenses in the consolidated statements of operations.

The table below summarizes the Company's scheduled future minimum lease payments for years ending after December 31, 2024:

**Years Ending
December 31**

2025	\$ 5,645
2026	5,841
2027	4,795
2028	4,618
2029	4,570
Thereafter	<u>14,602</u>
Total lease payments	40,071
Less present value discount	<u>(4,333)</u>
Total lease liabilities	35,738
Less current portion	<u>(4,699)</u>
Long-term lease liabilities	<u>\$ 31,039</u>

Lease Guarantees—On occasion, the Company has acted as co-guarantor with certain of its franchisees in connection with leases necessary in establishing their businesses. As of December 31, 2024 and 2023, the Company had limited guarantees for leases on 10 and nine franchised locations, respectively, totaling a maximum of \$9,878 and \$12,129, respectively, in potential lease payments.

Litigation—The Company may be a party to routine claims brought against it in the ordinary course of business. The Company estimates whether such liabilities are probable to occur and whether reasonable estimates can be made and accrues liabilities when both conditions are met. Although the ultimate outcome of these matters, if and when they arise, cannot be accurately predicted due to the inherent uncertainty of litigation, in the opinion of management, based upon current information, no currently pending or overtly threatened claim is expected to have a material adverse effect on the Company's business, financial condition, or results of operations. However, it is possible that an unfavorable resolution of one or more such future proceedings could materially and adversely affect the Company's consolidated financial position, results of operations, or cash flows.

9. INSURANCE ACTIVITIES

General liability limits provided are \$250 per occurrence with no aggregate limit. Worker's compensation limits provided are \$500 per occurrence with an aggregate limit of 150% of the gross written premium. There were no policies issued during 2024, and all policies issued during 2023 expired on May 27, 2024, to concur with primary policy terms. Premiums written for the years ended December 31, 2024 and 2023, were \$0 and \$389, respectively. Net premiums assumed for the years ended December 31, 2024 and 2023, were a loss of \$67 and earnings of \$3,154, respectively.

Incurred and Paid Claims Development by Accident Year—IBNR reserve estimates are generally calculated by first projecting the ultimate cost of all claims that have occurred and then subtracting reported losses and loss expenses. Loss projections based upon industry data to develop loss development factors that multiplicatively accumulated to arrive at age-to-ultimate loss development factors.

Reported losses include cumulative paid losses and loss expenses, plus case reserve estimates. The IBNR reserve includes a provision for the claims that have occurred but have not yet been reported, some of which are not yet known to the Company, as well as a provision for the future development on reported claims. The following paragraph details the IBNR liabilities and claims frequency, which is measured by claim event, for each accident year presented for the general liability coverage. Claim counts for the general liability coverage are presented based upon the number of claim occurrences reported.

For the year ended December 31, 2024, the Company incurred cumulative claims and claim adjustment expenses of \$14,881 and had cumulative paid claims and allocated claim adjustment expenses of \$8,988, resulting in liabilities for claims and claim adjustment expenses of \$5,893. For the year ended December 31, 2023, the Company incurred cumulative claims and claim adjustment expenses of \$14,478 and had cumulative paid claims and allocated claim adjustment expenses of \$4,786, resulting in liabilities for claims and claim adjustment expenses of \$9,692. For the year ended December 31, 2024, expected development on reported claims and IBNR totaled \$3,550, with cumulative reported claims of 949. For the year ended December 31, 2023, expected development on reported claims and IBNR totaled \$7,538, with cumulative reported claims of 753.

The unpaid insurance losses and loss adjustment expenses presented as liabilities in the consolidated balance sheets at December 31, 2024, include the liabilities for claims and claim adjustment expenses of \$5,893, and unallocated loss and loss adjustment expenses of \$187.

The unpaid insurance losses and loss adjustment expenses presented as liabilities in the consolidated balance sheets at December 31, 2023, include the liabilities for claims and claim adjustment expenses of \$9,692, and unallocated loss and loss adjustment expenses of \$342.

10. NOTES PAYABLE

In December 2022, the Company entered into a \$275,000 term loan facility with a corporate lender. In December 2022, the Company drew \$275,000 on this facility. In February 2024, this facility was amended to add \$133,000 of borrowing power to facilitate the Sylvan Learning acquisition. The term loan requires interest payments on either a monthly or quarterly basis in arrears for which the Company typically has made payments on a quarterly basis. The interest rate on the term loan is based on a 7.5% margin rate plus a variable base. At December 31, 2024 and 2023, the interest rate was 12.25% and 13%, respectively. The term loan requires quarterly principal payments in an amount equal to 0.25% of the original gross principal amount borrowed under the agreement. The term loan is secured by the tangible and intangible assets of the Company and its subsidiaries. The principal outstanding balance under the term loan was \$401,157 and \$272,250 at December 31, 2024 and 2023, respectively. The term loan matures in December 2027 when all principal and accrued interest is due.

In accordance with the terms of the term loan, the Company has a total net leverage ratio covenant with which it was in compliance as of December 31, 2024.

A summary of notes payable outstanding at December 31, 2024 and 2023, is as follows:

	2024	2023
Term Loan	\$ 401,157	\$ 272,250
Less unamortized debt costs	(7,865)	(6,960)
Less current maturities	<u>(4,093)</u>	<u>(2,750)</u>
Total notes payable—net	<u>\$ 389,199</u>	<u>\$ 262,540</u>

As of December 31, 2024, future principal payments due on the notes payable for the years ending December 31 are as follows:

2025	\$ 4,093
2026	4,093
2027	<u>392,971</u>
Subtotal	401,157
Less unamortized debt costs	(7,865)
Less current maturities	<u>(4,093)</u>
Total notes payable—net	<u>\$ 389,199</u>

11. REVOLVING CREDIT FACILITIES

The Company entered into a \$15,000 revolving credit agreement with a corporate lender. In December 2022, the Company drew \$2,000 on this facility and subsequently repaid in full the \$2,000 in August 2023. As of December 31, 2024 and 2023, the Company had \$15,000 in available credit under the revolving credit facility, respectively. Draws under the revolving credit facility bear interest and require interest payments monthly or quarterly in arrears. The interest rate on the revolving credit facility is variable based on a 7.5% margin rate plus a variable base. The revolving credit facility is secured by the tangible and intangible assets of the Company and its subsidiaries.

The revolving credit facility is subject to a quarterly fee on the unused portion of the maximum limit at a rate of 0.50% per annum. In accordance with the terms of the term loan, the Company has a total net leverage ratio covenant with which it was in compliance as of December 31, 2024.

12. MEMBERS' EQUITY

The Company's Limited Liability Agreement authorizes the issuance of 755,257.732 units of which 260,257.732 units are designated as preferred units and 495,000 units are designated as common units. 260,257.732 common units are reserved for issuance upon conversion of the preferred units. Upon the election of the holders of preferred units, the preferred units may convert into common units on a one-for-one basis. As of December 31, 2024, issued and outstanding units included 312,967.555 preferred units and 234,742.268 common units. As of December 31, 2023, issued and outstanding units included 260,257.732 preferred units and 234,742.268 common units.

The preferred units and the common units have no voting rights.

Distributions are paid in the following priority: (1) to holders of preferred units until unreturned capital is reduced to zero; (2) to holders of preferred units and common units proportionally based on total units issued and outstanding.

Net profits and losses of the Company are allocated among members in a manner such that the balance in each member's adjusted capital account for each fiscal year immediately after making all allocations required for the relevant fiscal year are, as nearly as possible, equal to the amount that would be distributed to such member if the Company were dissolved, its affairs wound up, and the net assets of the Company were distributed to the members in accordance with its operating agreement.

Dissolution or winding up of the Company requires the approval of the board of directors.

13. INCENTIVE UNITS

Common units are intended to represent profit interests in the Company and to incentivize individuals to achieve certain operating and financial objectives. The issuance of incentive units requires board of director approval and issued incentive units will be bound by the terms of the unit issuance agreement. Units granted typically vest only upon the sale of the Company, as defined in the unit issuance agreements. One agreement vested at issuance. All nonvested incentive units are subject to potential future forfeiture.

The below table details grants, forfeitures, and vesting of common incentive units for the years ended December 31, 2024 and 2023:

	Common Units	
	Issued Units	Vested Units
Totals at January 1, 2023	-	-
Units granted	<u>19,868</u>	<u>5,440</u>
Totals at December 31, 2023	19,868	5,440
Units forfeited	(3,610)	-
Units granted	<u>1,138</u>	<u>-</u>
Totals at December 31, 2024	<u>17,396</u>	<u>5,440</u>

Management estimated the grant-date fair values for the incentive units to be immaterial for financial reporting purposes.

14. FEDERAL INCOME TAXES

Federal income taxes are related to Adventis (Note 9); accordingly, the federal income tax expense and components of the provision are only included for the years ended December 31, 2024 and 2023. Income taxes were computed at the 21% statutory federal income tax rate and a reconciliation to the provision for income taxes for the years ended December 31, 2024 and 2023, is as follows:

	2024	2023
Federal income tax, statutory rate	\$ 64	\$ (873)
Other	<u>226</u>	<u>10</u>
Total	<u>\$ 290</u>	<u>\$ (863)</u>

The components of the provision for income taxes for the years ended December 31, 2024 and 2023, are as follows:

	2024	2023
Current	\$ 231	\$ (600)
Deferred	<u>59</u>	<u>(263)</u>
	<u>\$ 290</u>	<u>\$ (863)</u>

The tax effects of temporary differences that give rise to significant portions of deferred taxes at December 31, 2024 and 2023, consisted of the following:

	2024	2023
Deferred tax assets and liabilities:		
Insurance loss reserve discounting	\$ 106	\$ 193
Unearned insurance premiums	-	6
Adventis start-up costs	7	8
Unrealized loss on investments	10	2
Net operating loss carryforward	369	350
Deferred acquisition costs	<u>-</u>	<u>(8)</u>
	<u>\$ 492</u>	<u>\$ 551</u>

The Company is required to periodically assess whether it is more likely than not that it will generate sufficient taxable income to realize its deferred tax assets. In making this determination, the Company considers all available positive and negative evidence and makes certain assumptions. The Company considers, among other things, its deferred tax liabilities, the overall business environment, and its outlook for future years. At December 31, 2024 and 2023, management determined a valuation allowance for its net deferred tax assets is not required as realization of the deferred tax assets is more likely than not.

15. RELATED-PARTY TRANSACTIONS

For the years ended December 31, 2024 and 2023, the Company had one franchisee partially owned by members of the Company that accounted for approximately \$313 and \$314 of revenues and approximately \$64 and \$34 of accounts receivable as of December 31, 2024 and 2023, respectively.

The Company has a management agreement with an entity for which an employee of the management company is also a board member of Adventis. The management company performed, under the direction of the Company, certain management and administrative services and accounting services. For the years ended December 31, 2024 and 2023, total management fees amounted to \$102 and \$92, respectively.

The Company incurred approximately \$231 and \$57 of out-of-pocket costs and other expenditures for the years ended December 31, 2024 and 2023, respectively, to a member of its parent company. All of these costs are included in selling, general, and administrative expenses in the consolidated statements of operations.

16. EMPLOYEE BENEFIT PLAN

The Company sponsors a defined 401(k) contribution plan (the “Plan”) covering substantially all employees. Plan participants may make certain voluntary contributions in which they are 100% vested. The Company has agreed to make certain matching contributions to the Plan not to exceed the amount deductible for federal income tax purposes. The Company made matching contributions of \$809 and \$552 that are included in salaries and wages expenses in the consolidated statements of operations for the years ended December 31, 2024 and 2023, respectively.

17. SUBSEQUENT EVENTS

The Company evaluated all material events or transactions that occurred after December 31, 2024, the consolidated balance sheet date, through March 31, 2025, the date these consolidated financial statements were available to be issued. There were no other significant or material subsequent events which would impact the consolidated financial statements for the year ended December 31, 2024, other than those disclosed below:

Effective January 16, 2025, the Company completed the acquisition of 100% of the operating assets and liabilities of the Water Wings swim center business, thereby expanding its portfolio to eight brands.

* * * * *

UA Holdings, LLC and Subsidiaries

Consolidated Financial Statements

December 31, 2022

UA Holdings, LLC and Subsidiaries

Table of Contents
December 31, 2022

	<u>Page</u>
Independent Auditors' Report	1
Consolidated Financial Statements	
Consolidated Balance Sheet	3
Consolidated Statements of Operations and Comprehensive Income	4
Consolidated Statements of Changes in Members' Equity	5
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7
Supplementary Information	
Consolidated Statements of Operations and Comprehensive Income With Totals	30

Independent Auditors' Report

To the Members and Management of
UA Holdings, LLC and Subsidiaries

Opinion

We have audited the consolidated financial statements of UA Holdings, LLC and Subsidiaries (the Company), which comprise the consolidated balance sheet as of December 31, 2022 (Successor) and the related consolidated statements of operations and comprehensive income, changes in members' equity and cash flows for the period from December 28, 2022 to December 31, 2022 (Successor) and January 1, 2022 to December 27, 2022 (Predecessor), and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of, 2022 (Successor) and the results of its operations and its cash flows for the period from December 28, 2022 to December 31, 2022 (Successor) and January 1, 2022 to December 27, 2022 (Predecessor) in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter, Change in Accounting Principle

As described in Note 3 to the consolidated financial statements, on January 1, 2022, the Company adopted Accounting Standards Codification Topic 842 as required by Accounting Standards Update No. 2016-02, *Leases (Topic 842)* and its related amendments. Our opinion is not modified with respect to this matter.

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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the 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 GAAS 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 GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements as a whole. The unaudited consolidated statements of operations and comprehensive income with totals, which is the responsibility of management, is presented for the purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

The image shows a handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

Plano, Texas
April 28, 2023

UA Holdings, LLC and SubsidiariesConsolidated Balance Sheet
December 31, 2022 (Successor)**Assets****Current Assets**

Cash and cash equivalents	\$ 12,351,843
Investments, at fair value	8,157,880
Accounts receivable, net	14,609,758
Inventory	759,666
Notes receivable, current, net of allowances	61,142
Deferred attractions costs	18,640,890
Deferred initial franchise fee costs, current	849,517
Deferred income taxes	282,656
Prepays and other current assets	12,219,020

Total current assets 67,932,372

Notes Receivable, Net of Current Maturities and Allowances 633,001

Deferred Initial Franchise Fee Costs, Net of Current Maturities 19,352,937

Property and Equipment, Net 8,342,657

Operating Lease Right-of-Use Asset, Net 49,194,301

Intangible Assets, Net 363,200,000

Goodwill, Net 341,222,291

Total assets \$ 849,877,559

Liabilities and Members' Equity**Current Liabilities**

Accounts payable	\$ 3,898,814
Accrued liabilities	13,274,825
Marketing funds	6,001,079
Deferred attractions revenues	14,042,166
Contract liabilities, current portion	2,409,313
Operating lease liability, current portion	4,339,574
Unpaid insurance losses and loss adjustment expenses	6,371,261
Unearned insurance premium	2,868,001
Insurance premium refunds and losses payable	19,514
Line of credit	2,000,000
Notes payable, current portion	2,750,000

Total current liabilities 57,974,547

Notes Payable, Net of Current Maturities and Debt Issuance Costs 263,550,000

Operating Lease Liability, Net of Current Portion 54,418,537

Contract Liabilities, Net of Current Portion 43,798,140

Total liabilities 419,741,224

Members' Equity

Members' equity	
Preferred units, \$1,000 par value, 260,257.732 authorized, issued and outstanding as of December 31, 2022 (Successor)	260,257,732
Common units, \$1,000 par value, 495,000 authorized; 234,742.268 issued and outstanding as of December 31, 2022 (Successor)	169,814,000
Accumulated earnings	64,603

Total members' equity 430,136,335

Total liabilities and members' equity \$ 849,877,559

See notes to consolidated financial statements

UA Holdings, LLC and Subsidiaries**Consolidated Statements of Operations and Comprehensive Income**

Periods From December 28, 2022 to December 31, 2022 (Successor) and January 1, 2022
to December 27, 2022 (Predecessor)

	Successor Period for Four Days of December 28, 2022 to December 31, 2022	Predecessor Period From January 1, 2022 to December 27, 2022
Revenues		
Royalty revenues	\$ 568,523	\$ 48,956,875
Attraction revenues	891,001	15,175,910
Merchandise revenues	64,375	7,317,829
Company owned unit revenues	307,532	15,434,936
Franchise fee revenues	50,000	4,008,469
Marketing fund revenues	1,831,429	19,218,819
Net earned insurance premiums	-	6,102,857
Other revenues	95,354	12,333,196
Total revenues	3,808,214	128,548,891
Operating Expenses		
Attraction costs	781,723	12,757,975
Merchandise costs	362	338,438
Company owned unit costs	124,915	13,336,113
Marketing fund costs	1,831,429	19,218,819
Salaries and wages	218,158	21,420,446
Incurred insurance losses and loss adjustment expenses	-	4,336,620
Selling, general and administrative	83,480	43,025,310
Amortization of goodwill	374,352	7,577,467
Depreciation and amortization expense	9,911	1,777,093
Total operating expenses	3,424,330	123,788,281
Income from operations	383,884	4,760,610
Other Income (Expenses)		
Interest expense	(319,281)	(6,220,757)
Forgiveness of Paycheck Protection Program loan	-	1,251,796
Other expense, net	-	(195,784)
Total other expenses	(319,281)	(5,164,745)
Income (loss) before federal and state tax expenses	64,603	(404,135)
Federal tax expense	-	190,499
State tax expense	-	107,960
Net income (loss)	\$ 64,603	\$ (702,594)
Comprehensive Income		
Unrealized holding losses on available for sale debt securities, net of tax	\$ -	\$ (208,672)
Comprehensive income (loss)	\$ 64,603	\$ (911,266)

See notes to consolidated financial statements

UA Holdings, LLC and Subsidiaries

Consolidated Statements of Changes in Members' Equity
Periods From December 28, 2022 to December 31, 2022 (Successor) and January 1, 2022 to December 27, 2022 (Predecessor)

	Preferred Units		Common Units		Class B-1 Equity		Accumulated Earnings (Deficit)	Accumulated Other Comprehensive Income (Loss)	Total Members' Equity
	Units	Amount	Units	Amount	Units	Amount			
Balance, January 1, 2022 (Predecessor)	26,728	\$ 26,728,000	25,831	\$ 33,210,000	1,738	\$ 6,286,000	\$ 21,066,942	\$ 1,006	\$ 87,291,948
Member tax distributions	-	-	-	-	-	-	(12,934,226)	-	(12,934,226)
Net income (loss)	-	-	-	-	-	-	(702,594)	-	(702,594)
Accumulated other comprehensive (loss), net of tax	-	-	-	-	-	-	-	(208,672)	(208,672)
Balance, December 27, 2022 (Predecessor)	26,728	\$ 26,728,000	25,831	\$ 33,210,000	1,738	\$ 6,286,000	\$ 7,430,122	\$ (207,666)	\$ 73,446,456
Balance, December 28, 2022 (Inception)	-	\$ -	-	\$ -	-	\$ -	\$ -	\$ -	\$ -
Rollover equity from parent company	-	-	234,742	169,814,000	-	-	-	-	169,814,000
Contributed capital	260,258	260,257,732	-	-	-	-	-	-	260,257,732
Net income	-	-	-	-	-	-	64,603	-	64,603
Balance, December 31, 2022 (Successor)	260,258	\$ 260,257,732	234,742	\$ 169,814,000	-	\$ -	\$ 64,603	\$ -	\$ 430,136,335

See notes to consolidated financial statements

UA Holdings, LLC and Subsidiaries**Consolidated Statements of Cash Flows**

Periods From December 28, 2022 to December 31, 2022 (Successor) and January 1, 2022 to December 27, 2022 (Predecessor)

	Successor Period for Four Days of December 28, 2022 to December 31, 2022	Predecessor Period From January 1, 2022 to December 27, 2022
Cash Flows From Operating Activities		
Net income (loss)	\$ 64,603	\$ (702,594)
Adjustments to reconcile net income (loss) to net cash (used in) provided by operating activities:		
Amortization of debt issuance costs	-	1,392,982
Provision for note receivable losses	-	(87,835)
Depreciation and amortization expense	9,911	1,777,093
Amortization of goodwill	374,352	7,577,469
Operating lease ROU asset amortization	-	3,744,390
Forgiveness on paycheck protection program loans	-	(1,251,796)
Change in operating assets and liabilities, net:		
Accounts receivable	(545,197)	(3,376,028)
Inventory	-	(360,680)
Deferred attractions costs	69,682	(14,109,724)
Deferred initial franchise fee costs	456,577	(1,960,118)
Deferred income taxes	-	(134,871)
Prepays and other current assets	(4,783,686)	(3,124,769)
Accounts payable	1,001,261	1,020,855
Accrued liabilities	(1,674,322)	19,862,613
Marketing funds	(1,927,115)	3,030,019
Deferred attractions revenues	(583,300)	5,205,903
Contract liabilities	-	7,728,406
Operating lease liability	-	(3,227,739)
Unpaid insurance losses and loss adjustments	-	3,163,111
Unearned insurance premium	-	967,625
Insurance premium refunds and losses payable	-	14,244
Net cash (used in) provided by operating activities	(7,537,234)	27,148,556
Cash Flows From Investing Activities		
Cash paid for change of control transaction, net of cash acquired (Note 2)	(508,700,759)	(4,237,000)
Purchases of property and equipment	-	(4,593,828)
Purchases of investments (Note 3)	-	(2,728,299)
Issuance of notes receivable	-	(764,929)
Payments received on notes receivable	32,104	635,372
Net cash used in investing activities	(508,668,655)	(11,688,684)
Cash Flows From Financing Activities		
Payments made on notes payable	-	(22,550,000)
Proceeds from issuance of notes payable	275,000,000	-
Net proceeds made from line of credit	2,000,000	-
Debt issuance costs	(8,700,000)	-
Member distributions	-	(12,934,226)
Member contributions	260,257,732	-
Net cash provided by (used in) financing activities	528,557,732	(35,484,226)
Effect of Unrealized Losses on Available for Sale Debt Securities	-	(208,672)
Net change in cash and cash equivalents	12,351,843	(20,233,026)
Cash and Cash Equivalents, Beginning	-	30,385,913
Cash and Cash Equivalents, Ending	\$ 12,351,843	\$ 10,152,887
Supplemental Disclosures		
Cash paid for interest expense	\$ 319,281	\$ 4,827,783
Cash paid for federal taxes	\$ 60,000	\$ 540,000
Cash paid for state taxes	\$ -	\$ 110,883
Noncash Transactions		
Forgiveness on paycheck protection program loans	\$ -	\$ 1,251,796
Operating lease right-of-use asset obtained in exchange for operating lease liability	\$ -	\$ 61,900,493
Rollover equity related to change in control	\$ 169,814,000	\$ -

See notes to consolidated financial statements

UA Holdings, LLC and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2022

1. Nature of Operations

UA Holdings, LLC (Holdings or the Company) was organized January 30, 2018 as a Delaware limited liability company. The consolidated financial statements at December 31, 2022 include the accounts of UA Holdings, LLC and its wholly owned subsidiaries, Unleashed Brands, LLC and its subsidiaries and Adventis Insurance, Inc.

As of December 31, 2022, the Company's portfolio of six franchised brands includes: "Urban Air Adventure Parks" a family entertainment facility developer and franchisor; "Snapology" a franchisor of STEM/STEAM curriculum for children which was acquired on July 14, 2021; "The Little Gym" a franchisor of enrichment and physical development centers for children which was acquired on November 19, 2021, "Premier Martial Arts" a franchisor of martial arts studios focused on children which was acquired on December 15, 2021, "Class 101" a franchisor of college guidance services which was acquired on April 11, 2022, and "XP League" a franchisor of youth eSports leagues which was acquired on April 21, 2022. In addition to franchised owned locations, the Company owns and operates 26 company-owned locations of its brands as of December 31, 2022. Adventis Insurance, Inc. (Note 11) commenced operations on April 1, 2020 and Unleashed Brands, LLC commenced operations on September 1, 2021. The liability of the members of the Company is generally limited to the amount of their capital contributions. The Company has a perpetual duration unless dissolved earlier in accordance with the Company operating agreement.

In connection with the change in control on December 27, 2022 (Note 2), the acquired assets, liabilities and related goodwill related to the acquisitions of Class 101 and XP League were re-measured as of the transaction date.

2. Change in Control Transaction

On December 27, 2022, the Company entered into a Unit Purchase Agreement with a private equity investor to acquire a controlling equity stake of the issued and outstanding equity of the Company for \$694,983,666, resulting in a change of control. The transaction was funded through cash contributions, debt, issuance of rollover equity and a final purchase adjustment liability to the sellers.

The transaction has been accounted for using the purchase method of accounting in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 805, *Business Combinations*. The transaction was recorded by allocating the total purchase consideration to the fair value of the net assets acquired, resulting in goodwill of \$341,596,643. The factors that make up goodwill include the value of the acquired workforce, noncompete agreements, and opportunities to expand on the customer relationships with current customers and obtain synergies between the acquired brands, none of which qualify as separate intangible assets.

UA Holdings, LLC and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2022

The purchase price was allocated to the fair value of the net assets as follows:

Cash and cash equivalents	\$ 10,152,887
Accounts receivable	14,064,561
Investments, at fair value	8,157,880
Deferred attraction costs	19,199,099
Other current assets	14,598,035
Property and equipment	8,352,567
Notes receivable	787,389
Deferred initial franchise fee costs	20,170,503
ROU assets	49,194,301
Intangible assets	363,200,000
Goodwill	341,596,643
Accounts payable and accrued liabilities	(17,866,215)
Marketing funds	(7,928,194)
Deferred attractions revenues	(14,625,466)
Unpaid insurance losses and loss adjustments	(6,371,261)
Unearned insurance premiums	(2,868,001)
Operating lease liabilities	(58,758,109)
Contract liabilities (initial franchise fees)	(46,072,953)
Total	<u>\$ 694,983,666</u>

The assets acquired and the liabilities assumed were recorded at their estimated fair values on the acquisition date as estimated by the Company's management, based on information available and current assumptions as to future operations. Fair values assigned to the tradename, franchise agreements and customer relationships were determined by independent valuation experts and are detailed as follows:

Customer relationships	\$ 2,600,000
Franchise agreements	337,700,000
Trade names	22,900,000
Total	<u>\$ 363,200,000</u>

Total purchase consideration included the following:

Cash contributions	\$ 523,620,130
Roll over equity	169,814,000
Purchase adjustment due to sellers	1,549,536
Total	<u>\$ 694,983,666</u>

The acquisition method of accounting requires extensive use of estimates and judgements to allocate the consideration transferred to the identifiable tangible and intangible assets acquired and liabilities assumed. Accordingly, the allocation of the consideration transferred was preliminary and was adjusted upon completion of the final valuation of the assets acquired and liabilities assumed. The amounts used in computing the purchase price differed from the amounts in the purchase agreements due to fair value measurement conventions prescribed by accounting standards.

As part of the purchase consideration, the Company issued 234,742 of common units in addition to the 260,258 preferred units acquired in the acquisition. The fair value of the roll over equity was determined using a Backsolve Option Pricing Model applying a liquidation preference to the preferred units acquired at an estimated time to liquidity of 5 years.

UA Holdings, LLC and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2022

Management determined the estimated fair value of customer relationships as of the acquisition date using a With or Without Method (WoWO) within the Income Approach. Customer relationships are noncontractual in nature and are related to the corporate owned locations of the Company. Key assumptions under the WoWO method include reclaimed revenue (without scenario) where management provided the estimates of reclaimed revenue in percentage for each projection year, and expense adjustments (without scenario) where management provided estimates of fixed versus variable costs. Franchise agreements were valued using the income approach. A derivation of discounted cash flow analysis, specifically the Multiple-period Excess Earnings method (MPEEM), was performed on the future projected cash flow of the existing franchise agreements. The fair value was then determined by adding the present value of the franchisee cash flows with the present value of the income tax benefit resulting from the amortization of the asset. The relief from royalty method was used to estimate the fair values of the trade names and associated brand-related IP. This method estimates future cost savings achieved by avoiding the use of third-party trademarks or licensing third-party software. Projected cash flows or cash savings are discounted at a required rate of return that reflects the relative risk of achieving the cashflows and the time value of money.

Other items included in net asset acquired but not otherwise listed were valued at fair value as follows: property and equipment, at their net book value which approximates fair value do to their recent capitalization; deferred attraction costs and attraction revenues and notes receivable, at their book values due to their short durations and expected settlements within the next 12 months; and all remaining net assets not addressed above, at their book values based on their short durations and expected settlements not materially different than book value.

The Company's transaction costs incurred as part of the Purchase Agreement were assumed by the sellers in the transaction and are not included as expenses in the Company's consolidated financial statements for the period from December 28, 2022 through December 31, 2022 (successor). The seller paid transaction costs totaling \$14,285,130, at or prior to closing which are included in selling, general and administrative expense on the consolidated statements of operations for the period from January 1, 2022 through December 27, 2022 (predecessor) that were attributed to the seller under the agreement.

3. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). All significant intercompany balances and transactions have been eliminated in consolidation.

Predecessor

The period from January 1, 2022 through December 27, 2022 reflect the historical cost basis of accounting of the Company that existed prior to the Change of Control (Note 2). This period is referred to as "Period from January 1, 2022 to December 27, 2022 (Predecessor)."

Successor

The period from December 28, 2022 to December 31, 2022 is referred to as the "Successor". The Successor period reflects the costs and activities as well as the recognition of assets and liabilities of the Company at their fair values pursuant to the election of pushdown accounting as of the consummation of the Change of Control (Note 2).

Due to the application of acquisition accounting by the Company, the election of pushdown accounting, and the conforming of significant accounting policies, the consolidated results of operations, cash flows, and other financial information for the Successor period are not comparable to the Predecessor period.

UA Holdings, LLC and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2022

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Recently Accounting Pronouncements

During June 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-13, *Measurement of Credit Losses on Financial Instruments*. ASU No. 2016-13 requires financial assets measured at amortized cost to be presented at the net amount expected to be collected, through an allowance for credit losses that is deducted from the amortized cost basis. The measurement of expected credit losses is based on relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. During November 2018, April 2019, May 2019, November 2019 and March 2020, respectively, the FASB also issued ASU No. 2018-19, *Codification Improvements to Topic 326, Financial Instruments – Credit Losses*; ASU No. 2019-04, *Codification Improvements to Topic 326, Financial Instruments – Credit Losses*; ASU No. 2019-05 *Targeted Transition Relief*; ASU No. 2019-11, *Codification Improvements to Topic 326, Financial Instruments – Credit Losses*; and ASU No. 2020-03 *Codification Improvements to Financial Instruments*. ASU No. 2018-19 clarifies the effective date for nonpublic entities and that receivables arising from operating leases are not within the scope of Subtopic 326-20, ASU Nos. 2019-04 and 2019-05 amend the transition guidance provided in ASU No. 2016-13, and ASU Nos. 2019-11 and 2020-03 amend ASU No. 2016-13 to clarify, correct errors in, or improve the guidance. ASU No. 2016-13 was effective for annual periods and interim periods within those annual periods beginning after December 15, 2019. Early adoption was permitted for annual and interim periods beginning after December 15, 2018. ASU No. 2016-13 (as amended) is effective for annual periods and interim periods within those annual periods beginning after December 15, 2022. Early adoption is permitted for annual and interim periods beginning after December 15, 2018. The Company is currently assessing the effect that ASU No. 2016-13 (as amended) will have on its results of operations, financial position and cash flows.

Recently Adopted Accounting Principles

Effective January 1, 2022, the Company adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*, and all related amendments using the modified retrospective approach.

ASU No. 2016-02 requires lessees to recognize the assets and liabilities that arise from leases on the balance sheet. At lease inception, leases are classified as either finance leases or operating leases with the associated right-of-use assets and lease liabilities measured at the net present value of future lease payments. Operating lease right-of-use assets are expensed on a straight-line basis as lease expense over the noncancelable lease term. Lease expense for the Company's finance leases is comprised of the amortization of the right-of-use asset and interest expense recognized based on the effective interest method. At the date of adoption on January 1, 2022 (Predecessor), the Company recorded operating lease right-of-use assets and lease liabilities of \$16,216,950 and \$17,520,786. As of the change of control date (Note 2), the Company recorded operating lease right-of-use assets and lease liabilities at their fair value which was \$49,194,301 and \$58,758,109.

The new standard provides for several optional practical expedients. Upon transition to Topic 842, the Company elected:

- The package of practical expedients permitted under the transition guidance which does not require the Company to reassess prior conclusions regarding whether contracts are or contain a lease, lease classification and initial direct lease costs;

UA Holdings, LLC and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2022

- The practical expedient to use hindsight in determining the lease term (that is, when considering options to extend or terminate the lease or to purchase the underlying asset) and in assessing impairment of the Company's right-of-use assets.

The new standard also provides for several accounting policy elections, as follows:

- The Company has elected the policy not to separate lease and nonlease components for all asset classes.
- When the rate implicit in the lease is not determinable, rather than use the Company's incremental borrowing rate, the Company elected to use a risk-free discount rate for the initial and subsequent measurement of lease liabilities for all asset classes.
- The Company elected not to apply the recognition requirements to all leases with an original term of 12 months or less, for which the Company is not likely to exercise a renewal option or purchase the asset at the end of the lease; rather, short-term leases will continue to be recorded on a straight-line basis over the lease term.

Additional required disclosures for Topic 842 are contained in Note 10.

Investments

Investments in equity securities, with readily determinable fair values, are measured at fair value at the time of purchase, with subsequent changes in fair value included in other income or expense on the consolidated statement of operations and comprehensive income.

Fair Value Measurements

FASB ASC 820, *Fair Value Measurements and Disclosures*, defines fair value as the price that would be received to sell an asset, or paid to transfer a liability, in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. The fair value standard also establishes a three-level hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of observable inputs when measuring fair value.

The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability on the measurement date. The three levels are defined as follows:

Level 1 - Quoted prices are available in active markets for identical instruments as of the reporting date. The type of instruments included in Level 1 include listed equities and listed derivatives.

Level 2 - Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Instruments which are generally included in this category include corporate bonds and loans, less liquid and restricted equity securities and certain over-the-counter derivatives.

Level 3 - Pricing inputs are unobservable for the instrument and includes situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation. Instruments that are included in this category generally include general and limited partnership interests in corporate private equity and real estate funds, mezzanine funds, funds of hedge funds, distressed debt and noninvestment grade residual interests in securitizations and collateralized debt obligations.

The Company classified its investments in mutual funds as Level 1 in accordance with the criteria described above.

UA Holdings, LLC and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2022

The following table presents the Level 1, Level 2 and Level 3 financial instruments measured, reported and carried at fair value, as of December 31, 2022 (Successor), in accordance with the valuation hierarchy:

	Level 1	Level 2	Level 3	Total
Debt securities:				
Corporate bonds	\$ -	\$ 3,171,555	\$ -	\$ 3,171,555
Other fixed income	-	598,905	-	598,905
Treasury securities	-	1,931,373	-	1,931,373
Total	-	5,701,833	-	5,701,833
Equity:				
Common stocks	794,387	-	-	794,387
Preferred stocks	362,802	-	-	362,802
Exchange traded funds	465,923	-	-	465,923
Total	1,623,112	-	-	1,623,112
Private equity funds	-	-	832,935	832,935
Total	\$ 1,623,112	\$ 5,701,833	\$ 832,935	\$ 8,157,880

Investments in equity securities were measured using Level 1 fair values based upon observable quoted market prices from national security exchanges.

Investments in debt securities were measured using Level 2 fair values based upon inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, benchmark securities, offers, bids and reference data.

FASB ASC 820 permits as a practical expedient, an entity holding investments that calculate net asset value (NAV) per share or its equivalent for which fair value is not readily determinable, to measure fair value of such investments on the basis of NAV. The Company has applied this practical expedient to measure the fair value of the alternative investment funds.

Investments in alternative investments funds held by the Company as of December 31, 2022 (Successor) using significant unobservable inputs (Level 3) to measure fair value did not change from December 28, 2022 (Inception) to December 31, 2022 (Successor). Accordingly, no change to net unrealized and realized gains or losses were recorded in the consolidated statements of operations and comprehensive income.

In order to substantiate the Company's NAV, management obtained audited financial statements for each fund. Alternative investment funds are not traded on an exchange and do not provide the Company with the ability to redeem shares daily. Instead, NAV serves as the basis for investors periodic (i.e.: monthly or quarterly) subscription and redemption activity pursuant to the terms of each funds governing documents. The Company may withdraw investment interest with certain restrictions, dependent upon governing documents. The Company may withdraw funds monthly or quarterly, depending on the fund. There are no unfunded capital commitments as of December 31, 2022 (Successor).

UA Holdings, LLC and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2022

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. At December 31, 2022 (Successor), the Company had \$2,616,290, respectively in such investments. The Company maintains deposits primarily in three financial institutions, which may at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC). The Company has not experienced any losses related to amounts in excess of FDIC limits.

Investments in Debt and Equity Securities

All of the Company's debt securities as of December 31, 2022 (Successor) were classified as available for sale. Available for sale securities may be sold prior to maturity and are carried at fair value. The Company accounts for its investments in debt securities in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 320, *Investments - Debt Securities* (ASC 320). Management determines the appropriate classification of its investments at the time of purchase and reevaluates such determination at each balance sheet date.

The amortized cost of debt securities is adjusted using the effective interest rate method for amortization of premiums and accretion of discounts. Such amortization and accretion is included in net investment income on the consolidated statements of operations and comprehensive income. Net unrealized losses on available for sale debt securities were \$207,666 for the period of January 1, 2022 to December 27, 2022 (Predecessor) and were de-recognized in the transaction (Note 2).

Unrealized holding gains and losses related to debt securities are reported as a separate component of total shareholders' equity as accumulated other comprehensive income, net of tax. The amortized cost of debt securities is adjusted using the interest method for amortization of premiums and accretion of discounts. Such amortization and accretion amounts are included in net investment income. Realized investment gains and losses on investments sold and/or matured are determined on a specific identification basis and are included in comprehensive income.

Other Than Temporary Impairments on Investments

The Company determines other than temporary impairments on debt securities in accordance with certain provisions of FASB ASC 320. This guidance requires the Company to evaluate whether it intends to sell an impaired debt security or whether it is more likely than not that it will be required to sell an impaired debt security before recovery of the amortized cost basis. If either of these criteria are met, an impairment equal to the difference between the debt security's amortized cost and its fair value is recognized in earnings. For impaired debt securities that do not meet these criteria, the Company determines if a credit loss exists with respect to the impaired security. If a credit loss exists, the credit loss component of the impairment, which is equal to the difference between the security's amortized cost and its projected net present value of future cash flows from the security, is recognized in earnings and the remaining portion of the impairment is recognized as a component of other comprehensive income. No impairments related to debt securities were recorded in Predecessor or Successor periods. At December 31, 2022 (Successor), the Company held \$5,701,833 in debt securities.

Accounts Receivable

Accounts receivable consists of franchise royalties and other costs billed to franchisees. Accounts receivable are stated at amounts management expects to collect from outstanding balances. Credit is extended to customers based upon evaluation of the customer's financial condition, and collateral is not required. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. As of December 31, 2022 (Successor) the Company had an allowance for doubtful accounts of \$1,281,539.

UA Holdings, LLC and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2022

Inventory

Inventory is stated at the lower of cost or net realizable value using the first-in, first-out method. The Company records a provision for obsolete and slow-moving inventory, when necessary, based on current inventory levels as well as historical and expected future production levels. Based on the Company's assessment, there was no provision for obsolete inventory at December 31, 2022 (Successor).

Notes Receivable

From time to time, as part of generating attraction revenues, the Company provided financing to franchisees during initial construction of their location. Notes are typically issued between \$130,000 and \$265,000 and call for monthly payments to begin upon opening the franchise locations with most notes maturing from 2 to 7 years thereafter. Notes receivable are secured by the property and equipment at the franchise location and are personally guaranteed by the individual franchisees'. The notes receivable have contractual interest rates ranging from 2.7% to 7%. The Company also charges an additional royalty fee until paid in full at 1% to 1.50% of the franchisees' gross monthly sales.

The Company continually monitors notes receivable for potential losses or impairment when it is probable the Company will be unable to collect all amounts all principal and interest due. Due to the relationship as the franchisor and ability to dictate the timing of payments if deemed necessary, the Company believes collectability is reasonably assured through franchise operations and does not place notes receivable on nonaccrual status unless specifically identifies for allowance provisions. The allowance for potential losses on notes receivable was \$50,670 as of December 31, 2022 (Successor).

Deferred Initial Franchise Fee Costs

The Company has capitalized costs in relation to variable costs incurred for the sale of franchise agreements. Capitalized costs directly related to these activities were \$20,202,454 as of December 31, 2022 (Successor) and were reported as deferred initial franchise fee costs on the accompanying consolidated balance sheet.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. Expenditures which substantially improve or extend the useful life of property are capitalized. Routine maintenance and repair costs are expensed as incurred. Property and equipment are capitalized if they have individual costs of at least \$5,000 and useful lives of greater than one year. Leasehold improvements are amortized over the lesser of the lease term or useful life if applicable. Upon retirement or disposition of property and equipment, the cost and related accumulated depreciation are removed from the accounts, and the gains or losses are reflected in the consolidated statement of operations.

Depreciation is calculated using the straight-line method over the established useful lives of the individual assets as follows:

	<u>Useful Lives</u>
Transportation assets	3-5 years
Leasehold improvements	7-15 years
Computer and software	3 years
Furniture, fixtures and equipment	5 years

UA Holdings, LLC and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2022

Impairment of Long-Lived Assets

In accordance with ASC 360-10, *Accounting for the Impairment or Disposal of Long-Lived Assets*, the Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may no longer be recoverable. The Company assesses recoverability of the carrying amount by estimating the undiscounted future net cash flows expected to result from the asset over its expected useful life, including eventual disposition. If the future undiscounted net cash flows are less than the carrying amount of the asset, an impairment loss is recorded equal to the difference between the assets carrying amount and its fair value. No impairment of long-lived assets was recognized for the period December 28, 2022 to December 31, 2022 (Successor) and for the period January 1, 2022 to December 27, 2022 (Predecessor).

Goodwill and Intangible Assets

Goodwill represents the excess of the cost of an acquired entity over the net amounts assigned to assets acquired, including intangible assets and liabilities assumed. In accordance with FASB ASC 350-20, *Goodwill*, the Company has elected to amortize goodwill on a straight-line basis over an estimated useful life of 10 years. Management will monitor the useful life of goodwill to determine if events or changes in circumstances warrant a revision to the remaining amortization period. The Company is required to test goodwill for impairment annually or whenever events or changes in circumstances indicate the carrying value of goodwill may not be recoverable. Under ASC 350-20, the Company has elected to apply the qualitative assessment method in determining whether it is more likely than not the fair value of the Company is less than its carrying amount. The Company determined that goodwill was not impaired for the period December 28, 2022 to December 31, 2022 (Successor) and for the period January 1, 2022 to December 27, 2022 (Predecessor).

Intangible assets are comprised of identified royalty agreements, trade names and customer relationships. The carrying value of all long-term assets, including intangible assets, is reviewed for impairment whenever events or changes in circumstances indicate they may not be recoverable. The Company estimates the future undiscounted cash flows to judge the recoverability of carrying amounts. If the carrying amount is deemed to be higher than recoverability assessed through the undiscounted cash flow result, then the Company assesses the fair value of the underlying asset to determine impairment. The Company determined that indefinite-lived intangible assets were not impaired for the period December 28, 2022 to December 31, 2022 (Successor) and January 1, 2022 to December 27, 2022 (Predecessor).

Debt Financing Costs

In connection with the change of control transaction (Note 2), the Company entered into a term loan with a corporate lender (Note 8) and incurred \$8,700,000 in debt financing costs. These costs related to obtaining financing are capitalized and presented as a deduction against the corresponding debt. Debt financing costs are amortized over the respective debt agreement using the effective interest method with amortization expense included in interest expense in the consolidated statement of operations and comprehensive income. No amortization expense related to term note was recognized for the period December 28, 2022 to December 31, 2022. Prior to the transaction (Note 2), the Company had unamortized debt financing costs of \$1,131,492 which was expensed at the time of the transaction and included in interest expense in the accompanying consolidated statement of operations and comprehensive income. Amortization expense related to the Predecessor term debt was \$1,392,982 for the period January 1, 2022 to December 27, 2022 (Predecessor).

UA Holdings, LLC and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2022

Insurance Related Activities

The Company uses Adventis Insurance, Inc. (Adventis), a wholly owned subsidiary of the Company and captive insurance company to issue policies for general liability coverage and workers' compensation coverage to franchise owners.

Unpaid Insurance Losses and Loss Adjustment Expenses - Reserves for unpaid losses and loss adjustment expenses includes case basis estimates of reported losses, plus amounts for incurred but not reported losses calculated based upon loss projections utilizing industry data. In establishing this reserve, the Company utilizes the findings of an independent consulting actuary. Management believes that its aggregate reserve for unpaid losses and loss adjustment expenses at year end represents its best estimate, based on the available data, of the amount necessary to cover the ultimate cost of losses. As adjustments to these estimates become necessary, such adjustments are reflected in current operations.

Insurance Premiums - Premiums are earned over the period that coverage is provided. Unearned premiums are calculated on a daily pro-rata basis for the unexpired terms of individual policies in force.

Premium Deficiency - The Company recognizes premium deficiencies when there is a probable loss on an insurance contract. Premium deficiencies are recognized if the sum of expected losses and loss adjustment expenses, expected dividends to the policy holder, unamortized deferred acquisition costs, and maintenance costs exceed unearned premiums and anticipated investment income. There was no premium deficiency for the period December 28, 2022 to December 31, 2022 (Successor) and the period January 1, 2022 to December 27, 2022 (Predecessor).

Comprehensive Income

The Company reports comprehensive income in accordance with FASB ASC 220, *Comprehensive Income*. Comprehensive income is a measurement of certain changes in stockholder's equity that result from transactions and other economic events other than transactions with the stockholder. For the Company, these consist of changes in unrealized gains and losses on available for sale debt securities, which are used to adjust net income to arrive at comprehensive income. The cumulative amount of these changes is reported in the consolidated balance sheet within accumulated other comprehensive income, net of tax.

Revenue Recognition

On January 1, 2019, the Company adopted the FASB Accounting Standards Update (ASU) No. 2014-09, *Revenue From Contracts With Customers (Topic 606)*, and all related amendments using the modified retrospective transition method.

ASU 2014-09 created ASC 340-40, *Contracts With Customers*, which requires that costs to obtain a contract that would have been incurred regardless of whether the contract was obtained are to be expensed when incurred.

The Company's revenues are substantially comprised of service revenues. Revenue is recognized when the Company satisfies its performance obligation under each contract after it has provided the service to each customer. A performance obligation is a promise in a contract to transfer a distinct product or service to a customer.

UA Holdings, LLC and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2022

Revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring products or providing services. The nature of the Company's contracts do not give rise to any notable amounts of variable consideration with its customers. The Company's contracts do not give rise to any significant financing components (including contracts where the timing of the transfer of goods or services is at the discretion of the customer). Neither the type or location of services performed do not significantly impact the nature, amount, timing or uncertainty of revenues and cash flows.

A contract's transaction price is allocated to each distinct performance obligation within the contract. Substantially all of the Company's contracts have a single performance obligation. In instances where multiple performance obligations may exist, due to the short duration of the arrangements or the insignificance of certain performance obligations, in substantially all cases it is not necessary to allocate the transaction price to the distinct performance obligations as any potential allocations would result in a nominally different accounting outcome.

Substantially all of the Company's revenues are from services provided to customers at a point in time, with the exception of franchise fee revenue and insurance premiums, which are deferred and recognized over the term of the related agreements.

Sales, value added, and other taxes collected from customers and remitted to governmental authorities are accounted for on a net (excluded from revenues) basis.

The primary sources of revenue for the Company are recognized as follows:

Royalty Revenues - Royalty revenue is recognized in the period earned and is equal to approximately 7 to 8% of gross franchisee revenue. Royalty revenues are allocated to the outcome from the performance obligation of having access to the license i.e. franchise location's monthly sales. The Company records the royalty revenue as the franchisee's monthly sales occur.

Attraction Revenues - Attraction revenue is recognized as revenue when earned, which is at the grand opening of the associated franchised park.

Merchandise Revenues - Merchandise revenue relates to commissions received from third-party companies that purchase inventory and sell merchandise to franchisee locations. The third-party vendors provide this merchandise at a cost to the franchisees that is lower than they could otherwise purchase individual items in like quantities, quality, etc. The third parties, under license from the Company of its trademarks, procures licensed products from manufacturers and sells them to the Company's franchisees. The Company recognizes revenue as the underlying purchases are made by the franchisees, net of estimated returns, based on agreed upon commission rates.

Franchise Fee Revenues - Franchise fee revenue is recognized as revenue when earned. The Company receives an initial franchise fee as franchise agreements are signed. Franchise fee revenue is deferred until opening of the location, and then recognized over the term of the franchise agreement, which is typically 10 years (over time revenue). At December 31, 2022 (Successor), deferred franchise fee revenues totaled \$46,207,453 and are classified as contract liabilities on the consolidated balance sheet (Note 7).

Other Revenues - Other revenues include various ancillary revenue streams all recognized when earned, which is generally as services are performed.

UA Holdings, LLC and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2022

Marketing Fund Revenues - The Company administers various Marketing Funds for its brands, for which franchisees and Company-owned parks both contribute. The contributions range from 1 to 4% of gross sales based on the franchise brand. These contributions are used for various forms of brand advertising in accordance with its various brand franchise agreements. The Company has a contractual obligation to use Marketing Fund contributions for advertising, public relations, merchandising and similar activities. Marketing Fund liabilities are included in the consolidated balance sheet as marketing funds and totaled \$6,001,079, as of December 31, 2022 (Successor). Marketing Fund revenues and expenditures are recorded on a gross basis within the consolidated statements of operations as contributions are billed, increasing both the gross amount of reported revenues and expenses and generally has no impact on income (loss) from operations and net income (loss).

The Company disaggregates revenue from contracts with customers by project type, as the Company believes it best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. All of the Company's revenues are recognized at a point in time with the exception of initial franchise fees and insurance premiums, which are recognized over the term of the related agreements. The following table presents the Company revenues disaggregated by timing:

	Successor Period From December 28 - December 31, 2022	Predecessor Period From January 1 - December 27, 2022
Over time revenue	\$ 50,000	\$ 10,111,326
Point in time revenue	3,758,214	118,437,565
Total revenues	\$ 3,808,214	\$ 128,548,891

Contract Assets and Liabilities

The Company has contract liabilities, which represent deferred revenues from certain pre-opening activities and area development fees. The Company has determined that pre-opening activities and area development fees do not represent distinct goods or services transferred to the franchisee. Accordingly, these costs are deferred over the related franchise agreement, which is typically 10 years.

The Company's contract assets relating to attraction costs include the costs to acquire and transport the attraction equipment, direct labor for its installation and other indirect costs related to contract performance. All costs incurred are recorded in the consolidated balance sheet as deferred attraction costs and are incurred on uncompleted attractions until the associated revenues are realizable, which is typically at the grand opening. As of December 31, 2022 (Successor), incurred costs related to unopened franchise parks totaling \$18,640,890.

Advertising Costs

Advertising costs are expensed as incurred and totaled \$22,414 and \$3,901,895 for the period December 28, 2022 to December 31, 2022 (Successor) and for the period January 1, 2022 to December 27, 2022 (Predecessor), respectively. These costs are included in selling, general and administrative expenses on the consolidated statement of operations.

Income Taxes

The Company is organized as a Delaware limited liability company and therefore, federal taxes are paid at the member level. The Company is subject to various state taxes.

UA Holdings, LLC and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2022

The Company's wholly owned subsidiary Adventis Insurance, Inc. (Adventis) is a tax paying entity subject to U.S. federal income taxes. Accordingly, the Company accounts for deferred taxes at Adventis. Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax basis. A valuation allowance is recorded against any deferred tax asset when, in the opinion of management, it is more likely than not that the asset will not be realized.

The Company accounts for uncertain tax positions in accordance with the asset and liability method. The Company has evaluated its tax positions and has not identified any material uncertain tax positions that would not be sustained in federal or state income tax examination or that require disclosure. Accordingly, no provision for uncertainties in income taxes has been made in the accompanying consolidated financial statements. The Company recognizes interest and penalties on income taxes as a component of income tax expense.

4. Property and Equipment, Net

Property and equipment consisted of the following at December 31, 2022 (Successor):

Company owned units	\$ 2,710,758
Leasehold improvements	4,132,327
Computer and software	753,097
Furniture and fixtures	521,791
Vehicles	47,410
Construction in progress	<u>187,185</u>
Total	8,352,568
Less accumulated depreciation	<u>(9,911)</u>
Property and equipment, net	<u>\$ 8,342,657</u>

Depreciation and amortization expense for the period December 28, 2022 to December 31, 2022 (Successor) and the period January 1, 2022 to December 27, 2022 (Predecessor), was \$9,911 and \$1,777,093, respectively.

5. Notes Receivable, Net

As of December 31, 2022 (Successor), the principal balance outstanding on the notes receivable and the expected principal collections for the next five years, exclusive of any allowances, are as follows for the years ending December 31:

Years ending December 31:	
2023	\$ 382,791
2024	224,696
2025	64,011
2026	53,033
2027	<u>20,282</u>
Total	744,813
Less allowance for doubtful accounts	<u>(50,670)</u>
Notes receivable, net	<u>\$ 694,143</u>

UA Holdings, LLC and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2022

6. Goodwill and Intangible Assets, Net

Goodwill and intangible assets consist of the following at December 31, 2022 (Successor):

	<u>Economic Life</u>	<u>Total Intangible Assets and Goodwill</u>	<u>Accumulated Amortization</u>	<u>Net Intangible Assets and Goodwill</u>
Royalty agreements	Indefinite	\$ 337,700,000	\$ -	\$ 337,700,000
Trade names	Indefinite	22,900,000	-	22,900,000
Customer relationships	Indefinite	2,600,000	-	2,600,000
Goodwill	10 years	341,596,643	(374,352)	341,222,291
		<u>\$ 704,796,643</u>	<u>\$ (374,352)</u>	<u>\$ 704,422,291</u>

Amortization expense for the period December 28, 2022 to December 31, 2022 (Successor) and the period January 1, 2022 to December 27, 2022 (Predecessor) was \$374,352 and \$7,577,467, respectively.

The amortization of goodwill is as follows for the years ending December 31, 2022 (Successor):

2023	\$ 34,159,664
2024	34,159,664
2025	34,159,664
2026	34,159,664
2027	34,159,664
Thereafter	<u>170,423,971</u>
Goodwill, net	<u>\$ 341,222,291</u>

7. Contract Liabilities

Contract liabilities consisted of the following at December 31, 2022 (Successor):

Franchise fees, net	\$ 46,207,453
Attractions revenues	<u>14,042,166</u>
	60,249,619
Less current portion	<u>(16,451,479)</u>
Contract liabilities, net of current portion	<u>\$ 43,798,140</u>

8. Notes Payable

Term Loans

In November 2021, the Company entered into a \$76,500,000 Term Loan facility (2021 Term Loan) with a corporate lender. During the year ended December 31, 2021, the Company drew \$61,500,000 on this facility. The 2021 Term Loan required interest payments monthly in arrears. The interest rate on the Term Loan was variable based on a 5.5% margin rate plus a variable base. The Term Loan was secured by the tangible and intangible assets of the Company and its subsidiaries. In connection with the acquisition (Note 2), on December 27, 2022, the remaining balance on the 2021 Term Loan was paid in full.

UA Holdings, LLC and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2022

On December 27, 2022, (Note 2), the Company entered into a \$275,000,000 Term Loan facility (2022 Term Loan) with a corporate lender. On December 27, 2022, the Company drew \$275,000,000 on this facility which remained outstanding as of December 31, 2022 (Successor). The 2022 Term Loan requires interest payments on either a monthly or quarterly basis in arrears. The interest rate on the 2022 Term Loan is based on a 7.5% margin rate plus a variable base. The 2022 Term Loan is secured by the tangible and intangible assets of the Company and its subsidiaries.

The Company is required to meet certain financial and nonfinancial covenants in accordance with the terms of the above Term Loan. The Company was in compliance with these covenants as of December 31, 2022 (Successor).

Paycheck Protection Program Loans

In February, 2021, the Company received a second draw PPP loan in the amount of \$1,251,796. The PPP provides loans to qualifying businesses in amounts up to 2.5 times their average monthly payroll expenses and was designed to provide a direct financial incentive for qualifying businesses to keep their workforce employed during the Coronavirus crisis. PPP loans are uncollateralized and guaranteed by the SBA and are forgivable after a "covered period" (of eight to twenty-four weeks) as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible expenses, including payroll, benefits, mortgage interest, rent and utilities. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries and wages more than 25% during the covered period. Any unforgiven portion is payable over 5 years at an interest rate of 1% with payments deferred until the SBA remits the borrower's loan forgiveness amount to the lender, or, if the borrower does not apply for forgiveness, ten months after the end of the covered period. PPP loan terms provide for customary events of default, including payment defaults, breaches of representations and warranties, and insolvency events and may be accelerated upon the occurrence of one or more of these events of default. Additionally, PPP loan terms do not include prepayment penalties.

The Company met the PPP's loan forgiveness requirements, and therefore, applied for forgiveness during 2022. Legal release was received during December of 2022 (Predecessor) for the PPP loan of \$1,251,796, therefore, the Company recorded forgiveness income of \$1,251,796, within its consolidated statement of operations and comprehensive income for the period January 1, 2022 to December 27, 2022 (Predecessor).

The SBA reserves the right to audit any PPP loan, regardless of size. These audits may occur after forgiveness has been granted. In accordance with the CARES Act, all borrowers are required to maintain their PPP loan documentation for six years after the PPP loan was forgiven or repaid in full and to provide that documentation to the SBA upon request.

A summary of notes payable outstanding is as follows at December 31, 2022 (Successor):

Term loan	\$ 275,000,000
Less unamortized debt costs	(8,700,000)
Less current maturities	<u>(2,750,000)</u>
Total notes payable, net	<u>\$ 263,550,000</u>

UA Holdings, LLC and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2022

As of December 31, 2022 (Successor), future principal payments due on the notes payable was as follows for the years ending December 31:

Years ending December 31:	
2023	\$ 2,750,000
2024	2,750,000
2025	2,750,000
2026	2,750,000
2027	<u>264,000,000</u>
	275,000,000
Less unamortized debt costs	(8,700,000)
Less current maturities	<u>(2,750,000)</u>
Note payable, net of current maturities	<u>\$ 263,550,000</u>

9. Revolving Credit Facilities

In November of 2021, the Company entered into a \$5,000,000 revolving credit agreement with a corporate lender (the 2021 Revolving Credit Facility). Draws under the 2021 Revolving Credit Facility bear interest and requires interest payments monthly in arrears. The interest rate on the 2021 Revolving Credit Facility was variable based on a 5.5% margin rate plus a variable base. The 2021 Revolving Credit Facility was secured by the tangible and intangible assets of the Company and its subsidiaries. The 2021 Revolving Credit Facility was terminated on December 27, 2022 in connection with the transaction (Note 2).

In December 2022, the Company entered into a \$15,000,000 revolving credit agreement with a corporate lender (the 2022 Revolving Credit Facility) in relation to the transaction on December 27, 2022 (Note 2). On December 27, 2022, the Company drew \$2,000,000 on this facility. As of December 31, 2022 (Successor), the Company had \$13,000,000 in available credit under the 2022 Revolving Credit Facility. Draws under the 2022 Revolving Credit Facility bear interest and requires interest payments monthly or quarterly in arrears. The interest rate on the 2022 Revolving Credit Facility is variable based on a 7.5% margin rate plus a variable base. At December 31, 2022 (Successor), the interest rate was 12%. The 2022 Revolving Credit Facility is secured by the tangible and intangible assets of the Company and its subsidiaries.

The 2022 Revolving Credit Facility is subject to a quarterly fee on the unused portion of the maximum limit at a rate of 1.00% per annum. The Company is required to meet certain financial and nonfinancial covenants in accordance with the terms of the above facilities. The Company was in compliance with these covenants as of December 31, 2022 (Successor).

10. Commitments and Contingencies

Operating Leases

Leases, January 1, 2022 and After

Right-of-use assets represent the Company's right to use an underlying asset for the lease term, while lease liabilities represent the Company's obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities are recognized at the commencement date of a lease based on the net present value of lease payments over the lease term.

UA Holdings, LLC and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2022

Certain of the Company's leases include options to renew or terminate the lease. The exercise of lease renewal or early termination options is at the Company's sole discretion. The Company regularly evaluates the renewal and early termination options and when they are reasonably certain of exercise, the Company includes such options in the lease term.

In determining the discount rate used to measure the right-of-use assets and lease liabilities, the Company uses the rate implicit in the lease, or if not readily available, the Company uses a risk-free rate based on U.S. Treasury note or bond rates for a similar term.

Right-of-use assets are assessed for impairment in accordance with the Company's long-lived asset policy. The Company reassesses lease classification and remeasures right-of-use assets and lease liabilities when a lease is modified and that modification is not accounted for as a separate new lease or upon certain other events that require reassessment in accordance with Topic 842.

The Company made significant assumptions and judgments in applying the requirements of Topic 842. In particular, the Company:

- Evaluated whether a contract contains a lease, by considering factors such as whether the Company obtained substantially all rights to control an identifiable underlying asset and whether the lessor has substantive substitution rights;
- Determined whether contracts contain embedded leases;
- Evaluated leases with similar commencement dates, lengths of term, renewal options or other contract terms, which therefore meet the definition of a portfolio of leases, whether to apply the portfolio approach to such leases;
- Determined for leases that contain a residual value guarantee, whether a payment at the end of the lease term was probable and, accordingly, whether to consider the amount of a residual value guarantee in future lease payments;

The Company does not have material leasing transactions with related parties.

The Company's lease agreements contain lease incentives related to tenant improvement allowances. For the period December 28, 2022 to December 31, 2022 (Successor) and for the period January 1, 2022 to December 27, 2022 (Predecessor), the Company recorded tenant improvement allowances of \$0 and \$6,656,250, respectively. These amounts have not yet been reimbursed by the landlord, accordingly the Company has recorded a receivable in the amount of \$6,656,250 as of December 31, 2022 (Successor) which is included in prepaids and other assets in the consolidated balance sheet.

The following table summarizes the lease right-of-use assets and lease liabilities as of December 31, 2022 (Successor):

Right-of-use assets:	
Operating leases	<u>\$ 49,194,301</u>
Total right-of-use assets, net	<u><u>\$ 49,194,301</u></u>
Lease liabilities:	
Current operating lease liabilities	\$ 4,339,574
Long-term operating lease liabilities	<u>54,418,537</u>
Total lease liabilities	<u><u>\$ 58,758,111</u></u>

UA Holdings, LLC and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2022

Below is a summary of expenses incurred pertaining to leases for the period December 28, 2022 to December 31, 2022 (Successor) and for the period January 1, 2022 to December 27, 2022 (Predecessor):

Operating lease expense	<u>\$ 3,744,390</u>
Total lease expense	<u>\$ 3,744,390</u>

Weighted average remaining lease term (in years):	
Operating leases	9.39

Weighted average discount rate:	
Operating leases	2.88 %

The table below summarizes the Company's scheduled future minimum lease payments for years ending after December 31, 2022:

	<u>Operating Leases</u>
Years ending December 31:	
2023	\$ 5,862,042
2024	7,624,843
2025	7,457,263
2026	7,455,955
2027	6,381,642
Thereafter	<u>32,925,180</u>
Total lease payments	67,706,925
Less present value discount	<u>(8,948,814)</u>
Total lease liabilities	58,758,111
Less current portion	<u>(4,339,574)</u>
Long-term lease liabilities	<u>\$ 54,418,537</u>

Lease Guarantees

On occasion, the Company has acted as co-guarantor with certain of its franchisees in connection with leases necessary in establishing their businesses. As of December 31, 2022 (Successor), the Company had limited guarantees for leases on five franchised locations totaling a maximum of \$6,708,276 in potential lease payments.

Litigation

The Company may be a party to routine claims brought against it in the ordinary course of business. The Company estimates whether such liabilities are probable to occur and whether reasonable estimates can be made and accrues liabilities when both conditions are met. Although the ultimate outcome of these matters, if and when they arise, cannot be accurately predicted due to the inherent uncertainty of litigation, in the opinion of management, based upon current information, no currently pending or overtly threatened claim is expected to have a material adverse effect on the Company's business, financial condition or results of operations. However, it is possible that an unfavorable resolution of one or more such future proceedings could materially and adversely affect the Company's financial position, results of operations or cash flows.

11. Insurance Activities

General liability limits provided are \$250,000 per occurrence with no aggregate limit. Worker's compensation limits provided are \$500,000 per occurrence with an aggregate limit of 150% of the Gross Net Written Premium. All policies issued during 2022 expire on May 27, 2023 to concur with primary policy terms. Premiums written for the period December 28, 2022 to December 31, 2022 (Successor) and the period January 1, 2022 to December 27, 2022 (Predecessor) were \$0 and \$7,079,201, respectively. Premiums earned for the period December 28, 2022 to December 31, 2022 (Successor) and the period January 1, 2022 to December 27, 2022 (Predecessor) were \$0 and \$6,102,857, respectively.

Incurred and Paid Claims Development by Accident Year - Incurred but not report (IBNR) reserve estimates are generally calculated by first projecting the ultimate cost of all claims that have occurred and then subtracting reported losses and loss expenses. Loss projections based upon industry data to develop loss development factors that multiplicatively accumulated to arrive at age-to-ultimate loss development factors.

Reported losses include cumulative paid losses and loss expenses plus case reserve estimates. The IBNR reserve includes a provision for the claims that have occurred but have not yet been reported, some of which are not yet known to the Company, as well as a provision for the future development on reported claims. The following paragraph details the IBNR liabilities and claims frequency, which is measured by claim event, for each accident year presented for the general liability coverage. Claim counts for the general liability coverage are presented based upon the number of claim occurrences reported.

For the period December 28, 2022 to December 31, 2022 (Successor) and for the period January 1, 2022 to December 27, 2022 (Predecessor), the Company incurred cumulative claims and claim adjustment expenses of \$7,797,762 and had cumulative paid claims and allocated claim adjustment expenses of \$1,642,815 resulting in liabilities for claims and claim adjustment expenses of \$6,154,947. For the period December 28, 2022 to December 31, 2022 (Successor) and for the period January 1, 2022 to December 27, 2022 (Predecessor), expected development on reported claims and IBNR totaled \$4,049,933 with cumulative reported claims of 404.

The unpaid insurance losses and loss adjustment expenses presented as liabilities on the consolidated balance sheets at December 31, 2022 (Successor) include the liabilities for claims and claim adjustment expenses of \$6,154,947 and unallocated loss and loss adjustment expenses of \$216,314.

UA Holdings, LLC and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2022

12. Members' Equity

Prior to the transaction on December 27, 2022 (Predecessor), the Company was authorized to issue an unlimited number of \$1,000 par value units in Class A units, Class B units and Class B-1 Units. The Company was authorized to issue 5% of outstanding Class A, Class B and Class B-1 units for Class C units and Class D units. As of December 31, 2021, issued and outstanding units included 26,728 Class A units, 25,381 Class B units and 1,738 Class B-1 Units.

Class A and Class B units accrued a preference on their contributed capital at a rate of 8.0% per annum, compounded annually from their respective issuance dates. Class A and Class B units were entitled to one vote per unit with Class B-1, Class C and Class D units having no voting rights.

Distributions and profits and losses were paid in the following priority: (1) to holders of Class A units until unpaid preferred returns are reduced to zero; (2) to holders of Class A units until unreturned capital is reduced to zero; (3) to holders of Class B units until unpaid preferred returns and unreturned capital are reduced to zero; (4) to holders of Class A units, Class B units, Class B-1 units, vested Class C units and vested Class D units proportionally based on total units issued, vested and outstanding, taking into account threshold values for Class C and Class D units ranging from \$0 to \$6,000 per Class A and B units outstanding.

In connection with the acquisition (Note 2), the Company amended and restated its Limited Liability Company Agreement (LLC Agreement) to authorize to issue 755,257.732 units of which 260,257.732 units are designated as Preferred Units and 495,000 units are designated as Common Units. 260,257.732 Common Units are reserved for issuance upon conversion of the Preferred Units. Upon the election of the holders of Preferred Units, the Preferred Units may be converted into Common Units on a 1-for-1 basis. As of December 31, 2022 (Successor), issued and outstanding units included 260,257.732 Preferred Units and 234,742.268 Common Units.

The Preferred Units and the Common Units have no voting rights.

Distributions are paid in the following priority: (1) to holders of Preferred Units until unreturned capital is reduced to zero; (2) to holders of Preferred Units and Common Units proportionally based on total units issued and outstanding.

Allocation of net profits and losses of the Company will be allocated among members in a manner such that the balance in each Member's adjusted capital account for each fiscal year will be allocated among the Members in a manner such that the balance in each such Member's adjusted capital account, immediately after making all allocations required for the relevant fiscal year is, as nearly as possible, equal to the amount that would be distributed to such Member if the Company were dissolved, its affairs wound up and its assets sold for cash equal to their respective Gross Asset Values, all liabilities were satisfied (limited with respect to each nonrecourse liability to the Fair Market Value of the asset securing such liability), and the net assets of the Company were distributed to the Members in accordance with the LLC Agreement.

Dissolution or winding up of the Company requires the vote, consent or approval of the Board.

UA Holdings, LLC and Subsidiaries

Notes to Consolidated Financial Statements
December 31, 2022

13. Incentive Units

Prior to the transaction on December 27, 2022, the Company held an incentive unit plan which issued units to certain employees and others of the Company which represented an interest in the Company. The issuance of incentive units required board of director approval and issued incentive units will be bound by the terms of the incentive unit agreement. Class C and Class D units were intended to represent profit interests in the Company to incentivize individuals to achieve certain operating and financial objectives. The Company has granted Class C units that conditional vest over the requisite period which is typical four to five years (Time Vested Units) and Class D units that conditional vest upon a change in control transaction entered into by the Company (Performance Vesting Units), as defined in the Company agreements. Time Vested units are recognized as unit-based compensation as the services are provided. Performance Vesting Units are expensed upon a change in control.

Management determined the grant date fair value for Time Vested Units granted are considered insignificant and therefore no compensation expense has been recorded in prior years.

In connection with the December 27, 2022 change in control transaction, all remaining unvested Class C and Class D units became vested as a result of the transaction (Note 2). Total unit-based compensation related to the vesting of the performance units was \$10,998,965. Since the accelerated vesting of performance units and subsequent payment was contingent on the closing of the transaction (Note 2) are not payable until consummation of the transaction.

Accordingly, no compensation expense was recorded in either the Predecessor or Successor period. Total unit-based compensation related to the performance-based units was \$10,998,965 and was paid out to unit holders at the closing of the transaction.

The below table details grants, forfeitures and vesting of Class C and Class D incentive units for the period from January 1, 2022 to December 27, 2022 (Predecessor):

	Class C Units		Class D Units	
	Issued Units	Vested Units	Issued Units	Vested Units
Balance, January 1, 2022	2,576.69	1,182.38	2,664.61	-
Units vested	-	1,397.31	-	2,664.61
Units sold December 27, 2022	(1,289.85)	(1,289.85)	(1,332.31)	(1,332.31)
Units exchanged for Successor Units	(1,289.85)	(1,289.85)	(1,332.31)	(1,332.31)
Balance, December 27, 2022 (Predecessor)	-	-	-	-

During the period of January 1, 2022 to December 27, 2022 (Predecessor), 447.49 Class C units and 0 Class D units vested. On the date of the transaction, 949.82 Class C Units and 2,664.61 Class D units vested according to the terms of the individual grant agreements.

The Company has not created a new incentive unit plan as of December 31, 2022 (Successor).

UA Holdings, LLC and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2022

14. Federal Income Taxes

Federal income taxes are related to Adventis (Note 3); accordingly, the federal income tax expense and components of the provision are only included for the period January 1, 2022 to December 27, 2022 (Predecessor). Income taxes were computed at the 21% statutory federal income tax rate for the period January 1, 2022 to December 27, 2022 (Predecessor) and a reconciliation to the provision for income taxes is as follows for the year ended December 31, 2022:

Federal income tax, statutory rate	\$ 181,505
Other	<u>8,994</u>
Total	<u>\$ 190,499</u>

The components of the provision for income taxes for the period January 1, 2022 to December 27, 2022 (Predecessor) are as follows:

Current	\$ 325,370
Deferred	<u>(134,871)</u>
Total	<u>\$ 190,499</u>

The tax effects of temporary differences that give rise to significant portions of the deferred taxes consisted of the following at December 31, 2022 (Successor):

Deferred tax assets and liabilities:	
Insurance loss reserve discounting	\$ 126,377
Unearned insurance premiums	120,456
Adventis start-up costs	8,259
Unrealized loss on investments	54,334
Deferred acquisition costs	<u>(26,770)</u>
Total deferred tax assets	<u>\$ 282,656</u>

The Company is required to periodically assess whether it is more likely than not that it will generate sufficient taxable income to realize its deferred tax assets. In making this determination, the Company considers all available positive and negative evidence and makes certain assumptions. The Company considers, among other things, its deferred tax liabilities, the overall business environment and its outlook for future years. At December 31, 2022 (Successor), management determined a valuation allowance for its net deferred tax assets is not required as realization of the deferred tax assets is more-likely-than-not.

15. Related-Party Transactions

As of December 31, 2022 (Successor), the Company had one franchisee partially owned by members of the Company that accounted for approximately \$3,000 and \$319,000 of revenues for the period December 28, 2022 to December 31, 2022 (Successor) and the period January 1, 2022 to December 27, 2022 (Predecessor), and accounts receivable of approximately \$49,000 as of December 31, 2022, (Successor).

UA Holdings, LLC and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2022

On March 1, 2018, the Company entered into a monitoring and oversight agreement (the Monitoring Agreement) with certain members of Predecessor. Under the terms of the Monitoring Agreement, the Company was obligated to pay a \$125,000 quarterly monitoring and oversight fee to these members. The Monitoring Agreement terminated on December 27, 2022. Quarterly fees incurred under the Monitoring Agreement are included in selling, general and administrative expenses on the consolidated statements of operations and comprehensive income for the period December 28, 2022 to December 31, 2022 (Successor) and the period January 1, 2022 to December 27, 2022 (Predecessor) were \$0 and \$500,000, respectively.

The Company has a management agreement with an entity for which an employee of the management company is also a board member of Adventis. The management company performed, under the direction of the Company, certain management and administrative services and accounting services. The annual management fee is \$77,688. For the period December 28, 2022 to December 31, 2022 (Successor) and the period January 1, 2022 to December 27, 2022 (Predecessor), total management fees amounted to \$0 and \$77,688, respectively. These costs are included in selling, general and administrative expenses on the consolidated statements of operations and comprehensive income.

16. Employee Benefit Plan

The Company sponsors a defined 401(k) contribution plan (the Plan) covering substantially all employees. Plan participants may make certain voluntary contributions in which they are 100% vested. The Company has agreed to make certain matching contributions to the Plan not to exceed the amount deductible for federal income tax purposes. The Company made matching contributions of \$9,893, and \$405,773 for the period December 28, 2022 to December 31, 2022 (Successor) and the period January 1, 2022 to December 27, 2022 (Predecessor), respectively.

17. Franchise Activities

During the period December 28, 2022 to December 31, 2022 (Successor) and the period January 1, 2022 to December 27, 2022 (Predecessor), the Company sold 2 and 207 franchise licenses, respectively. As of December 31, 2022 (Successor), the Company had 750 franchised locations in operations, respectively.

18. Subsequent Events

The Company evaluated all material events or transactions that occurred after December 31, 2022, the consolidated balance sheet date, through April 28, 2023, the date these consolidated financial statements were available to be issued, and did not identify any events or transactions for disclosure as subsequent events.

UA Holdings, LLC and Subsidiaries

Consolidated Statements of Operations and Comprehensive Income with Totals (Unaudited)

Periods From December 28, 2022 to December 31, 2022 (Successor) and January 1, 2022 to December 27, 2022 (Predecessor)

	Successor Period for Four Days of December 28, 2022 to December 31, 2022	Predecessor Period From January 1, 2022 to December 27, 2022	Total
Revenues			
Royalty revenues	\$ 568,523	\$ 48,956,875	\$ 49,525,398
Attraction revenues	891,001	15,175,910	16,066,911
Merchandise revenues	64,375	7,317,829	7,382,204
Company owned unit revenues	307,532	15,434,936	15,742,468
Franchise fee revenues	50,000	4,008,469	4,058,469
Marketing fund revenues	1,831,429	19,218,819	21,050,248
Net earned insurance premiums	-	6,102,857	6,102,857
Other revenues	95,354	12,333,196	12,428,550
Total revenues	3,808,214	128,548,891	132,357,105
Operating Expenses			
Attraction costs	781,723	12,757,975	13,539,698
Merchandise costs	362	338,438	338,800
Company owned unit costs	124,915	13,336,113	13,461,028
Marketing fund costs	1,831,429	19,218,819	21,050,248
Salaries and wages	218,158	21,420,446	21,638,604
Incurred insurance losses and loss adjustment expenses	-	4,336,620	4,336,620
Selling, general and administrative	83,480	43,025,310	43,108,790
Amortization of goodwill	374,352	7,577,467	7,951,819
Depreciation expense	9,911	1,777,093	1,787,004
Total operating expenses	3,424,330	123,788,281	127,212,611
Net income (loss) from operations	383,884	4,760,610	5,144,494
Other Income (Expenses)			
Interest expense	(319,281)	(6,220,757)	(6,540,038)
Forgiveness of Paycheck Protection Program loan	-	1,251,796	1,251,796
Other income, net	-	(195,784)	(195,784)
Total other income (expenses)	(319,281)	(5,164,745)	(5,484,026)
Income (loss) before federal and state tax expenses	64,603	(404,135)	(339,532)
Federal tax expense	-	190,499	190,499
State tax expense	-	107,960	107,960
Net income (loss)	64,603	(702,594)	(637,991)
Comprehensive Income			
Unrealized holding gains on available for sale debt securities, net of tax	-	(208,672)	(208,672)
Comprehensive income (loss)	\$ 64,603	\$ (911,266)	\$ (846,663)

(Added graphics)performance

GUARANTEE OF PERFORMANCE

For value received, UA Holdings, LLC, a Delaware limited liability company (the “Guarantor”), located at 2350 Airport Freeway, Suite 505, Bedford, TX 76022, absolutely and unconditionally guarantees to assume the duties and obligations of Sylvan Learning, LLC, located at 2350 Airport Freeway, Suite 505, Bedford, TX 76022 (the “Franchisor”), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2025 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at Bedford, Texas on the 31st day of March, 2025.

Guarantor:

UA Holdings, LLC

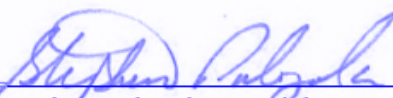
By: 
Stephen Polozola, Special Counsel

EXHIBIT D
TO THE FRANCHISE DISCLOSURE DOCUMENT

**CURRENT FRANCHISEES AND DEVELOPERS, FORMER FRANCHISEES AND
DEVELOPERS, AND AFFILIATE OWNED LOCATIONS**

LIST OF OPEN OPERATING FRANCHISED LOCATIONS
AS OF DECEMBER 31, 2024

<u>Franchise Name</u>	<u>Address</u>	<u>City, State Zip</u>	<u>Center Phone</u>	<u>Owner</u>
<u>Sylvan Learning of Hoover</u>	<u>3659 Lorna Rd, Lorna Brook Village, Ste 137</u>	<u>Birmingham, Alabama 35216</u>	<u>(205) 987-9802</u>	<u>MKZ Management Group LLC</u>
<u>Sylvan Learning of Montgomery</u>	<u>4240 Loma Street</u>	<u>Montgomery, Alabama 36106</u>	<u>(334) 262-0043</u>	<u>Ateam, Inc.</u>
<u>Sylvan Learning of Prattville</u>	<u>2046 Fairview Avenue</u>	<u>Prattville, Alabama 36066</u>	<u>(334) 212-8448</u>	<u>Extending Palms LLC</u>
<u>Sylvan Learning of Trussville</u>	<u>1110 N. Chalkville Rd # 144</u>	<u>Trussville, Alabama 35173</u>	<u>(205) 508-5474</u>	<u>MKZ Management Group LLC</u>
<u>Sylvan Learning of West Hoover</u>	<u>Relocating, offering online programs in the interim</u>	<u>West Hoover, Alabama</u>	<u>(205) 730-5330</u>	<u>Euell Ventures LLC</u>
<u>Sylvan Learning of Wetumpka</u>	<u>617 S. Main Street</u>	<u>Wetumpka, Alabama 36092</u>	<u>(334) 478-3047</u>	<u>Extending Palms LLC</u>
<u>Sylvan Learning of Anchorage</u>	<u>2217 E. Tudor Road Suite 1A</u>	<u>Anchorage, Alaska 99507</u>	<u>(907) 561-2229</u>	<u>Learning Systems, LLC</u>
<u>Sylvan Learning of Wasilla</u>	<u>281 N Main St.</u>	<u>Wasilla, Alaska 99654</u>	<u>(907) 357-7323</u>	<u>Learning Systems, LLC</u>
<u>Sylvan Learning of Chandler</u>	<u>2160 W. Chandler Blvd. #16</u>	<u>Chandler, Arizona 85224</u>	<u>(480) 897-3222</u>	<u>Wootton Educators, Inc.</u>
<u>Sylvan Learning of Gilbert & Queen Creek</u>	<u>2335 S. Lindsay Road, Suite 114</u>	<u>Gilbert, Arizona 85295</u>	<u>(480) 963-5900</u>	<u>Vertex Education Services, LLC</u>
<u>Sylvan Learning of Glendale</u>	<u>8190 W. Union Hills Drive, Suite 120</u>	<u>Glendale, Arizona 85308</u>	<u>(623) 537-3611</u>	<u>West East Educate, Inc.</u>
<u>Sylvan Learning of Goodyear</u>	<u>13770 West Van Buren Street, Ste 100</u>	<u>Goodyear, Arizona 85338</u>	<u>(623) 932-5714</u>	<u>Success Makers, Inc.</u>
<u>Sylvan Learning of Tucson</u>	<u>9110 N Silverbell Road, Suite 170</u>	<u>Marana, Arizona 85743</u>	<u>(520) 344-9328</u>	<u>AJ Squared, LLC</u>
<u>Sylvan Learning of Phoenix</u>	<u>16838 N. 7th Street Suite 6</u>	<u>Phoenix, Arizona 85022</u>	<u>(602) 548-2600</u>	<u>Arizona Educators, Inc.</u>
<u>Sylvan Learning of Scottsdale</u>	<u>6969 East Shea Blvd. Suite 185</u>	<u>Scottsdale, Arizona 85254</u>	<u>(602) 953-3070</u>	<u>SLC Educators AZ, Inc.</u>
<u>Sylvan Learning of Tucson - Central</u>	<u>4500 E Speedway Blvd, Suite 15</u>	<u>Tucson, Arizona 85712</u>	<u>(520) 333-5445</u>	<u>Saguaro Learning, LLC</u>
<u>Sylvan Learning of Fort Smith</u>	<u>2409 South 56th Street Suite 117</u>	<u>Fort Smith, Arkansas 72903</u>	<u>(479) 484-6799</u>	<u>Midwest Education Consultants, Inc.</u>
<u>Sylvan Learning of Rogers</u>	<u>4408 West Walnut Suite 3</u>	<u>Rogers, Arkansas 72756</u>	<u>(479) 903-7210</u>	<u>Wright Education Consultants, Inc.</u>
<u>Sylvan Learning of Bakersfield</u>	<u>2720 Calloway Drive Suite A</u>	<u>Bakersfield, California 93312</u>	<u>(661) 387-6060</u>	<u>Aspire Higher Educational Services</u>
<u>Sylvan Learning of Burbank</u>	<u>601 Glenoaks Blvd, Suite 306</u>	<u>Burbank, California 91502</u>	<u>(818) 697-0114</u>	<u>The Southern California Learning Corporation</u>
<u>Sylvan Learning of Castro Valley</u>	<u>3200 Castro Valley Blvd</u>	<u>Castro Valley, California 94546</u>	<u>(510) 856-9000</u>	<u>Bay Area Education Support Systems Inc.</u>

<u>Franchise Name</u>	<u>Address</u>	<u>City, State Zip</u>	<u>Center Phone</u>	<u>Owner</u>
<u>Sylvan Learning of Chino/Ontario</u>	<u>12887 Mountain Ave.</u>	<u>Chino, California 91710</u>	<u>(909) 548-3569</u>	<u>D.D. & S. Learning Systems, Inc.</u>
<u>Sylvan Learning of Claremont</u>	<u>971 W Foothill Boulevard</u>	<u>Claremont, California 91711</u>	<u>(909) 621-2483</u>	<u>D.D. & S. Learning Systems, Inc.</u>
<u>Sylvan Learning of Corona/Norco</u>	<u>1180 El Camino Ave, #100</u>	<u>Corona, California 92879</u>	<u>(951) 272-0727</u>	<u>JKG Learning LLC</u>
<u>Sylvan Learning of Culver City</u>	<u>5731 W Slauson Ave. Ste 150</u>	<u>Culver City, California 90230</u>	<u>(310) 256-3830</u>	<u>Soaring High LLC</u>
<u>Sylvan Learning of Diamond Bar</u>	<u>1241 Grand Ave, Ste F</u>	<u>Diamond Bar, California 91765</u>	<u>(909) 861-1146</u>	<u>D.D. & S. Learning Systems, Inc.</u>
<u>Sylvan Learning of Downey</u>	<u>8832 Imperial Hwy</u>	<u>Downey, California 90242</u>	<u>(562) 622-9210</u>	<u>Student Advance Tutoring & Testing LLC</u>
<u>Sylvan Learning of El Cerrito</u>	<u>10810 San Pablo Avenue</u>	<u>El Cerrito, California 94530</u>	<u>(510) 559-1400</u>	<u>Bay Area Education Support Systems Inc.</u>
<u>Sylvan Learning of El Segundo</u>	<u>720-C S Allied Way</u>	<u>El Segundo, California 90245</u>	<u>(310) 730-8083</u>	<u>Beach Cities Learning</u>
<u>Sylvan Learning of Encinitas</u>	<u>160 N. El Camino Real</u>	<u>Encinitas, California 92024</u>	<u>(760) 942-5454</u>	<u>PQ Academia Corporation</u>
<u>Sylvan Learning of Fairfield</u>	<u>5089 Business Center Dr. Ste 102</u>	<u>Fairfield, California 94534</u>	<u>(707) 864-1800</u>	<u>Learning Legacy LLC</u>
<u>Sylvan Learning of Fontana</u>	<u>7273 Citrus Ave. #300</u>	<u>Fontana, California 92336</u>	<u>(909) 941-6863</u>	<u>D.D. & S. Learning Systems, Inc.</u>
<u>Sylvan Learning of Fremont</u>	<u>3100 Mowry Ave # Unit 101</u>	<u>Fremont, California 94538</u>	<u>(510) 745-7800</u>	<u>S5 Global, Inc.</u>
<u>Sylvan Learning of Gardena</u>	<u>2021 W. Redondo Beach Blvd, Suite B</u>	<u>Gardena, California 90247</u>	<u>(310) 329-1866</u>	<u>The Southern California Learning Corporation</u>
<u>Sylvan Learning of Glendale</u>	<u>741 Glenvia Street, Suite 201</u>	<u>Glendale, California 91206</u>	<u>(626) 423-6323</u>	<u>The Southern California Learning Corporation</u>
<u>Sylvan Learning of Glendora</u>	<u>1315 S. Grand Ave #130</u>	<u>Glendora, California 91740</u>	<u>(626) 914-7700</u>	<u>D.D. & S. Learning Systems, Inc.</u>
<u>Sylvan Learning of Granite Bay</u>	<u>8659 Auburn Folsom Rd</u>	<u>Granite Bay, California 95746</u>	<u>(916) 234-3314</u>	<u>Inspired Learning LLC</u>
<u>Sylvan Learning of Hemet</u>	<u>271 North Sanderson Avenue</u>	<u>Hemet, California 92545</u>	<u>(951) 765-1171</u>	<u>D.D. & S. Learning Systems, Inc.</u>
<u>Sylvan Learning of Hermosa Beach</u>	<u>1137 Aviation Blvd.</u>	<u>Hermosa Beach, California 90254</u>	<u>(310) 341-3137</u>	<u>Beach Cities Learning</u>
<u>Sylvan Learning of Huntington Beach</u>	<u>16052 Beach Boulevard Suite 105</u>	<u>Huntington Beach, California 92647</u>	<u>(714) 848-6072</u>	<u>South Bay Learning Centers LLC</u>
<u>Sylvan Learning of Irvine</u>	<u>4330 Barranca Parkway, Stonecreek Plaza, Suite 205</u>	<u>Irvine, California 92604</u>	<u>(949) 552-3025</u>	<u>LUD, Inc.</u>
<u>Sylvan Learning of La Mesa</u>	<u>8366 Parkway Drive</u>	<u>La Mesa, California 91942</u>	<u>(619) 668-0145</u>	<u>Hilbert LLC</u>

<u>Franchise Name</u>	<u>Address</u>	<u>City, State Zip</u>	<u>Center Phone</u>	<u>Owner</u>
<u>Sylvan Learning of Lancaster and Palmdale</u>	<u>42311 10th Street West</u>	<u>Lancaster, California 93534</u>	<u>(661) 723-6400</u>	<u>DKM Learning LLC</u>
<u>Sylvan Learning of Long Beach</u>	<u>5510 Britton Drive</u>	<u>Long Beach, California 90815</u>	<u>(562) 429-8320</u>	<u>Temple Corp</u>
<u>Sylvan Learning of Brentwood</u>	<u>11740 San Vicente Blvd. Suite 106</u>	<u>Los Angeles, California 90049</u>	<u>(424) 256-2640</u>	<u>Coker Family Education Solutions Inc.</u>
<u>Sylvan Learning of Los Angeles</u>	<u>8471 Beverly Boulevard, Suite 201</u>	<u>Los Angeles, California 90048</u>	<u>(310) 843-0111</u>	<u>Soaring High LLC</u>
<u>Sylvan Learning of Manteca & Ripon</u>	<u>1162 South Main St</u>	<u>Manteca, California 95337</u>	<u>(209) 823-9252</u>	<u>Illuminate Edge, Inc.</u>
<u>Sylvan Learning of Mission Viejo</u>	<u>27762 Vista Del Lago Suite A-10</u>	<u>Mission Viejo, California 92691</u>	<u>(949) 462-7160</u>	<u>JKG Learning LLC</u>
<u>Sylvan Learning of Modesto</u>	<u>1532 Standiford Ave. Suite B</u>	<u>Modesto, California 95350</u>	<u>(209) 491-5406</u>	<u>D and D Learning Solutions LLC</u>
<u>Sylvan Learning of Los Altos & Mountain View</u>	<u>2025 West El Camino Real</u>	<u>Mountain View, California 94040</u>	<u>(650) 938-0484</u>	<u>TrueVision Academy, Inc.</u>
<u>Sylvan Learning of Temecula</u>	<u>Relocating, offering online programs in the interim</u>	<u>Murrieta, California</u>	<u>(951) 506-0300</u>	<u>JKG Learning LLC</u>
<u>Sylvan Learning of Napa Valley</u>	<u>2493 Solano Avenue</u>	<u>Napa, California 94558</u>	<u>(707) 258-9000</u>	<u>Educational Encounters LLC</u>
<u>Sylvan Learning of Northridge</u>	<u>8984 Tampa Avenue</u>	<u>Northridge, California 91324</u>	<u>(818) 885-0283</u>	<u>The Southern California Learning Corporation</u>
<u>Sylvan Learning of Pasadena</u>	<u>527 S Lake Avenue, Suite 160</u>	<u>Pasadena, California 91101</u>	<u>(626) 689-4214</u>	<u>The Southern California Learning Corporation</u>
<u>Sylvan Learning of Piedmont</u>	<u>1345 Grand Ave.</u>	<u>Piedmont, California 94610</u>	<u>(510) 428-4000</u>	<u>Bay Area Education Support Systems Inc.</u>
<u>Sylvan Learning of Etiwanda</u>	<u>11398 Kenyon Way Ste A</u>	<u>Rancho Cucamonga, California 91701</u>	<u>(909) 941-6863</u>	<u>D.D. & S. Learning Systems, Inc.</u>
<u>Sylvan Learning of Rancho Cucamonga</u>	<u>7365 Carnelian Street #133</u>	<u>Rancho Cucamonga, California 91730</u>	<u>(909) 944-9763</u>	<u>D.D. & S. Learning Systems, Inc.</u>
<u>Sylvan Learning of Redlands</u>	<u>101 E Redlands Blvd #140</u>	<u>Redlands, California 92373</u>	<u>(909) 792-9669</u>	<u>D.D. & S. Learning Systems, Inc.</u>
<u>Sylvan Learning of Riverside</u>	<u>7000 Indiana Ave #122</u>	<u>Riverside, California 92506</u>	<u>(951) 353-8600</u>	<u>D.D. & S. Learning Systems, Inc.</u>
<u>Sylvan Learning of Salinas/Monterey</u>	<u>1465 North Davis Road</u>	<u>Salinas, California 93907</u>	<u>(831) 449-7551</u>	<u>Kiwi Scholar, Inc.</u>
<u>Sylvan Learning of Del Mar</u>	<u>4653 Carmel Mountain Rd, Suite 304</u>	<u>San Diego, California 92130</u>	<u>(858) 413-9090</u>	<u>Denham Enterprises, LLC</u>
<u>Sylvan Learning of Scripps Ranch</u>	<u>9829 Mira Mesa Blvd.</u>	<u>San Diego, California 92131</u>	<u>(858) 413-9090</u>	<u>Denham Enterprises, LLC</u>
<u>Sylvan Learning of San Francisco</u>	<u>379 West Portal Avenue</u>	<u>San Francisco, California 94127</u>	<u>(415) 681-7323</u>	<u>HL Learning Solutions LLC</u>

<u>Franchise Name</u>	<u>Address</u>	<u>City, State Zip</u>	<u>Center Phone</u>	<u>Owner</u>
<u>Sylvan Learning of San Jose - Camden</u>	<u>5415 Camden Avenue</u>	<u>San Jose, California 95124</u>	<u>(408) 448-8100</u>	<u>GKS Education LLC</u>
<u>Sylvan Learning of San Jose - Westgate</u>	<u>Westgate Mall 4701 Hamilton Ave</u>	<u>San Jose, California 95130</u>	<u>(408) 257-2740</u>	<u>GKS Education LLC</u>
<u>Sylvan Learning of San Luis Obispo</u>	<u>11982 Los Osos Valley Rd. Suite C</u>	<u>San Luis Obispo, California 93405</u>	<u>(805) 540-9986</u>	<u>Central Coast Scholars, LLC</u>
<u>Sylvan Learning of San Marino</u>	<u>2970 Huntington Drive</u>	<u>San Marino, California 91108</u>	<u>(626) 544-5109</u>	<u>The Southern California Learning Corporation</u>
<u>Sylvan Learning of Santa Monica</u>	<u>1910 Lincoln Blvd.</u>	<u>Santa Monica, California 90405</u>	<u>(424) 395-9555</u>	<u>EMM Investments Inc.</u>
<u>Sylvan Learning of Santa Rosa</u>	<u>1421 Guerneville Rd., Ste. 112</u>	<u>Santa Rosa, California 95403</u>	<u>(707) 528-6000</u>	<u>PGLR, Inc.</u>
<u>Sylvan Learning of Sherman Oaks & Studio City</u>	<u>13553 Ventura Boulevard</u>	<u>Sherman Oaks, California 91423</u>	<u>(818) 906-1505</u>	<u>Dream Island Learning, LLC</u>
<u>Sylvan Learning of Simi Valley</u>	<u>1252 Madera Rd, Suite A1</u>	<u>Simi Valley, California 93065</u>	<u>(805) 413-4453</u>	<u>Pivotal Learning Centers, Inc.</u>
<u>Sylvan Learning of Tarzana</u>	<u>18840 Ventura Blvd, Suite 219</u>	<u>Tarzana, California 91356</u>	<u>(818) 742-9000</u>	<u>The Southern California Learning Corporation</u>
<u>Sylvan Learning of Torrance</u>	<u>23326 Hawthorne Blvd. Suite 170</u>	<u>Torrance, California 90505</u>	<u>(310) 373-0073</u>	<u>The Southern California Learning Corporation</u>
<u>Sylvan Learning of Vacaville</u>	<u>2031 C. Harbison Drive</u>	<u>Vacaville, California 95687</u>	<u>(707) 448-7000</u>	<u>Next Steps Academy LLC</u>
<u>Sylvan Learning of Victorville</u>	<u>12441 Hesperia Rd Suite A1</u>	<u>Victorville, California 92395</u>	<u>(760) 245-8091</u>	<u>D.D. & S. Learning Systems, Inc.</u>
<u>Sylvan Learning of Visalia</u>	<u>3288-B South Mooney Blvd.</u>	<u>Visalia, California 93277</u>	<u>(559) 636-1502</u>	<u>DND Learning, Inc.</u>
<u>Sylvan Learning of Walnut Creek</u>	<u>2050 N. Broadway</u>	<u>Walnut Creek, California 94596</u>	<u>(925) 934-3000</u>	<u>Accelerated Learning Academy LLC</u>
<u>Sylvan Learning of West Covina</u>	<u>1730 W. Cameron Avenue, Suite 125</u>	<u>West Covina, California 91790</u>	<u>(626) 338-2800</u>	<u>33 Services & Consulting Inc.</u>
<u>Sylvan Learning of Westlake Village</u>	<u>600 Hampshire Road Suite 120</u>	<u>Westlake Village, California 91361</u>	<u>(805) 497-3216</u>	<u>The Southern California Learning Corporation</u>
<u>Sylvan Learning of Yorba Linda</u>	<u>19613 Yorba Linda Blvd.</u>	<u>Yorba Linda, California 92886</u>	<u>(714) 340-0218</u>	<u>SANPACT, LLC</u>
<u>Sylvan Learning of Littleton</u>	<u>10143 West Chatfield Ave, Unit 13</u>	<u>Littleton, Colorado 80127</u>	<u>(303) 948-1870</u>	<u>mspedu, llc</u>
<u>Sylvan Learning of Highlands Ranch & Lone Tree</u>	<u>9552 Park Meadows Drive, Suite 300</u>	<u>Lone Tree, Colorado 80124</u>	<u>(303) 220-8607</u>	<u>AJEXA Corporation</u>
<u>Sylvan Learning of Broomfield</u>	<u>12001-122 Tejon St</u>	<u>Westminster, Colorado 80234</u>	<u>(303) 920-7424</u>	<u>AJEXA Corporation</u>
<u>Sylvan Learning of Brookfield</u>	<u>243 Federal Road</u>	<u>Brookfield, Connecticut 06804</u>	<u>(203) 775-9611</u>	<u>AMG Ventures, LLC</u>

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<u>Sylvan Learning of Newington</u>	<u>95 Fenn Road</u>	<u>Newington, Connecticut 06111</u>	<u>(860) 231-2429</u>	<u>Bartoli Educational Solutions, LLC</u>
<u>Sylvan Learning of Southbury</u>	<u>220 Main Street South, Suite 201</u>	<u>Southbury, Connecticut 06488</u>	<u>(203) 262-6464</u>	<u>Bartoli Educational Solutions, LLC</u>
<u>Sylvan Learning of Middletown</u>	<u>260 Dove Run Center Drive</u>	<u>Middletown, Delaware 19709</u>	<u>(302) 722-8455</u>	<u>Enwisen Consulting Services, LLC</u>
<u>Sylvan Learning of Newark</u>	<u>258 Chapman Road, Suite 101</u>	<u>Newark, Delaware 19702</u>	<u>(302) 722-6445</u>	<u>Enwisen Consulting Services, LLC</u>
<u>Sylvan Learning of Lewes</u>	<u>19409 Plantations Road, Suite 2</u>	<u>Rehoboth Beach, Delaware 19971</u>	<u>(302) 841-9637</u>	<u>Blanshine Party of 5 L.L.C.</u>
<u>Sylvan Learning of North Wilmington</u>	<u>2106 Silverside Road</u>	<u>Wilmington, Delaware 19810</u>	<u>(302) 384-7724</u>	<u>Achievement Awaits, LLC</u>
<u>Sylvan Learning of Boca Raton</u>	<u>7154 Beracasa Way</u>	<u>Boca Raton, Florida 33433</u>	<u>(561) 391-0707</u>	<u>ENLIGHTEN EDUCATION SOLUTIONS, LLC.</u>
<u>Sylvan Learning of Cape Coral</u>	<u>2708 Santa Barbara Blvd. Unit 105</u>	<u>Cape Coral, Florida 33914</u>	<u>(239) 800-5003</u>	<u>Hiduke Learning Centers, Inc.</u>
<u>Sylvan Learning of Clermont</u>	<u>1200 Oakley Seaver Dr, Ste. 201</u>	<u>Clermont, Florida 34711</u>	<u>(352) 241-4141</u>	<u>KAK Management, LLC</u>
<u>Sylvan Learning of Coral Springs</u>	<u>Coral Palm Plaza 2141 N. University Drive</u>	<u>Coral Springs, Florida 33071</u>	<u>(954) 575-7410</u>	<u>ENLIGHTEN EDUCATION SOLUTIONS, LLC.</u>
<u>Sylvan Learning of Palm Harbor</u>	<u>2323 Curlew Road Suite 6C</u>	<u>Dunedin, Florida 34698</u>	<u>(727) 787-7323</u>	<u>EduStation LLC</u>
<u>Sylvan Learning of Estero Bonita</u>	<u>10011 Estero Town Commons Pl, Unit 107</u>	<u>Estero, Florida 33928</u>	<u>(239) 319-5573</u>	<u>Hiduke Learning Centers, Inc.</u>
<u>Sylvan Learning of Fort Myers</u>	<u>13720 Ben C Pratt Six Mile Cypress Pkwy, Suite 302</u>	<u>Fort Myers, Florida 33912</u>	<u>(239) 275-1130</u>	<u>Hiduke Learning Centers, Inc.</u>
<u>Sylvan Learning of the Emerald Coast</u>	<u>Relocating, offering online programs in the interim</u>	<u>Ft. Walton Beach, Florida</u>	<u>(850) 613-2424</u>	<u>Remarkably You in Education, LLC</u>
<u>Sylvan Learning of Gainesville</u>	<u>4961 NW 8th Ave Suite A</u>	<u>Gainesville, Florida 32605</u>	<u>(352) 371-6891</u>	<u>GT Learning Group, LLC</u>
<u>Sylvan Learning of Apollo Beach</u>	<u>7130 Big Bend Road, Suite 110</u>	<u>Gibson, Florida 33534</u>	<u>(813) 535-6426</u>	<u>SUNSHINE EDUCATION SOLUTIONS LLC</u>
<u>Sylvan Learning of Lake Worth & Wellington</u>	<u>6153 Lake Worth Rd</u>	<u>Greenacres, Florida 33463</u>	<u>(561) 432-0445</u>	<u>Learn Time LLC</u>
<u>Sylvan Learning of North Jacksonville</u>	<u>2255 Dunn Ave, Ste 501</u>	<u>Jacksonville, Florida 32218</u>	<u>(904) 757-2220</u>	<u>Quizhark LLC</u>
<u>Sylvan Learning of Kissimmee</u>	<u>2701 Michigan Avenue, Suite D</u>	<u>Kissimmee, Florida 34744</u>	<u>(407) 944-9661</u>	<u>KAK Management, LLC</u>
<u>Sylvan Learning of Lake Mary</u>	<u>136 N. Fourth Street, Suite 1270</u>	<u>Lake Mary, Florida 32746</u>	<u>(407) 688-2017</u>	<u>Galaxy Star Tutoring LLC</u>
<u>Sylvan Learning of South Lakeland</u>	<u>3730 Cleveland Heights Blvd. Ste 3</u>	<u>Lakeland, Florida 33813</u>	<u>(863) 647-1922</u>	<u>Achieve Learning Goals LLC</u>

<u>Franchise Name</u>	<u>Address</u>	<u>City, State Zip</u>	<u>Center Phone</u>	<u>Owner</u>
<u>Sylvan Learning of Lakewood Ranch</u>	<u>11509 Palmbrush Trail, Suite 106</u>	<u>Lakewood Ranch, Florida 34202</u>	<u>(941) 920-0950</u>	<u>CLM Education, LLC</u>
<u>Sylvan Learning of Melbourne</u>	<u>3712 N. Wickham Road, Suite A</u>	<u>Melbourne, Florida 32934</u>	<u>(321) 253-3463</u>	<u>Leitch Learning II, LLC</u>
<u>Sylvan Learning of Kendall</u>	<u>12588A SW 88th St</u>	<u>Miami, Florida 33186</u>	<u>(305) 273-9366</u>	<u>ENLIGHTEN EDUCATION SOLUTIONS, LLC.</u>
<u>Sylvan Learning of Aventura</u>	<u>3097 NE 163rd Street</u>	<u>North Miami Beach, Florida 33160</u>	<u>(305) 936-0370</u>	<u>ENLIGHTEN EDUCATION SOLUTIONS, LLC.</u>
<u>Sylvan Learning of Ocala</u>	<u>3231 SE Maricamp Road</u>	<u>Ocala, Florida 34471</u>	<u>(352) 622-6284</u>	<u>GT Learning Group, LLC</u>
<u>Sylvan Learning of Ocoee</u>	<u>8945 West Colonial Drive</u>	<u>Ocoee, Florida 34761</u>	<u>(407) 984-4269</u>	<u>KAK Management, LLC</u>
<u>Sylvan Learning of Orange Park</u>	<u>1414 Kingsley Ave, Ste 4</u>	<u>Orange Park, Florida 32073</u>	<u>(904) 269-2000</u>	<u>Quizhark LLC</u>
<u>Sylvan Learning of Dr Phillips</u>	<u>7606 West Sand Lake Road</u>	<u>Orlando, Florida 32819</u>	<u>(407) 250-4030</u>	<u>KAK Management, LLC</u>
<u>Sylvan Learning of Oviedo</u>	<u>405 Alexandria Blvd, Suite 100</u>	<u>Oviedo, Florida 32765</u>	<u>(407) 986-3175</u>	<u>Cultivating Shalom, LLC</u>
<u>Sylvan Learning of Pembroke Pines</u>	<u>12592 Pine Blvd Suite 101</u>	<u>Pembroke Pines, Florida 33027</u>	<u>(954) 517-1802</u>	<u>ENLIGHTEN EDUCATION SOLUTIONS, LLC.</u>
<u>Sylvan Learning of Pensacola</u>	<u>2401 Executive Plaza #8</u>	<u>Pensacola, Florida 32504</u>	<u>(850) 474-9022</u>	<u>Remarkably You in Education, LLC</u>
<u>Sylvan Learning of Port Charlotte</u>	<u>22655 Bayshore Rd, Ste 150</u>	<u>Port Charlotte, Florida 33980</u>	<u>(941) 249-4983</u>	<u>Eminent Learning LLC</u>
<u>Sylvan Learning of Riverview</u>	<u>13444 Boyette Rd</u>	<u>Riverview, Florida 33569</u>	<u>(813) 438-4346</u>	<u>SUNSHINE EDUCATION SOLUTIONS LLC</u>
<u>Sylvan Learning of Lake Nona</u>	<u>1364 S Narcoossee Road</u>	<u>Saint Cloud, Florida 34771</u>	<u>(407) 498-4009</u>	<u>Stine Global LLC</u>
<u>Sylvan Learning of Sarasota</u>	<u>5549 Palmer Crossing Circle, Unit 7</u>	<u>Sarasota, Florida 34233</u>	<u>(941) 260-5840</u>	<u>CLM Education, LLC</u>
<u>Sylvan Learning of St. Petersburg</u>	<u>3275 66th Street N, Ste # 5</u>	<u>St. Petersburg, Florida 33710</u>	<u>(727) 347-6284</u>	<u>EduStation LLC</u>
<u>Sylvan Learning of Tallahassee</u>	<u>2811 Capital Circle, NE Suite 3</u>	<u>Tallahassee, Florida 32308</u>	<u>(850) 385-8696</u>	<u>Florida Learning Centers, Inc.</u>
<u>Sylvan Learning of Tampa - Carrollwood</u>	<u>3802 Ehrlich Road Suite 204</u>	<u>Tampa, Florida 33624</u>	<u>(813) 968-4497</u>	<u>Intellex Enterprises, Inc.</u>
<u>Sylvan Learning of Mt Dora/Tavares</u>	<u>1924 Salk Ave, Suite 1</u>	<u>Tavares, Florida 32778</u>	<u>(321) 233-6476</u>	<u>LearnBerry, LLC</u>
<u>Sylvan Learning of Canton Georgia</u>	<u>149 Reinhardt College Pkwy, Suite 7</u>	<u>Canton, Georgia 30114</u>	<u>(470) 761-9128</u>	<u>Prestige Academics LLC</u>
<u>Sylvan Learning of Cartersville</u>	<u>927 Joe Frank Harris Parkway</u>	<u>Cartersville, Georgia 30120</u>	<u>(678) 721-6661</u>	<u>Learned Success, Inc.</u>

<u>Franchise Name</u>	<u>Address</u>	<u>City, State Zip</u>	<u>Center Phone</u>	<u>Owner</u>
<u>Sylvan Learning of Columbus & Fort Benning</u>	<u>5256 Armour Rd.</u>	<u>Columbus, Georgia 31904</u>	<u>(706) 563-9864</u>	<u>KVDM, Inc.</u>
<u>Sylvan Learning of Augusta</u>	<u>4115 Columbia Rd, Suite 7</u>	<u>Martinez, Georgia 30907</u>	<u>(706) 496-1240</u>	<u>Ga Learning Ventures, Inc</u>
<u>Sylvan Learning of Rome</u>	<u>201 Turner McCall Blvd.</u>	<u>Rome, Georgia 30165</u>	<u>(706) 295-3484</u>	<u>Learned Success, Inc.</u>
<u>Sylvan Learning of Savannah</u>	<u>340 Eisenhower Dr. Building 100</u>	<u>Savannah, Georgia 31406</u>	<u>(912) 355-2267</u>	<u>Empire Coaching LLC</u>
<u>Sylvan Learning of Valdosta</u>	<u>1709 River Street</u>	<u>Valdosta, Georgia 31601</u>	<u>(229) 245-0381</u>	<u>Florida Learning Centers, Inc.</u>
<u>Sylvan Learning of Kahala - Honolulu</u>	<u>4211 Waialae Avenue Kahala Mall, Suite 30</u>	<u>Honolulu, Hawaii 96816</u>	<u>(808) 735-8811</u>	<u>Kahala Academic Center, Inc.</u>
<u>Sylvan Learning of Mililani</u>	<u>95-1249 Meheula Pkwy, Ste. 198</u>	<u>Mililani, Hawaii 96789</u>	<u>(808) 623-0808</u>	<u>Inspired Education, LLC</u>
<u>Sylvan Learning of Boise</u>	<u>30 S. Cole Road</u>	<u>Boise, Idaho 83709</u>	<u>(208) 918-8150</u>	<u>Daksh Academy LLC</u>
<u>Sylvan Learning of Meridian</u>	<u>2845 E Overland Rd, Suite 170</u>	<u>Meridian, Idaho 83642</u>	<u>(208) 912-0010</u>	<u>Daksh Gurukul LLC</u>
<u>Sylvan Learning of Chicago</u>	<u>1609 S. Halsted Street</u>	<u>Chicago, Illinois 60608</u>	<u>(312) 226-3306</u>	<u>K12 Inc.</u>
<u>Sylvan Learning of Forest Park/Oak Park</u>	<u>7217 W. Madison Street</u>	<u>Forest Park, Illinois 60130</u>	<u>(708) 488-0161</u>	<u>Tree of Knowledge, Inc.</u>
<u>Sylvan Learning of Edwardsville</u>	<u>6A Glen Ed Professional Park</u>	<u>Glen Carbon, Illinois 62034</u>	<u>(618) 656-0500</u>	<u>Grand Education, LLC</u>
<u>Sylvan Learning of Glenview</u>	<u>1107 Waukegan Road</u>	<u>Glenview, Illinois 60025</u>	<u>(312) 208-3184</u>	<u>Bauer James Inc.</u>
<u>Sylvan Learning of Lake Zurich</u>	<u>745 W State Rte 22</u>	<u>Lake Zurich, Illinois 60047</u>	<u>(847) 382-7755</u>	<u>Ellkendan Education LLC</u>
<u>Sylvan Learning of Skokie</u>	<u>6929 N Lincoln Ave</u>	<u>Lincolnwood, Illinois 60712</u>	<u>(847) 329-5267</u>	<u>Bauer James Inc.</u>
<u>Sylvan Learning of Naperville</u>	<u>1292 Rickert Drive Suite 148</u>	<u>Naperville, Illinois 60540</u>	<u>(630) 778-7200</u>	<u>Assured Educational Services, Inc.</u>
<u>Sylvan Learning of Bloomington / Normal</u>	<u>211 Landmark, Building D Ste 5, 6, 7</u>	<u>Normal, Illinois 61761</u>	<u>(309) 662-8537</u>	<u>F&O Ventures Co.</u>
<u>Sylvan Learning of Oak Lawn-Evergreen Park</u>	<u>10338 South Cicero Avenue</u>	<u>Oaklawn, Illinois 60453</u>	<u>(708) 425-3114</u>	<u>Bauer James Inc.</u>
<u>Sylvan Learning of O'Fallon</u>	<u>124 Springfield Court Suite 200</u>	<u>O'Fallon, Illinois 62269</u>	<u>(618) 628-0018</u>	<u>J&N Education Services, LLC</u>
<u>Sylvan Learning of Peoria</u>	<u>7501 N. University Suite 218</u>	<u>Peoria, Illinois 61614</u>	<u>(309) 683-3601</u>	<u>F&O Ventures Co.</u>
<u>Sylvan Learning of Plainfield</u>	<u>24012 W. Main Street, Suite 104</u>	<u>Plainfield, Illinois 60544</u>	<u>(815) 609-7111</u>	<u>Learning Solutions, Inc.</u>
<u>Sylvan Learning of Schaumburg</u>	<u>25 N. Roselle Rd.</u>	<u>Schaumburg, Illinois 60194</u>	<u>(847) 301-2700</u>	<u>Ellkendan Education LLC</u>
<u>Sylvan Learning of Springfield</u>	<u>2735 South 6th Street</u>	<u>Springfield, Illinois 62703</u>	<u>(217) 546-0009</u>	<u>F&O Ventures Co.</u>

<u>Franchise Name</u>	<u>Address</u>	<u>City, State Zip</u>	<u>Center Phone</u>	<u>Owner</u>
<u>Sylvan Learning of Orland/Tinley Park</u>	<u>9501 W 171st Street Suite E</u>	<u>Tinley Park, Illinois 60487</u>	<u>(708) 429-1072</u>	<u>JAKD, LLC</u>
<u>Sylvan Learning of Bloomington Center</u>	<u>2088 Liberty Drive Liberty Crossing Shoppes, Suite 109</u>	<u>Bloomington, Indiana 47403</u>	<u>(812) 330-0900</u>	<u>ExNil, LLP</u>
<u>Sylvan Learning of Carmel</u>	<u>1400 S Guilford Road Suite 100</u>	<u>Carmel, Indiana 46032</u>	<u>(317) 257-6703</u>	<u>KIK Management, LLC</u>
<u>Sylvan Learning of Columbus Center</u>	<u>3126 North National Road</u>	<u>Columbus, Indiana 47201</u>	<u>(812) 372-2104</u>	<u>ExNil, LLP</u>
<u>Sylvan Learning of Elkhart</u>	<u>1001 Parkway Avenue, Suite 4</u>	<u>Elkhart, Indiana 46516</u>	<u>(574) 264-2223</u>	<u>KLC Management, Inc.</u>
<u>Sylvan Learning of Evansville</u>	<u>923 South Kenmore Dr Hebron Office Plaza</u>	<u>Evansville, Indiana 47714</u>	<u>(812) 479-1150</u>	<u>Janet Crocker</u>
<u>Sylvan Learning of Fishers</u>	<u>11740 Brooks School Rd, Suite A</u>	<u>Fishers, Indiana 46038</u>	<u>(317) 913-0963</u>	<u>DCSK Management, LLC</u>
<u>Sylvan Learning of Fort Wayne</u>	<u>6227 Covington Road</u>	<u>Fort Wayne, Indiana 46804</u>	<u>(260) 436-2710</u>	<u>KCK, LLC</u>
<u>Sylvan Learning of North Fort Wayne</u>	<u>10016 Auburn Park Dr</u>	<u>Fort Wayne, Indiana 46825</u>	<u>(260) 485-1330</u>	<u>KCK, LLC</u>
<u>Sylvan Learning of Franklin Center</u>	<u>735 Commerce Drive</u>	<u>Franklin, Indiana 46131</u>	<u>(317) 346-6604</u>	<u>ExNil, LLP</u>
<u>Sylvan Learning of South Indianapolis</u>	<u>862 South State Road 135, Suite A</u>	<u>Greenwood, Indiana 46143</u>	<u>(317) 888-0438</u>	<u>KIK Management, LLC</u>
<u>Sylvan Learning of Lafayette</u>	<u>4050 Britt Farm Drive Suite A</u>	<u>Lafayette, Indiana 47905</u>	<u>(765) 447-5996</u>	<u>Educare, Inc.</u>
<u>Sylvan Learning of Merrillville</u>	<u>1070 W. 84th Drive</u>	<u>Merrillville, Indiana 46410</u>	<u>(219) 736-1113</u>	<u>KSK Management LLC</u>
<u>Sylvan Learning of Mishawaka</u>	<u>3005 Grape Road Suite A</u>	<u>Mishawaka, Indiana 46545</u>	<u>(574) 254-1055</u>	<u>KLC Management, Inc.</u>
<u>Sylvan Learning of West Indianapolis</u>	<u>302 North Dan Jones Road, Suite 115</u>	<u>Plainfield, Indiana 46168</u>	<u>(317) 247-7664</u>	<u>KIK Management, LLC</u>
<u>Sylvan Learning of Schererville</u>	<u>958 W. US Highway 30</u>	<u>Schererville, Indiana 46375</u>	<u>(219) 322-5535</u>	<u>KSK Management LLC</u>
<u>Sylvan Learning of Valparaiso</u>	<u>2500 Calumet Avenue</u>	<u>Valparaiso, Indiana 46383</u>	<u>(219) 707-5074</u>	<u>KSK Management LLC</u>
<u>Sylvan Learning of Altoona</u>	<u>301 Center Place, Suite C-1</u>	<u>Altoona, Iowa 50009</u>	<u>(515) 304-5280</u>	<u>Jones Educational Services LLC</u>
<u>Sylvan Learning of Ames</u>	<u>4820 Mortensen Road, Suite 101</u>	<u>Ames, Iowa 50014</u>	<u>(515) 956-3366</u>	<u>FCH, L.L.C.</u>
<u>Sylvan Learning of Ankeny</u>	<u>1690 SE Delaware Ave Suite 101</u>	<u>Ankeny, Iowa 50021</u>	<u>(515) 446-7066</u>	<u>FCH L.L.C.</u>
<u>Sylvan Learning of Coralville</u>	<u>1100 5th Street, Suite 105</u>	<u>Coralville, Iowa 52241</u>	<u>(319) 351-9343</u>	<u>FCH, L.L.C.</u>
<u>Sylvan Learning of Hiawatha</u>	<u>1854 Boyson Road</u>	<u>Hiawatha, Iowa 52233</u>	<u>(319) 393-0000</u>	<u>FCH, L.L.C.</u>

<u>Franchise Name</u>	<u>Address</u>	<u>City, State Zip</u>	<u>Center Phone</u>	<u>Owner</u>
<u>Sylvan Learning of Johnston & Des Moines</u>	<u>8707 N Park Court</u>	<u>Johnston, Iowa 50131</u>	<u>(515) 867-8000</u>	<u>FCH, L.L.C.</u>
<u>Sylvan Learning of Overland Park</u>	<u>9165 W 133rd Street</u>	<u>Overland Park, Kansas 66213</u>	<u>(913) 681-1141</u>	<u>KMB Solutions KS, L.L.C.</u>
<u>Sylvan Learning of Lawrence</u>	<u>721 Wakarusa Drive, Suite 104</u>	<u>Lawrence, Kansas 66049</u>	<u>(785) 842-6284</u>	<u>KMB Solutions KS, L.L.C.</u>
<u>Sylvan Learning of Louisville</u>	<u>6413 Bardstown Road</u>	<u>Louisville, Kentucky 40291</u>	<u>(502) 231-1717</u>	<u>Coalescent Ventures, LLC</u>
<u>Sylvan Learning of Paducah</u>	<u>2856 Lone Oak Road</u>	<u>Paducah, Kentucky 42003</u>	<u>(270) 554-4111</u>	<u>Steve Bright</u>
<u>Sylvan Learning of Alexandria</u>	<u>1264 Canterbury Drive</u>	<u>Alexandria, Louisiana 71303</u>	<u>(318) 443-0949</u>	<u>Miles Maffett Recordings LLC</u>
<u>Sylvan Learning of Baton Rouge - Bluebonnet</u>	<u>7584 Bluebonnet Boulevard, Suite D</u>	<u>Baton Rouge, Louisiana 70810</u>	<u>(225) 291-7323</u>	<u>Cusanza Enterprises IV, LLC</u>
<u>Sylvan Learning of Gonzales</u>	<u>2113 South Burnside (Hwy. 44)</u>	<u>Gonzales, Louisiana 70737</u>	<u>(225) 644-7323</u>	<u>Cusanza Enterprises IV, LLC</u>
<u>Sylvan Learning of Harvey</u>	<u>1901 Manhattan Blvd, B-102</u>	<u>Harvey, Louisiana 70058</u>	<u>(504) 324-7717</u>	<u>Cusanza Enterprises V, LLC</u>
<u>Sylvan Learning of Houma</u>	<u>657 Corporate Drive, Suite A</u>	<u>Houma, Louisiana 70360</u>	<u>(985) 223-3798</u>	<u>Cusanza Enterprises V, LLC</u>
<u>Sylvan Learning of Lafayette</u>	<u>221 North College Road</u>	<u>Lafayette, Louisiana 70506</u>	<u>(337) 232-7323</u>	<u>Academic Technology Corp., LLC</u>
<u>Sylvan Learning of Metairie & New Orleans</u>	<u>4449 N Interstate 10 Service Rd. W.</u>	<u>Metairie, Louisiana 70006</u>	<u>(504) 885-5327</u>	<u>Cusanza Enterprises II, LLC</u>
<u>Sylvan Learning of New Iberia</u>	<u>1000 Parkview Drive Suite 10</u>	<u>New Iberia, Louisiana 70560</u>	<u>(337) 369-1543</u>	<u>Academic Technology Corp., LLC</u>
<u>Sylvan Learning of Slidell</u>	<u>58465 Tyler Street Suite 7</u>	<u>Slidell, Louisiana 70461</u>	<u>(985) 641-0343</u>	<u>Cusanza Enterprises, LLC</u>
<u>Sylvan Learning of Topsham</u>	<u>49 Topsham Fair Mall Road, Suite 19</u>	<u>Topsham, Maine 04086</u>	<u>(207) 406-2147</u>	<u>23rd State Learning, LLC</u>
<u>Sylvan Learning of Bel Air</u>	<u>1203 Baltimore Pike, Suite E</u>	<u>Bel Air, Maryland 21014</u>	<u>(410) 420-7340</u>	<u>KBK Management LLC</u>
<u>Sylvan Learning of Catonsville</u>	<u>405 Frederick Road, Suite 5</u>	<u>Catonsville, Maryland 21228</u>	<u>(443) 334-6156</u>	<u>KBK Management LLC</u>
<u>Sylvan Learning of Columbia</u>	<u>8801 Centre Park Dr #5</u>	<u>Columbia, Maryland 21045</u>	<u>(410) 740-8331</u>	<u>RSK Management LLC</u>
<u>Sylvan Learning of Crofton</u>	<u>2151 Defense Highway Route 450, Suite 3</u>	<u>Crofton, Maryland 21114</u>	<u>(410) 656-8421</u>	<u>KBK Management LLC</u>
<u>Sylvan Learning of Garrett County</u>	<u>23789 Garrett Highway, Suite 3</u>	<u>McHenry, Maryland 21541</u>	<u>(240) 442-5873</u>	<u>Lakeside Learning, LLC</u>
<u>Sylvan Learning of Timonium</u>	<u>1840 York Rd Unit D</u>	<u>Timonium, Maryland 21093</u>	<u>(410) 337-2545</u>	<u>KBK Management LLC</u>
<u>Sylvan Learning of Brookline</u>	<u>44 Washington Street, Suite 105A</u>	<u>Brookline, Massachusetts 02445</u>	<u>(617) 264-4150</u>	<u>Capstone Education Inc.</u>

<u>Franchise Name</u>	<u>Address</u>	<u>City, State Zip</u>	<u>Center Phone</u>	<u>Owner</u>
<u>Sylvan Learning of Peabody/Danvers</u>	<u>85 Andover Street</u>	<u>Danvers, Massachusetts 01923</u>	<u>(978) 208-2010</u>	<u>Rosina Marie, Inc.</u>
<u>Sylvan Learning of Weymouth</u>	<u>646 Middle Street</u>	<u>Weymouth, Massachusetts 02189</u>	<u>(781) 247-5402</u>	<u>Capstone Education Inc.</u>
<u>Sylvan Learning of Woburn and Burlington</u>	<u>400 Tradecenter Dr, Suite 1910</u>	<u>Woburn, Massachusetts 01801</u>	<u>(781) 933-9480</u>	<u>Burlington Learning, Inc.</u>
<u>Sylvan Learning of Ann Arbor</u>	<u>1601 Briarwood Circle Suite 300</u>	<u>Ann Arbor, Michigan 48108</u>	<u>(734) 665-7323</u>	<u>COT, LLC</u>
<u>Sylvan Learning of Brighton</u>	<u>10407 East Grand River Suite 800</u>	<u>Brighton, Michigan 48116</u>	<u>(810) 227-1800</u>	<u>COT, LLC</u>
<u>Sylvan Learning of N. Canton</u>	<u>7752 Canton Center Road</u>	<u>Canton, Michigan 48187</u>	<u>(734) 451-3461</u>	<u>Guardian Angel Learning Centers, LLC</u>
<u>Sylvan Learning of Dearborn</u>	<u>2040 Monroe Street Suite 202</u>	<u>Dearborn, Michigan 48124</u>	<u>(313) 724-1500</u>	<u>Guardian Angel Learning Centers, LLC</u>
<u>Sylvan Learning of Grand Blanc</u>	<u>8185 Holly Road, Suite 3</u>	<u>Grand Blanc, Michigan 48439</u>	<u>(810) 233-4600</u>	<u>COT, LLC</u>
<u>Sylvan Learning of Grand Rapids</u>	<u>3910 Burton Street S.E. Suite 102</u>	<u>Grand Rapids, Michigan 49546</u>	<u>(616) 957-4617</u>	<u>COT, LLC</u>
<u>Sylvan Learning of Grandville</u>	<u>4330 44th Street Suite 101</u>	<u>Grandville, Michigan 49418</u>	<u>(616) 530-8488</u>	<u>COT, LLC</u>
<u>Sylvan Learning of Midland</u>	<u>108 A West Wackerly</u>	<u>Midland, Michigan 48640</u>	<u>(989) 633-9515</u>	<u>Edvantage Tutoring, Inc.</u>
<u>Sylvan Learning of Lansing/East Lansing</u>	<u>2500 Kerry Street Suite 100</u>	<u>Lansing, Michigan 48912</u>	<u>(517) 372-7410</u>	<u>COT, LLC</u>
<u>Sylvan Learning of Livonia</u>	<u>37727 Professional Center Dr, Ste 130</u>	<u>Livonia, Michigan 48154</u>	<u>(734) 462-1132</u>	<u>Guardian Angel Learning Centers, LLC</u>
<u>Sylvan Learning of Muskegon</u>	<u>5890 S. Harvey</u>	<u>Muskegon, Michigan 49441</u>	<u>(231) 799-0613</u>	<u>COT, LLC</u>
<u>Sylvan Learning of Novi</u>	<u>22034 Novi Road Oakpoint Plaza</u>	<u>Novi, Michigan 48375</u>	<u>(248) 344-1474</u>	<u>COT, LLC</u>
<u>Sylvan Learning of Portage</u>	<u>1350 West Centre Avenue Suite 120</u>	<u>Portage, Michigan 49024</u>	<u>(269) 327-5237</u>	<u>COT, LLC</u>
<u>Sylvan Learning of Rockford</u>	<u>6840 Northway Dr. NE</u>	<u>Rockford, Michigan 49341</u>	<u>(616) 863-8835</u>	<u>COT, LLC</u>
<u>Sylvan Learning of Saginaw</u>	<u>3913 Bay Road</u>	<u>Saginaw, Michigan 48603</u>	<u>(989) 791-0088</u>	<u>Edvantage Tutoring, Inc.</u>
<u>Sylvan Learning of Sterling Heights</u>	<u>11080 Hall Road Suite B</u>	<u>Sterling Heights, Michigan 48314</u>	<u>(586) 739-0270</u>	<u>K. J. & J. Ltd.</u>
<u>Sylvan Learning of Troy</u>	<u>3290 West Big Beaver Suite 160</u>	<u>Troy, Michigan 48084</u>	<u>(248) 822-7188</u>	<u>K. J. & J. Ltd.</u>
<u>Sylvan Learning of West Bloomfield</u>	<u>5829 West Maple, Suite 127</u>	<u>West Bloomfield, Michigan 48322</u>	<u>(248) 737-2880</u>	<u>Guardian Angel Learning Centers, LLC</u>
<u>Sylvan Learning of Albertville</u>	<u>5585 La Centre Avenue, Suite 200</u>	<u>Albertville, Minnesota 55301</u>	<u>(763) 276-1006</u>	<u>M4 Learning, LLC</u>
<u>Sylvan Learning of Burnsville</u>	<u>170 Cobblestone Lane</u>	<u>Burnsville, Minnesota 55337</u>	<u>(952) 435-6603</u>	<u>Ecole Academics LLC</u>

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<u>Sylvan Learning of Chaska</u>	<u>172 Pioneer Trail</u>	<u>Chaska, Minnesota 55318</u>	<u>(952) 466-3838</u>	<u>Briannca, Inc.</u>
<u>Sylvan Learning of Eden Prairie</u>	<u>Relocating, offering online programs in the interim</u>	<u>Eden Prairie, Minnesota</u>	<u>(651) 374-4383</u>	<u>Ecole Academics LLC</u>
<u>Sylvan Learning of Minneapolis-Edina</u>	<u>6550 York Ave S, Suite 119</u>	<u>Edina, Minnesota 55435</u>	<u>(651) 374-4396</u>	<u>Ecole Academics LLC</u>
<u>Sylvan Learning of Maple Grove</u>	<u>7928 Main Street North</u>	<u>Maple Grove, Minnesota 55369</u>	<u>(763) 494-9676</u>	<u>Ecole Academics LLC</u>
<u>Sylvan Learning of Coon Rapids</u>	<u>3495 Northdale Blvd NW, Suite 160</u>	<u>Minneapolis, Minnesota 55448</u>	<u>(763) 712-1118</u>	<u>Ecole Academics LLC</u>
<u>Sylvan Learning of Minnetonka</u>	<u>10580 Wayzata Blvd, Suite 250</u>	<u>Minnetonka, Minnesota 55305</u>	<u>(952) 544-6253</u>	<u>Briannca, Inc.</u>
<u>Sylvan Learning of Rochester</u>	<u>154 17th Ave. NW</u>	<u>Rochester, Minnesota 55901</u>	<u>(507) 258-6036</u>	<u>Bliss Education Resources, LLC</u>
<u>Sylvan Learning of Rogers</u>	<u>21395 John Milless Dr, Suite 500</u>	<u>Rogers, Minnesota 55374</u>	<u>(763) 710-5524</u>	<u>Lana Education L. L. C.</u>
<u>Sylvan Learning of Rosemount-Eagan</u>	<u>15035 Crestone Avenue W</u>	<u>Rosemount, Minnesota 55068</u>	<u>(952) 236-9090</u>	<u>AB Learning, Inc.</u>
<u>Sylvan Learning of Roseville</u>	<u>1913 MN-36</u>	<u>Roseville, Minnesota 55113</u>	<u>(651) 639-1350</u>	<u>Ecole Academics LLC</u>
<u>Sylvan Learning of Saint Paul</u>	<u>614 Snelling Avenue South</u>	<u>Saint Paul, Minnesota 55116</u>	<u>(651) 583-5500</u>	<u>Ecole Academics LLC</u>
<u>Sylvan Learning of Woodbury</u>	<u>9900 Valley Creek Road, Suite 150</u>	<u>Woodbury, Minnesota 55125</u>	<u>(651) 702-6690</u>	<u>Ecole Academics LLC</u>
<u>Sylvan Learning of Gulfport</u>	<u>28 Pass Road</u>	<u>Gulfport, Mississippi 39507</u>	<u>(228) 207-0331</u>	<u>Euell Ventures LLC</u>
<u>Sylvan Learning of Hattiesburg</u>	<u>6059 US Hwy 98, Ste 10</u>	<u>Hattiesburg, Mississippi 39402</u>	<u>(601) 402-7869</u>	<u>The Kemebray Group, LLC</u>
<u>Sylvan Learning of Jackson</u>	<u>4915 I-55 North, Suite 106A, P.O. Box 13275</u>	<u>Jackson, Mississippi 39206</u>	<u>(601) 366-6400</u>	<u>Euell Ventures LLC</u>
<u>Sylvan Learning of Southaven</u>	<u>775 East Goodman Rd, Ste 3</u>	<u>Southaven, Mississippi 38671</u>	<u>(662) 548-3225</u>	<u>Euell Ventures LLC</u>
<u>Sylvan Learning of Ballwin</u>	<u>14248 G Manchester Rd.</u>	<u>Ballwin, Missouri 63011</u>	<u>(636) 394-3104</u>	<u>Guide & Grow LLC</u>
<u>Sylvan Learning of Columbia</u>	<u>3301 Broadway Business Park, Suite B</u>	<u>Columbia, Missouri 65203</u>	<u>(573) 446-0310</u>	<u>KMB Solutions LLC</u>
<u>Sylvan Learning of Kansas City North</u>	<u>8409 N. Main (Barry Rd & N. Main)</u>	<u>Kansas City, Missouri 64155</u>	<u>(816) 468-7900</u>	<u>Educating Tomorrow's Future, LLC</u>
<u>Sylvan Learning of Lake St. Louis</u>	<u>141 Civic Center Drive</u>	<u>Lake St. Louis, Missouri 63367</u>	<u>(636) 265-2580</u>	<u>Guide & Grow LLC</u>
<u>Sylvan Learning of Lee's Summit</u>	<u>1184 Douglas Street</u>	<u>Lee's Summit, Missouri 64086</u>	<u>(816) 525-4500</u>	<u>SLC of Lee's Summit, Inc.</u>
<u>Sylvan Learning of Springfield</u>	<u>1830 E Independence St.</u>	<u>Springfield, Missouri 65804</u>	<u>(417) 268-9392</u>	<u>Educating Tomorrow's Future, LLC</u>
<u>Sylvan Learning of Olivette</u>	<u>9338 Olive Boulevard, Suite 110</u>	<u>St. Louis, Missouri 63132</u>	<u>(314) 997-3035</u>	<u>The Walls Speak LLC</u>

<u>Franchise Name</u>	<u>Address</u>	<u>City, State Zip</u>	<u>Center Phone</u>	<u>Owner</u>
<u>Sylvan Learning of St. Peters</u>	<u>4504 Mid Rivers Mall Dr.</u>	<u>St. Peters, Missouri 63376</u>	<u>(636) 441-1212</u>	<u>Guide & Grow LLC</u>
<u>Sylvan Learning of Billings</u>	<u>2103 Central Ave.</u>	<u>Billings, Montana 59102</u>	<u>(406) 656-4646</u>	<u>Valor Learning, LLC</u>
<u>Sylvan Learning of Butte</u>	<u>1941 Harrison Ave. Suite D</u>	<u>Butte, Montana 59701</u>	<u>(406) 782-5700</u>	<u>Ronald & Charlene Kautzman, Kristel Callahan</u>
<u>Sylvan Learning of Helena</u>	<u>1075 N. Rodney Suite 111</u>	<u>Helena, Montana 59601</u>	<u>(406) 443-9205</u>	<u>Ronald & Charlene Kautzman, Kristel Callahan</u>
<u>Sylvan Learning of Bellevue</u>	<u>3615 Summit Plaza Dr. #103</u>	<u>Bellevue, Nebraska 68123</u>	<u>(402) 403-0255</u>	<u>Nebraska Teaching Center, Inc.</u>
<u>Sylvan Learning of Lincoln</u>	<u>3900 Yankee Hill Road, #113</u>	<u>Lincoln, Nebraska 68516</u>	<u>(402) 423-8833</u>	<u>Nebraska Teaching Center, Inc.</u>
<u>Sylvan Learning of Northwest Omaha</u>	<u>15475 Ruggles Street #113</u>	<u>Omaha, Nebraska 68116</u>	<u>(402) 268-0585</u>	<u>Nebraska Teaching Center, Inc.</u>
<u>Sylvan Learning of Omaha</u>	<u>16613 Polk Street</u>	<u>Omaha, Nebraska 68135</u>	<u>(402) 884-8731</u>	<u>Nebraska Teaching Center, Inc.</u>
<u>Sylvan Learning of Blue Diamond / Mountain's Edge</u>	<u>8180 Blue Diamond Road Ste. 140</u>	<u>Blue Diamond, Nevada 89178</u>	<u>(702) 410-5140</u>	<u>JTBIUS INVESTMENTS, NV LLC</u>
<u>Sylvan Learning of Las Vegas, West</u>	<u>9330 W Sahara Avenue Suite 130</u>	<u>Las Vegas, Nevada 89117</u>	<u>(702) 876-4090</u>	<u>Grant Learning LV, LLC</u>
<u>Sylvan Learning of Las Vegas, Southwest</u>	<u>6070 S. Rainbow Blvd, Ste 4</u>	<u>Las Vegas, Nevada 89118</u>	<u>(725) 205-3533</u>	<u>BergLynn LLC</u>
<u>Sylvan Learning of Bedford</u>	<u>72 South River Road Suite 204</u>	<u>Bedford, New Hampshire 03110</u>	<u>(603) 622-7772</u>	<u>DJS Educational Consultants, Inc.</u>
<u>Sylvan Learning of Portsmouth</u>	<u>800 Islington Street, Unit 10-B</u>	<u>Portsmouth, New Hampshire 03801</u>	<u>(603) 819-4509</u>	<u>Capstone Education Inc.</u>
<u>Sylvan Learning of Salem</u>	<u>240 North Broadway, Suite E</u>	<u>Salem, New Hampshire 03079</u>	<u>(603) 952-4014</u>	<u>Capstone Education Inc.</u>
<u>Sylvan Learning of Caldwell</u>	<u>380 Bloomfield Avenue</u>	<u>Caldwell, New Jersey 07006</u>	<u>(973) 228-8693</u>	<u>Lorocco & Levine LLC</u>
<u>Sylvan Learning of Cranford</u>	<u>123 North Union Ave.</u>	<u>Cranford, New Jersey 07016</u>	<u>(908) 709-0202</u>	<u>SDP Learning, Inc.</u>
<u>Sylvan Learning of East Brunswick</u>	<u>754 Route 18 Suite 103</u>	<u>East Brunswick, New Jersey 08816</u>	<u>(732) 390-4040</u>	<u>Nancy Velisek & Frank Velisek</u>
<u>Sylvan Learning of Edison</u>	<u>1110 Route 1 N</u>	<u>Edison, New Jersey 08817</u>	<u>(848) 229-2024</u>	<u>Elite Youth Educational Services LLC</u>
<u>Sylvan Learning of Fair Lawn</u>	<u>33-00 Broadway, Ste 201</u>	<u>Fair Lawn, New Jersey 07410</u>	<u>(201) 794-6798</u>	<u>Brain Shake, Inc.</u>
<u>Sylvan Learning of Hamilton Township</u>	<u>3635 Quakerbridge Rd University Office Plaza</u>	<u>Hamilton Township, New Jersey 08619-1247</u>	<u>(609) 588-9037</u>	<u>True Potential Group, LLC</u>
<u>Sylvan Learning of Marlton</u>	<u>751 Route 73 North</u>	<u>Marlton, New Jersey 08053</u>	<u>(856) 596-8455</u>	<u>Balaji Laxmi Inc.</u>

<u>Franchise Name</u>	<u>Address</u>	<u>City, State Zip</u>	<u>Center Phone</u>	<u>Owner</u>
<u>Sylvan Learning of Central Newark</u>	<u>740 South 18th St</u>	<u>Newark, New Jersey 07103</u>	<u>(973) 830-1007</u>	<u>Paramount Family Services Limited Liability Company</u>
<u>Sylvan Learning of Nutley</u>	<u>240 Franklin Avenue</u>	<u>Nutley, New Jersey 07110</u>	<u>(973) 667-4580</u>	<u>SDP Learning, Inc.</u>
<u>Sylvan Learning of Park Ridge & Montvale</u>	<u>184 Kinderkamack Rd, Suite 1-C</u>	<u>Park Ridge, New Jersey 07656</u>	<u>(201) 746-6977</u>	<u>Sirius Innovations Inc.</u>
<u>Sylvan Learning of Sparta</u>	<u>14A Main Street</u>	<u>Sparta, New Jersey 07871</u>	<u>(973) 532-2969</u>	<u>Sylvan Sparta LLC</u>
<u>Sylvan Learning of Teaneck</u>	<u>1086 Teaneck Road</u>	<u>Teaneck, New Jersey 07666</u>	<u>(201) 837-0049</u>	<u>Thunderstruck, Inc.</u>
<u>Sylvan Learning of Woodbridge</u>	<u>1009 St. Georges Avenue #3</u>	<u>Woodbridge, New Jersey 07067</u>	<u>(908) 463-7207</u>	<u>Bright Future Global Consulting and Education Services L.L.C.</u>
<u>Sylvan Learning of Alamogordo</u>	<u>500 Tenth Street, Suite 304</u>	<u>Alamogordo, New Mexico 88310</u>	<u>(575) 491-0545</u>	<u>Global Tutoring Network LLC</u>
<u>Sylvan Learning of East Albuquerque</u>	<u>10555 Montgomery NE, Suite 70</u>	<u>Albuquerque, New Mexico 87111</u>	<u>(505) 296-1155</u>	<u>Navlys LLC</u>
<u>Sylvan Learning of Albuquerque</u>	<u>10200 Golf Course Road NW Suite G</u>	<u>Albuquerque, New Mexico 87114</u>	<u>(505) 899-3061</u>	<u>Navlys LLC</u>
<u>Sylvan Learning of Las Cruces</u>	<u>3050 North Roadrunner Pkwy Suite C, Unit 2</u>	<u>Las Cruces, New Mexico 88011</u>	<u>(575) 532-9005</u>	<u>Rydholm, Inc.</u>
<u>Sylvan Learning of Albany</u>	<u>Washington Ave Extension Pine West Plaza, Building 1A</u>	<u>Albany, New York 12205</u>	<u>(518) 869-6005</u>	<u>Transforming Lives, Inc.</u>
<u>Sylvan Learning of Bronxville/Yonkers</u>	<u>850 Bronx River Road Suite 104</u>	<u>Bronxville, New York 10708-7095</u>	<u>(914) 237-4396</u>	<u>Niche Learning LLC</u>
<u>Sylvan Learning of Clifton Park</u>	<u>10 Maxwell Drive, Suite 201</u>	<u>Clifton Park, New York 12065</u>	<u>(518) 373-7995</u>	<u>Transforming Lives, Inc.</u>
<u>Sylvan Learning of Lancaster</u>	<u>4845 Transit Road</u>	<u>Depew, New York 14043</u>	<u>(716) 671-2036</u>	<u>SAVI Learning Inc.</u>
<u>Sylvan Learning of Rego Park</u>	<u>83-02 Broadway</u>	<u>Elmhurst, New York 11373</u>	<u>(718) 997-8640</u>	<u>Good Apple Achievement LLC</u>
<u>Sylvan Learning of Glenville</u>	<u>113 Saratoga Road, Suite 102</u>	<u>Glenville, New York 12302</u>	<u>(518) 708-7059</u>	<u>Skills for Success, LLC</u>
<u>Sylvan Learning of Mineola</u>	<u>393 Jericho Turnpike</u>	<u>Mineola, New York 11501</u>	<u>(516) 743-9943</u>	<u>PMFRUSSO Learning, Inc.</u>
<u>Sylvan Learning of Pleasantville</u>	<u>57 Wheeler Avenue</u>	<u>Pleasantville, New York 10570</u>	<u>(914) 579-2584</u>	<u>Ingenious Strategies Corporation</u>
<u>Sylvan Learning of Port Washington</u>	<u>31 S Bayles Avenue</u>	<u>Port Washington, New York 11050</u>	<u>(516) 303-9955</u>	<u>Excellence and Beyond, Inc.</u>
<u>Sylvan Learning of Rochester & Greece</u>	<u>1600 West Ridge Road</u>	<u>Rochester, New York 14615</u>	<u>(585) 663-6226</u>	<u>Personal Educational Trainers of Greece, Inc.</u>
<u>Sylvan Learning of Rochester & Pittsford</u>	<u>3300 Monroe Avenue</u>	<u>Rochester, New York 14618</u>	<u>(585) 385-9480</u>	<u>Personal Educational Trainers, Inc.</u>

<u>Franchise Name</u>	<u>Address</u>	<u>City, State Zip</u>	<u>Center Phone</u>	<u>Owner</u>
<u>Sylvan Learning of Williamsville</u>	<u>8180 Main Street</u>	<u>Williamsville, New York 14221</u>	<u>(716) 580-3566</u>	<u>SAVI Learning Inc.</u>
<u>Sylvan Learning of Wilton</u>	<u>14 Mountain Ledge Drive, Suite 2</u>	<u>Wilton, New York 12831</u>	<u>(518) 886-1330</u>	<u>Skills for Success, LLC</u>
<u>Sylvan Learning of Albemarle</u>	<u>720-4 NC Highway 24-27 Bypass E</u>	<u>Albemarle, North Carolina 28001</u>	<u>(704) 982-2288</u>	<u>Bright Learning Center, LLC</u>
<u>Sylvan Learning of Arden</u>	<u>336 Rockwood Rd., Suite 106</u>	<u>Arden, North Carolina 28704</u>	<u>(828) 237-3900</u>	<u>Gardner Learning Centers Inc.</u>
<u>Sylvan Learning of Asheville</u>	<u>1070 Tunnel Road #30</u>	<u>Asheville, North Carolina 28805</u>	<u>(828) 237-3900</u>	<u>Gardner Learning Centers Inc.</u>
<u>Sylvan Learning of Belmont</u>	<u>140B North Main St</u>	<u>Belmont, North Carolina 28012</u>	<u>(704) 829-3056</u>	<u>Carpenter-Rhodes Ventures Inc</u>
<u>Sylvan Learning of Burlington</u>	<u>795 Boone Station Drive</u>	<u>Burlington, North Carolina 27215</u>	<u>(336) 570-4999</u>	<u>MereCo Holdings LLC</u>
<u>Sylvan Learning of Cary & Morrisville</u>	<u>1040 Darrington Drive Suite 101</u>	<u>Cary, North Carolina 27513</u>	<u>(919) 380-1201</u>	<u>David Rosenbaum</u>
<u>Sylvan Learning of Chapel Hill</u>	<u>50101 Governors Dr. Suite 130</u>	<u>Chapel Hill, North Carolina 27517</u>	<u>(919) 495-2335</u>	<u>Career Partners, Inc.</u>
<u>Sylvan Learning of Charlotte-University Area</u>	<u>8310 Medical Plaza Dr Mallard Creek Professional Park, Suite F</u>	<u>Charlotte, North Carolina 28262</u>	<u>(704) 548-3910</u>	<u>MereCo Holdings LLC</u>
<u>Sylvan Learning of Charlotte - Matthews</u>	<u>9111 Monroe Road Suite 160</u>	<u>Charlotte, North Carolina 28270</u>	<u>(704) 846-0660</u>	<u>Sarrison, Inc.</u>
<u>Sylvan Learning of Charlotte & Ballantyne</u>	<u>11220 Elm Lane, Suite 104</u>	<u>Charlotte, North Carolina 28277</u>	<u>(704) 542-7600</u>	<u>Sarrison, Inc.</u>
<u>Sylvan Learning of Clayton</u>	<u>11459 US Hwy 70 Business West Clayton Crossing Shopping Center</u>	<u>Clayton, North Carolina 27520</u>	<u>(919) 553-8009</u>	<u>J&M Learning Systems, Inc.</u>
<u>Sylvan Learning of Durham & Chapel Hill</u>	<u>5117 Highgate Drive Suite 100</u>	<u>Durham, North Carolina 27713</u>	<u>(919) 937-9363</u>	<u>Saha, Inc.</u>
<u>Sylvan Learning of Elizabeth City</u>	<u>406 A-1 S Griffin St</u>	<u>Elizabeth City, North Carolina 27909</u>	<u>(252) 334-9700</u>	<u>Northeast Education Foundation, Inc.</u>
<u>Sylvan Learning of Fayetteville</u>	<u>2915 Raeford Road Suite 103</u>	<u>Fayetteville, North Carolina 28303</u>	<u>(910) 339-2909</u>	<u>David Rosenbaum</u>
<u>Sylvan Learning of Garner</u>	<u>1411 Aversboro Road, Suite 315</u>	<u>Garner, North Carolina 27529</u>	<u>(919) 779-2229</u>	<u>RiverWise, LLC</u>
<u>Sylvan Learning of Greensboro</u>	<u>2921-A Battleground Ave.</u>	<u>Greensboro, North Carolina 27408</u>	<u>(336) 218-8115</u>	<u>Maj-One LLC</u>
<u>Sylvan Learning of Greenville</u>	<u>710 F Red Banks Road</u>	<u>Greenville, North Carolina 27858</u>	<u>(252) 756-9383</u>	<u>Desler Inc.</u>
<u>Sylvan Learning of High Point</u>	<u>3931 Tinsley Dr, Suite 102</u>	<u>High Point, North Carolina 27265</u>	<u>(336) 841-5522</u>	<u>David Rosenbaum</u>
<u>Sylvan Learning of Holly Springs</u>	<u>374 Raleigh Street</u>	<u>Holly Springs, North Carolina 27540</u>	<u>(919) 388-3283</u>	<u>David Rosenbaum</u>

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<u>Sylvan Learning of Huntersville</u>	<u>15905 Brookway Dr., Suite 4104</u>	<u>Huntersville, North Carolina 28078</u>	<u>(704) 997-6515</u>	<u>Sarrison, Inc.</u>
<u>Sylvan Learning of Jacksonville</u>	<u>3000 Henderson Drive</u>	<u>Jacksonville, North Carolina 28546</u>	<u>(910) 455-3136</u>	<u>Successful Learning, Inc.</u>
<u>Sylvan Learning of Knightdale</u>	<u>1008 - E Big Oak Court</u>	<u>Knightdale, North Carolina 27545</u>	<u>(919) 217-0600</u>	<u>RiverWise, LLC</u>
<u>Sylvan Learning of Lexington</u>	<u>128 Forest Hill Road</u>	<u>Lexington, North Carolina 27295</u>	<u>(704) 680-6828</u>	<u>Spartan Akademia LLC</u>
<u>Sylvan Learning of Mooresville & Lake Norman</u>	<u>491 Williamson Road Suite 204</u>	<u>Mooresville, North Carolina 28117</u>	<u>(704) 660-3994</u>	<u>David Rosenbaum</u>
<u>Sylvan Learning of New Bern</u>	<u>416A Pollock St.</u>	<u>New Bern, North Carolina 28562</u>	<u>(252) 497-2083</u>	<u>Successful Learning, Inc.</u>
<u>Sylvan Learning of Raleigh</u>	<u>7209 Creedmoor Road Suite 111</u>	<u>Raleigh, North Carolina 27613</u>	<u>(919) 846-9441</u>	<u>RiverWise, LLC</u>
<u>Sylvan Learning of Wake Forest</u>	<u>1241 S. Main Street Suite 20</u>	<u>Wake Forest, North Carolina 27587</u>	<u>(919) 263-9184</u>	<u>RiverWise, LLC</u>
<u>Sylvan Learning of Wilmington</u>	<u>4130 Oleander Drive, Ste. 101</u>	<u>Wilmington, North Carolina 28403</u>	<u>(910) 392-6284</u>	<u>Successful Learning, Inc.</u>
<u>Sylvan Learning of Winston-Salem</u>	<u>3360 Robinhood Road</u>	<u>Winston-Salem, North Carolina 27106</u>	<u>(336) 724-5644</u>	<u>Maj-One LLC</u>
<u>Sylvan Learning of Bismarck</u>	<u>212 West Century Ave Century Office Plaza Park</u>	<u>Bismarck, North Dakota 58503</u>	<u>(701) 223-0010</u>	<u>Educational Achievements, Inc.</u>
<u>Sylvan Learning of Fargo</u>	<u>3033 Brandt Drive Suite A</u>	<u>Fargo, North Dakota 58104</u>	<u>(701) 499-4300</u>	<u>Educational Excellence, Inc.</u>
<u>Sylvan Learning of Beavercreek</u>	<u>2365 Dayton-Xenia Road</u>	<u>Beavercreek, Ohio 45434</u>	<u>(937) 427-8808</u>	<u>M & D Greenisen LLC</u>
<u>Sylvan Learning of Bowling Green</u>	<u>1039 Haskins Road Suite D</u>	<u>Bowling Green, Ohio 43402</u>	<u>(419) 353-7608</u>	<u>Educare Learning Solutions LLC</u>
<u>Sylvan Learning of Centerville</u>	<u>441 Miamisburg-Centerville Road</u>	<u>Centerville, Ohio 45459</u>	<u>(937) 435-0222</u>	<u>M & D Greenisen LLC</u>
<u>Sylvan Learning of Columbus</u>	<u>5721 N. Hamilton Road</u>	<u>Columbus, Ohio 43230</u>	<u>(614) 944-9510</u>	<u>Educare Learning Solutions LLC</u>
<u>Sylvan Learning of Defiance & Wauseon</u>	<u>1018 Ralston Ave Suite 110</u>	<u>Defiance, Ohio 43512</u>	<u>(419) 782-8100</u>	<u>Educare Learning Solutions LLC</u>
<u>Sylvan Learning of Dublin</u>	<u>6265 Emerald Parkway</u>	<u>Dublin, Ohio 43016</u>	<u>(614) 389-1944</u>	<u>Educare Learning Solutions LLC</u>
<u>Sylvan Learning of Fairlawn</u>	<u>3009 Smith Rd. Suite 500</u>	<u>Fairlawn, Ohio 44333</u>	<u>(330) 836-7031</u>	<u>KNA Growth Opportunities, LLC</u>
<u>Sylvan Learning of Findlay</u>	<u>1781 Tiffin Avenue</u>	<u>Findlay, Ohio 45840</u>	<u>(419) 427-0975</u>	<u>Educare Learning Solutions LLC</u>
<u>Sylvan Learning of Toledo</u>	<u>1566 Spring Meadows Dr.</u>	<u>Holland, Ohio 43528</u>	<u>(419) 867-1331</u>	<u>Educare Learning Solutions LLC</u>
<u>Sylvan Learning of Lewis Center</u>	<u>8933 S Old State Rd.</u>	<u>Lewis Center, Ohio 43035</u>	<u>(740) 548-5663</u>	<u>Educare Learning Solutions LLC</u>

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<u>Sylvan Learning of Lima and Wapakoneta</u>	<u>2357 Elida Road</u>	<u>Lima, Ohio 45805</u>	<u>(419) 331-7323</u>	<u>Educare Learning Solutions LLC</u>
<u>Sylvan Learning of Mason and West Chester</u>	<u>6180 Tylersville Road</u>	<u>Mason, Ohio 45040</u>	<u>(513) 204-5647</u>	<u>ITnet Consulting Group, LLC</u>
<u>Sylvan Learning of Mentor</u>	<u>6270 Center Street</u>	<u>Mentor, Ohio 44060</u>	<u>(440) 255-0055</u>	<u>Mentor Center LLC</u>
<u>Sylvan Learning of Niles</u>	<u>950 Youngstown-Warren Rd Square One Centre D</u>	<u>Niles, Ohio 44446</u>	<u>(330) 652-1886</u>	<u>NBM Management, Inc.</u>
<u>Sylvan Learning of Strongsville</u>	<u>14240 Pearl Road</u>	<u>Strongsville, Ohio 44136</u>	<u>(440) 238-0530</u>	<u>White Caps Stewardship, LLC</u>
<u>Sylvan Learning of Twinsburg</u>	<u>8900 Darrow Road Suite H106</u>	<u>Twinsburg, Ohio 44087</u>	<u>(330) 487-5820</u>	<u>White Caps Stewardship LLC</u>
<u>Greater Dayton Education, LLC</u>	<u>237 S Dixie Drive, Suite 15</u>	<u>Vandalia, Ohio 45377</u>	<u>(937) 898-6686</u>	<u>Greater Dayton Education, LLC</u>
<u>Sylvan Learning of Westlake</u>	<u>26040 Detroit Road #5</u>	<u>Westlake, Ohio 44145</u>	<u>(440) 835-5050</u>	<u>White Caps Stewardship LLC</u>
<u>Sylvan Learning of Lawton</u>	<u>2603 NW Cache Road Suite 2</u>	<u>Lawton, Oklahoma 73505</u>	<u>(580) 351-9100</u>	<u>H E Moini LLC</u>
<u>Sylvan Learning of Oklahoma City</u>	<u>9634 N. May Ave.</u>	<u>Oklahoma City, Oklahoma 73120</u>	<u>(405) 842-7323</u>	<u>Oklahoma Education Systems, Inc.</u>
<u>Sylvan Learning of Owasso</u>	<u>11632 E. 86th Street N.</u>	<u>Owasso, Oklahoma 74055</u>	<u>(918) 274-0700</u>	<u>Oklahoma Education Systems, Inc.</u>
<u>Sylvan Learning of Tulsa</u>	<u>6808 South Memorial Suite 222</u>	<u>Tulsa, Oklahoma 74133</u>	<u>(918) 250-7323</u>	<u>MZM Enterprises, LLC</u>
<u>Sylvan Learning of Beaverton</u>	<u>12225 SW 2nd Street, Suite 100</u>	<u>Beaverton, Oregon 97005</u>	<u>(503) 626-7466</u>	<u>AAEE LLC</u>
<u>Sylvan Learning of Bend</u>	<u>2150 Northeast Studio Road Suite 10</u>	<u>Bend, Oregon 97701</u>	<u>(541) 389-9252</u>	<u>Cascade Learning, Inc.</u>
<u>Sylvan Learning of North And Northeast Portland</u>	<u>4300 NE Fremont Columbia Plaza, Suite 150</u>	<u>Portland, Oregon 97213</u>	<u>(503) 249-2855</u>	<u>Advantage Education, Inc.</u>
<u>Sylvan Learning of Salem</u>	<u>4555 Liberty Rd. South Sunnyslope Center, Suite 180</u>	<u>Salem, Oregon 97302</u>	<u>(503) 363-2996</u>	<u>McKenzie Adam, Inc.</u>
<u>Sylvan Learning of Tualatin & West Linn</u>	<u>1672 Willamette Falls Dr, Ste C</u>	<u>West Linn, Oregon 97068</u>	<u>(503) 451-5815</u>	<u>AAEE LLC</u>
<u>Sylvan Learning of Cranberry</u>	<u>850 Cranberry Woods Dr, Suite 2223</u>	<u>Cranberry Township, Pennsylvania 16066</u>	<u>(724) 741-1046</u>	<u>Hometown Learning, LLC</u>
<u>Sylvan Learning of Erie</u>	<u>7200 Peach Street Summit Towne Centre Suite 440</u>	<u>Erie, Pennsylvania 16509-4709</u>	<u>(814) 864-6100</u>	<u>Erdman Enterprises LLC</u>
<u>Sylvan Learning of Harrisburg</u>	<u>4337 B Union Deposit Rd</u>	<u>Harrisburg, Pennsylvania 17111</u>	<u>(717) 964-6666</u>	<u>Pro Tutoring Services LLC</u>
<u>Sylvan Learning of Lancaster</u>	<u>1695 Oregon Pike</u>	<u>Lancaster, Pennsylvania 17601</u>	<u>(717) 293-0300</u>	<u>Webster Associates, Inc.</u>

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<u>Sylvan Learning of Pittsburgh</u>	<u>3150 Washington Rd</u>	<u>McMurray, Pennsylvania 15317</u>	<u>(412) 409-2593</u>	<u>Hometown Learning, LLC</u>
<u>Sylvan Learning of Mechanicsburg</u>	<u>4910 Carlisle Pike, Suite B5</u>	<u>Mechanicsburg, Pennsylvania 17050</u>	<u>(717) 769-2323</u>	<u>Webster Associates, Inc.</u>
<u>Sylvan Learning of Palmyra</u>	<u>4 N Londonderry Square</u>	<u>Palmyra, Pennsylvania 17078</u>	<u>(717) 838-2650</u>	<u>Webster Associates, Inc.</u>
<u>Sylvan Learning of Philadelphia</u>	<u>6537 Roosevelt Blvd. Roosevelt Plaza</u>	<u>Philadelphia, Pennsylvania 19149</u>	<u>(215) 743-6200</u>	<u>Philadelphia Learning, LLC</u>
<u>Sylvan Learning of Delco</u>	<u>1001 Baltimore Pike, Suite LL14F</u>	<u>Springfield, Pennsylvania 19064</u>	<u>(610) 890-5900</u>	<u>DJ Neill Management, LLC</u>
<u>Sylvan Learning of York</u>	<u>2058 S Queen St, Suite B</u>	<u>York, Pennsylvania 17403</u>	<u>(717) 293-0300</u>	<u>Webster Associates, Inc.</u>
<u>Sylvan Learning of Coventry</u>	<u>65 Sandy Bottom Road</u>	<u>Coventry, Rhode Island 02816</u>	<u>(401) 823-0011</u>	<u>J & G Enterprises, Inc.</u>
<u>Sylvan Learning of Cumberland</u>	<u>2145 Diamond Hill Rd. #2</u>	<u>Cumberland, Rhode Island 02864</u>	<u>(401) 334-9309</u>	<u>J & G Enterprises, Inc.</u>
<u>Sylvan Learning of Anderson</u>	<u>110 Miracle Mile Rd, Suite D</u>	<u>Anderson, South Carolina 29621</u>	<u>(864) 676-0011</u>	<u>Gardner Learning Centers, Inc.</u>
<u>Sylvan Learning of Lake Wylie / Clover</u>	<u>4607 Charlotte Hwy, Suite 110</u>	<u>Clover, South Carolina 29710</u>	<u>(803) 631-1313</u>	<u>NJS Ventures LLC</u>
<u>Sylvan Learning of Columbia</u>	<u>130-9 Forum Drive Village at Sandhill</u>	<u>Columbia, South Carolina 29229</u>	<u>(803) 741-0999</u>	<u>Gardner Learning Centers, Inc.</u>
<u>Sylvan Learning of Fort Mill</u>	<u>856 Gold Hill Rd., Unit 108</u>	<u>Fort Mill, South Carolina 29708</u>	<u>(803) 431-7199</u>	<u>Carpenter-Rhodes Ventures Inc</u>
<u>Sylvan Learning of Greenville</u>	<u>150 Tanner Road</u>	<u>Greenville, South Carolina 29607</u>	<u>(864) 676-0011</u>	<u>Gardner Learning Centers, Inc.</u>
<u>Sylvan Learning of Indian Land</u>	<u>8356 Charlotte Hwy, Suite 102</u>	<u>Indian Land, South Carolina 29707</u>	<u>(803) 547-1777</u>	<u>Hopewell Learning Centers, LLC</u>
<u>Sylvan Learning of Mt. Pleasant</u>	<u>1172 Oakland Market Road Suite 12</u>	<u>Mt. Pleasant, South Carolina 29466</u>	<u>(843) 352-7364</u>	<u>MTC Learning, LLC</u>
<u>Sylvan Learning of Rock Hill</u>	<u>625 Crown Pointe Ln, Ste 106</u>	<u>Rock Hill, South Carolina 29730</u>	<u>(803) 961-4752</u>	<u>NJS Ventures LLC</u>
<u>Sylvan Learning of Spartanburg</u>	<u>100 Burton St, Suite A</u>	<u>Spartanburg, South Carolina 29301</u>	<u>(864) 676-0011</u>	<u>Gardner Learning Centers, Inc.</u>
<u>Sylvan Learning of Summerville</u>	<u>Relocating, offering online programs in the interim</u>	<u>Summerville, South Carolina 29483</u>	<u>(706) 496-1240</u>	<u>SC Learning Ventures, LLC</u>
<u>Sylvan Learning of Rapid City</u>	<u>1620 Mt. Rushmore Rd, Suite 100</u>	<u>Rapid City, South Dakota 57702</u>	<u>(605) 791-4544</u>	<u>Appletec SD, LLC</u>
<u>Sylvan Learning of Sioux Falls</u>	<u>4816 S. Technopolis Drive</u>	<u>Sioux Falls, South Dakota 57106</u>	<u>(605) 362-4885</u>	<u>Dakota East Learning, Inc.</u>
<u>Sylvan Learning of Chattanooga</u>	<u>7610 Hamilton Park Dr, Ste. 6</u>	<u>Chattanooga, Tennessee 37421</u>	<u>(423) 894-8333</u>	<u>Learn to Learn, Inc.</u>
<u>Sylvan Learning of Clarksville</u>	<u>220 Forbes Avenue Suite A</u>	<u>Clarksville, Tennessee 37040</u>	<u>(931) 647-5811</u>	<u>Charlotte Jolly and Janet Crocker</u>
<u>Sylvan Learning of Cookeville</u>	<u>728 South Jefferson Suite 9</u>	<u>Cookeville, Tennessee 38501</u>	<u>(931) 528-2543</u>	<u>Cumberland Ventures, Inc.</u>

<u>Franchise Name</u>	<u>Address</u>	<u>City, State Zip</u>	<u>Center Phone</u>	<u>Owner</u>
<u>Sylvan Learning of Kingsport</u>	<u>4260 Fort Henry Drive Suite 8</u>	<u>Kingsport, Tennessee 37663</u>	<u>(423) 239-9215</u>	<u>Educational Attainment Systems LLC</u>
<u>Sylvan Learning of Knoxville</u>	<u>10969 Kingston Pike</u>	<u>Knoxville, Tennessee 37922</u>	<u>(865) 675-7323</u>	<u>Full Circle, Inc.</u>
<u>Sylvan Learning of Murfreesboro</u>	<u>810 Medical Center Parkway, Suite C</u>	<u>Murfreesboro, Tennessee 37129</u>	<u>(615) 893-3542</u>	<u>Success in Learning, Inc.</u>
<u>Sylvan Learning of Abilene, Sweetwater, Brownwood and San Angelo</u>	<u>3233-B South Willis</u>	<u>Abilene, Texas 79605</u>	<u>(325) 691-0646</u>	<u>M.J. Sullivan, Inc.</u>
<u>Sylvan Learning of Allen and Plano</u>	<u>210 Central Expressway, Suite 98</u>	<u>Allen, Texas 75013</u>	<u>(469) 675-3238</u>	<u>Diamond Kean DFW LLC</u>
<u>Sylvan Learning of Arlington & Mansfield</u>	<u>6501 S. Cooper Street, #141</u>	<u>Arlington, Texas 76001</u>	<u>(817) 557-6333</u>	<u>Twenty Six Thirty LLC</u>
<u>Sylvan Learning of Baytown & Mont Belvieu</u>	<u>4804 East Freeway</u>	<u>Baytown, Texas 77521</u>	<u>(281) 421-4169</u>	<u>RC Thomas LLC</u>
<u>Sylvan Learning of Bedford</u>	<u>2113 Harwood Road, Suite 365</u>	<u>Bedford, Texas 76021</u>	<u>(682) 738-3634</u>	<u>Ohana DFW Learn 4, LLC</u>
<u>Sylvan Learning of Bellaire</u>	<u>5316 Bissonnet</u>	<u>Bellaire, Texas 77401</u>	<u>(281) 501-2055</u>	<u>JNJ Learning LLC</u>
<u>Sylvan Learning of Boerne</u>	<u>28765 Interstate 10 West, Suite 109</u>	<u>Boerne, Texas 78006</u>	<u>(830) 368-4149</u>	<u>NWSA Educators, Inc.</u>
<u>Sylvan Learning of Brownsville</u>	<u>3230 Pablo Kisel Blvd., Suite 103</u>	<u>Brownsville, Texas 78520</u>	<u>(956) 550-0050</u>	<u>RGV Tutor, LLC</u>
<u>Sylvan Learning of Bryan/College Station</u>	<u>3100 Wildflower Drive, Suite 310</u>	<u>Bryan, Texas 77802</u>	<u>(979) 846-4988</u>	<u>JEN 2000 Enterprises LLC</u>
<u>Sylvan Learning of Carrollton & Lewisville</u>	<u>1016 E. Hebron Parkway, Suite 175</u>	<u>Carrollton, Texas 75010</u>	<u>(972) 939-9000</u>	<u>Diamond Kean DFW LLC</u>
<u>Sylvan Learning of Cedar Hill</u>	<u>415 E. Pleasant Run Road, Suite 125</u>	<u>Cedar Hill, Texas 75104</u>	<u>(469) 575-9980</u>	<u>Twenty Six Thirty LLC</u>
<u>Sylvan Learning of Celina</u>	<u>1050 S. Preston Rd #116</u>	<u>Celina, Texas 75009</u>	<u>(972) 598-9561</u>	<u>CSDT Ventures LLC</u>
<u>Sylvan Learning of North Conroe</u>	<u>1336 League Line Rd, Suite 200</u>	<u>Conroe, Texas 77304</u>	<u>(936) 506-8045</u>	<u>CR Thomas, LLC</u>
<u>Sylvan Learning of Corpus Christi</u>	<u>6001 S. Staples Suite A</u>	<u>Corpus Christi, Texas 78413</u>	<u>(361) 993-3793</u>	<u>Jack & Sue Ann Pitts</u>
<u>Sylvan Learning of Dallas & Highland Park</u>	<u>10455 N. Central Expressway, Suite 111</u>	<u>Dallas, Texas 75231</u>	<u>(214) 342-3305</u>	<u>Twenty Six Thirty LLC</u>
<u>Sylvan Learning of Denton and Corinth</u>	<u>2412 Old North Rd #103</u>	<u>Denton, Texas 76209</u>	<u>(940) 484-7050</u>	<u>AHM Ventures, Inc.</u>
<u>Sylvan Learning of El Campo</u>	<u>1201 N Mechanic</u>	<u>El Campo, Texas 77437</u>	<u>(979) 275-1301</u>	<u>Jen2000 Enterprises, LLC</u>
<u>Sylvan Learning of El Paso Westside</u>	<u>5811 N. Mesa Street</u>	<u>El Paso, Texas 79912</u>	<u>(915) 587-7323</u>	<u>Rydholm, Inc.</u>

<u>Franchise Name</u>	<u>Address</u>	<u>City, State Zip</u>	<u>Center Phone</u>	<u>Owner</u>
<u>Sylvan Learning of El Paso Eastside</u>	<u>1757 George Dieter #114</u>	<u>El Paso, Texas 79936</u>	<u>(915) 629-8774</u>	<u>Rydholm, Inc.</u>
<u>Sylvan Learning of Flower Mound</u>	<u>2750 Churchill Drive, Suite 130</u>	<u>Flower Mound, Texas 75022</u>	<u>(972) 355-0222</u>	<u>Empowering Creative Solutions LLC</u>
<u>Sylvan Learning of South Fort Worth</u>	<u>5832 Southwest Loop 820</u>	<u>Fort Worth, Texas 76132</u>	<u>(817) 377-0632</u>	<u>Watten LLC</u>
<u>Sylvan Learning of North Fort Worth</u>	<u>4240 Heritage Trace Parkway, Suite 500</u>	<u>Fort Worth, Texas 76244</u>	<u>(817) 431-6000</u>	<u>P&A Learning Services Inc</u>
<u>Sylvan Learning of Frisco & McKinney</u>	<u>8765 Stockard Drive Suite 801</u>	<u>Frisco, Texas 75034</u>	<u>(214) 618-2955</u>	<u>Diamond Kean DFW LLC</u>
<u>Sylvan Learning of Fulshear</u>	<u>6619 West Cross Creek Bend Ln #100</u>	<u>Fulshear, Texas 77441</u>	<u>(346) 707-8328</u>	<u>Daksh Vidhyapeeth LLC</u>
<u>Sylvan Learning of Harker Heights-Killeen</u>	<u>440 E. Central Texas Expressway, Suite 107</u>	<u>Harker Heights, Texas 76548</u>	<u>(254) 690-6669</u>	<u>Trinity M, LLC</u>
<u>Sylvan Learning of Harlingen</u>	<u>1310 North Ed Carey Drive</u>	<u>Harlingen, Texas 78550</u>	<u>(956) 230-4410</u>	<u>RGV Tutor, LLC</u>
<u>Sylvan Learning of Addicks</u>	<u>6370 N. Eldridge Pkwy, Ste C</u>	<u>Houston, Texas 77041</u>	<u>(346) 635-4102</u>	<u>A Team Learning LLC</u>
<u>Sylvan Learning of Atascocita & Humble</u>	<u>16402 W. Lake Houston Pkwy #400</u>	<u>Houston, Texas 77044</u>	<u>(832) 406-7371</u>	<u>Venia Enterprises, LLC</u>
<u>Sylvan Learning of Cypress & Houston</u>	<u>12250 Queenston Blvd., Ste. D</u>	<u>Houston, Texas 77095</u>	<u>(281) 256-0200</u>	<u>JCP Ascension, LLC</u>
<u>Sylvan Learning of Katy & Houston</u>	<u>20033 Katy Freeway</u>	<u>Houston, Texas 77450</u>	<u>(281) 492-7084</u>	<u>Korpall & Anwar Learning LLC</u>
<u>Sylvan Learning of Irving</u>	<u>1215 S. MacArthur Blvd.</u>	<u>Irving, Texas 75060</u>	<u>(972) 399-0393</u>	<u>Diamond Kean LLC</u>
<u>Sylvan Learning of Coppell & Irving</u>	<u>8787 N. MacArthur Blvd, Suite 140</u>	<u>Irving, Texas 75063</u>	<u>(972) 480-1100</u>	<u>Twenty Six Thirty LLC</u>
<u>Sylvan Learning of Cinco Ranch</u>	<u>3522 S Mason Rd Ste. 375</u>	<u>Katy, Texas 77450</u>	<u>(832) 437-6781</u>	<u>AZG Ventures LLC</u>
<u>Sylvan Learning of Kingwood & Humble</u>	<u>4323 Kingwood Drive</u>	<u>Kingwood, Texas 77339</u>	<u>(281) 361-9253</u>	<u>Venia Enterprises, LLC</u>
<u>Sylvan Learning of Longview</u>	<u>913 W. Loop 281 Suite 206</u>	<u>Longview, Texas 75604</u>	<u>(903) 297-3300</u>	<u>TX Educate, LLC</u>
<u>Sylvan Learning of Lubbock</u>	<u>4601 South Loop 289 Suite 23</u>	<u>Lubbock, Texas 79424</u>	<u>(806) 785-4400</u>	<u>South Plains Learning, Inc.</u>
<u>Sylvan Learning of The Woodlands and Magnolia</u>	<u>32731 Egypt Ln #503</u>	<u>Magnolia, Texas 77354</u>	<u>(281) 789-7597</u>	<u>Venia Enterprises, LLC</u>
<u>Sylvan Learning of North McAllen</u>	<u>901 Dove Avenue</u>	<u>McAllen, Texas 78504</u>	<u>(956) 682-9800</u>	<u>RGV Tutor, LLC</u>
<u>Sylvan Learning of McKinney</u>	<u>6840 Virginia Parkway, Suite 105</u>	<u>McKinney, Texas 75071</u>	<u>(214) 504-9200</u>	<u>Diamond Kean DFW LLC</u>
<u>Sylvan Learning of Midland and Odessa</u>	<u>4410 North Midkiff Suite D 201</u>	<u>Midland, Texas 79705</u>	<u>(432) 520-9411</u>	<u>Learning Enhancement, Inc.</u>
<u>Sylvan Learning of Missouri City</u>	<u>9119 Highway 6, Suite 240</u>	<u>Missouri City, Texas 77459</u>	<u>(281) 778-9185</u>	<u>4 Ever Clever Learning, LLC</u>

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<u>Sylvan Learning of Murphy</u>	<u>150 Brand Road, Unit 400</u>	<u>Murphy, Texas 75094</u>	<u>(469) 454-0110</u>	<u>AmeriTutors Inc.</u>
<u>Sylvan Learning of Pearland</u>	<u>10228 Broadway #156</u>	<u>Pearland, Texas 77584</u>	<u>(713) 340-0333</u>	<u>Student Empowerment Centers, LLC</u>
<u>Sylvan Learning of Prosper</u>	<u>110 South Preston Rd, Ste 30</u>	<u>Prosper, Texas 75078</u>	<u>(972) 782-5151</u>	<u>AmeriTutors Inc.</u>
<u>Sylvan Learning of West Richardson</u>	<u>1333 W. Campbell Rd.</u>	<u>Richardson, Texas 75080</u>	<u>(469) 277-6557</u>	<u>Ohana DFW Learn 1, LLC</u>
<u>Sylvan Learning of Red Oak</u>	<u>205 South Main Street, Suite 10-10</u>	<u>Red Oak, Texas 75154</u>	<u>(469) 820-9911</u>	<u>Global Tutoring Network LLC</u>
<u>Sylvan Learning of Pecan Grove/Richmond</u>	<u>10450 FM 1464 Road, Suite 700</u>	<u>Richmond, Texas 77407</u>	<u>(281) 302-5684</u>	<u>Bridge 2 Learning Project LLC</u>
<u>Sylvan Learning of Rockwall-Heath</u>	<u>6537 Horizon Road, Suite C</u>	<u>Rockwall, Texas 75032</u>	<u>(972) 930-1230</u>	<u>Ohana DFW Learn 3, LLC</u>
<u>Sylvan Learning of Rowlett</u>	<u>6702 Dalrock Rd, Ste. 136</u>	<u>Rowlett, Texas 75088</u>	<u>(469) 573-5773</u>	<u>Laith Teaching Center Inc</u>
<u>Sylvan Learning of South San Antonio</u>	<u>1930 SW Military Dr</u>	<u>San Antonio, Texas 78221</u>	<u>(210) 923-8700</u>	<u>Lovin SLC, Inc.</u>
<u>Sylvan Learning of North Central San Antonio</u>	<u>16648 San Pedro Avenue #101</u>	<u>San Antonio, Texas 78232</u>	<u>(210) 494-4357</u>	<u>Lovin SLC, Inc.</u>
<u>Sylvan Learning of East San Antonio</u>	<u>5723 N. Foster Road, Suite 108</u>	<u>San Antonio, Texas 78244</u>	<u>(210) 661-3171</u>	<u>Lovin SLC, Inc.</u>
<u>Sylvan Learning of NW San Antonio</u>	<u>9703 Bandera Rd, Suite 211</u>	<u>San Antonio, Texas 78250</u>	<u>(210) 509-7323</u>	<u>Lovin SLC, Inc.</u>
<u>Sylvan Learning of Schertz</u>	<u>1420 Schertz Parkway Ste. 170</u>	<u>Schertz, Texas 78154</u>	<u>(210) 651-5477</u>	<u>Lovin SLC, Inc.</u>
<u>Sylvan Learning of Southlake & Keller</u>	<u>601 E Southlake Blvd, #200</u>	<u>Southlake, Texas 76092</u>	<u>(817) 416-6827</u>	<u>Twenty Six Thirty LLC</u>
<u>Sylvan Learning of West Spring and Klein</u>	<u>19535 Champion Forest Dr, Ste A</u>	<u>Spring, Texas 77379</u>	<u>(281) 586-8069</u>	<u>JCP Ascension, LLC</u>
<u>Sylvan Learning of East Spring at Woodsons Reserve</u>	<u>3917 Woodson's Reserve Parkway #300</u>	<u>Spring, Texas 77386</u>	<u>(832) 585-1345</u>	<u>Venia Enterprises, LLC</u>
<u>Sylvan Learning of Sugar Land</u>	<u>15219 Southwest Freeway</u>	<u>Sugar Land, Texas 77478</u>	<u>(281) 980-1199</u>	<u>Bridge 2 Learning Project LLC</u>
<u>Sylvan Learning Of Greatwood</u>	<u>19875 Southwest Fwy</u>	<u>Sugar Land, Texas 77479</u>	<u>(346) 626-8751</u>	<u>AZG Ventures LLC</u>
<u>Sylvan Learning of Tyler</u>	<u>4019 South Broadway</u>	<u>Tyler, Texas 75701</u>	<u>(903) 597-2535</u>	<u>TEW Educate, LLC</u>
<u>Sylvan Learning of Victoria</u>	<u>1902 John Stockbauer Drive, Ste 200</u>	<u>Victoria, Texas 77901</u>	<u>(361) 578-3224</u>	<u>SWS Texas LLC</u>
<u>Sylvan Learning of Waco & Woodway</u>	<u>15150 Badger Ranch Blvd., Ste. 202</u>	<u>Waco, Texas 76712</u>	<u>(254) 772-8811</u>	<u>Twenty Six Thirty LLC</u>
<u>Sylvan Learning of Clear Lake & Webster</u>	<u>20814 Gulf Freeway, Suite 50</u>	<u>Webster, Texas 77598</u>	<u>(281) 557-5558</u>	<u>HelminiakCorpLLC</u>
<u>Sylvan Learning of Aledo-Weatherford</u>	<u>120 El Chico Trail, Suite D</u>	<u>Willow Park, Texas 76087</u>	<u>(817) 415-1313</u>	<u>Ohana DFW Learn 2, LLC</u>

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<u>Sylvan Learning of Layton</u>	<u>575 North Main Street</u>	<u>Layton, Utah 84041</u>	<u>(801) 543-4400</u>	<u>Utah Educate Inc.</u>
<u>Sylvan Learning of Lehi</u>	<u>785 East 200 South, Suite 11</u>	<u>Lehi, Utah 84043</u>	<u>(801) 763-4880</u>	<u>DH2 GROUP LLC</u>
<u>Sylvan Learning of Orem</u>	<u>581 W 1600 N, Ste C</u>	<u>Orem, Utah 84057</u>	<u>(801) 235-1800</u>	<u>DH2 GROUP LLC</u>
<u>Sylvan Learning of Riverton</u>	<u>12447 S. Crossing Drive, Suite 11</u>	<u>Riverton, Utah 84096</u>	<u>(801) 365-6500</u>	<u>DH2 GROUP LLC</u>
<u>Sylvan Learning of Sandy</u>	<u>8184 S Highland Drive, Suite C8</u>	<u>Sandy, Utah 84093</u>	<u>(801) 233-1700</u>	<u>DH2 GROUP LLC</u>
<u>Sylvan Learning of Saint George</u>	<u>57 North 500 East</u>	<u>St. George, Utah 84770</u>	<u>(435) 656-1700</u>	<u>J.C.H., Inc.</u>
<u>Sylvan Learning of Essex Junction</u>	<u>1 Market Place, Unit 10</u>	<u>Essex Junction, Vermont 05452</u>	<u>(802) 871-5230</u>	<u>14th State Learning, LLC</u>
<u>Sylvan Learning of Alexandria</u>	<u>2305 Mount Vernon Ave.</u>	<u>Alexandria, Virginia 22301</u>	<u>(571) 309-0838</u>	<u>Ireedui LLC</u>
<u>Sylvan Learning of Chesapeake</u>	<u>701-P North Battlefield Blvd.</u>	<u>Chesapeake, Virginia 23320</u>	<u>(757) 548-1247</u>	<u>Anowem Educate LLC</u>
<u>Sylvan Learning of Danville</u>	<u>949 Piney Forest Rd, Ste. B</u>	<u>Danville, Virginia 24540</u>	<u>(434) 832-1000</u>	<u>Michael Bowen Enterprises LLC</u>
<u>Sylvan Learning of Falls Church</u>	<u>6521 Arlington Blvd, Ste. 306</u>	<u>Falls Church, Virginia 22042</u>	<u>(703) 734-1234</u>	<u>Academia World Corporation</u>
<u>Sylvan Learning of Reston</u>	<u>2579 John Milton Dr, Suite 120</u>	<u>Herndon, Virginia 20171</u>	<u>(703) 382-6300</u>	<u>LAFFM Holdings LLC</u>
<u>Sylvan Learning of Leesburg</u>	<u>1608 Village Market Blvd. SE, #100.</u>	<u>Leesburg, Virginia 20175</u>	<u>(571) 366-4754</u>	<u>learning force LLC</u>
<u>Sylvan Learning of Lynchburg</u>	<u>8116 Timberlake Road Suite 200</u>	<u>Lynchburg, Virginia 24502</u>	<u>(434) 832-1000</u>	<u>Michael Bowen Enterprises LLC</u>
<u>Sylvan Learning of Midlothian</u>	<u>1807 Huguenot Rd, Suite 101</u>	<u>Midlothian, Virginia 23113</u>	<u>(804) 240-8408</u>	<u>Successful Learning, Inc.</u>
<u>Sylvan Learning of Stafford</u>	<u>25 Clement Drive Suite 115</u>	<u>Stafford, Virginia 22556</u>	<u>(540) 602-2360</u>	<u>Academia World Corporation</u>
<u>Sylvan Learning of Suffolk and Harbour View</u>	<u>3575 Bridge Road #13</u>	<u>Suffolk, Virginia 23435</u>	<u>(757) 548-1247</u>	<u>Anowem Educate LLC</u>
<u>Sylvan Learning of Newport News - Yorktown</u>	<u>5007-G Victory Boulevard</u>	<u>Yorktown, Virginia 23693</u>	<u>(757) 873-2181</u>	<u>WISE Learning Solutions, LLC</u>
<u>Sylvan Learning of Bellevue</u>	<u>4140 Factoria Blvd S.E., Suite 2A</u>	<u>Bellevue, Washington 98006</u>	<u>(425) 641-7609</u>	<u>RKC Education LLC</u>
<u>Sylvan Learning of Bellingham</u>	<u>4152 Meridan Street Suite #207</u>	<u>Bellingham, Washington 98226</u>	<u>(360) 738-9590</u>	<u>Havanah, LLC</u>
<u>Sylvan Learning of Everett</u>	<u>1327 112th Street SE Suite A2</u>	<u>Everett, Washington 98208</u>	<u>(425) 348-6767</u>	<u>A1 Education Services, Inc.</u>
<u>Sylvan Learning of Federal Way</u>	<u>501 S 336th St</u>	<u>Federal Way, Washington 98003</u>	<u>(253) 838-0507</u>	<u>Darcy Webb</u>

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<u>Sylvan Learning of Kent</u>	<u>24020 132nd Avenue SE, Unit C</u>	<u>Kent, Washington 98042</u>	<u>(253) 854-7111</u>	<u>Symbiont Investments LLC</u>
<u>Sylvan Learning of Kirkland</u>	<u>12305 120th Avenue, NE, Suite F</u>	<u>Kirkland, Washington 98034</u>	<u>(425) 823-6727</u>	<u>A1 Education Services, Inc.</u>
<u>Sylvan Learning of Lynnwood and Shoreline</u>	<u>3333 184th Street SW Suite M</u>	<u>Lynnwood, Washington 98037</u>	<u>(425) 774-3922</u>	<u>GKD Enterprises Limited Liability Company</u>
<u>Sylvan Learning of Maple Valley</u>	<u>22141 SE 237th Street, Suite 206</u>	<u>Maple Valley, Washington 98038</u>	<u>(425) 413-2625</u>	<u>Symbiont Investments LLC</u>
<u>Sylvan Learning of Monroe</u>	<u>203 N Blakeley Street, Unit 103</u>	<u>Monroe, Washington 98272</u>	<u>(360) 794-5554</u>	<u>A1 Education Services, Inc.</u>
<u>Sylvan Learning of Oak Harbor</u>	<u>380 SE Pioneer Way, Suite 101</u>	<u>Oak Harbor, Washington 98277</u>	<u>(360) 675-8010</u>	<u>The Wilson Learning Academy LLC</u>
<u>Sylvan Learning of Olympia</u>	<u>3825 Martin Way East Suite 103</u>	<u>Olympia, Washington 98506-5278</u>	<u>(360) 438-1833</u>	<u>Puget Sound Learning Centers, LLC</u>
<u>Sylvan Learning of Puyallup</u>	<u>12020 Meridian East Suite D</u>	<u>Puyallup, Washington 98373</u>	<u>(253) 848-0771</u>	<u>Puget Sound Learning Centers, LLC</u>
<u>Sylvan Learning of Renton</u>	<u>12660-B 164th Avenue SE</u>	<u>Renton, Washington 98059</u>	<u>(425) 282-6595</u>	<u>RKC Education LLC</u>
<u>Sylvan Learning of Tri-Cities - Richland</u>	<u>81 Keene Road</u>	<u>Richland, Washington 99352</u>	<u>(509) 736-1509</u>	<u>Sugarplum Associates, LLC</u>
<u>Sylvan Learning of Silverdale</u>	<u>3212 NW Byron St.</u>	<u>Silverdale, Washington 98383</u>	<u>(360) 255-7290</u>	<u>Puget Sound Learning Centers, LLC</u>
<u>Sylvan Learning of Snohomish</u>	<u>723 Ave D, Suite F</u>	<u>Snohomish, Washington 98290</u>	<u>(360) 568-2600</u>	<u>A1 Education Services, Inc.</u>
<u>Sylvan Learning of Spokane Valley</u>	<u>1510 N. Argonne Road</u>	<u>Spokane Valley, Washington 99206</u>	<u>(509) 924-7656</u>	<u>Advance Education Solutions NW, LLC</u>
<u>Sylvan Learning of Stanwood</u>	<u>8710 271st St. NW PO Box 133</u>	<u>Stanwood, Washington 98292</u>	<u>(360) 629-9989</u>	<u>A1 Education Services, Inc.</u>
<u>Sylvan Learning of Tacoma</u>	<u>1614 South Mildred St., Ste. 1614-E</u>	<u>Tacoma, Washington 98465</u>	<u>(253) 987-8565</u>	<u>Puget Sound Learning Centers, LLC</u>
<u>Sylvan Learning of Vancouver</u>	<u>615 SE Chkalov Drive Suite 4</u>	<u>Vancouver, Washington 98683</u>	<u>(360) 859-0007</u>	<u>Cascadia Learning Centers, LLC</u>
<u>Sylvan Learning of Brookfield</u>	<u>15060 W. Greenfield Suite 104</u>	<u>Brookfield, Wisconsin 53005</u>	<u>(262) 796-0808</u>	<u>A+ Enterprises LLC</u>
<u>Sylvan Learning of Eau Claire</u>	<u>3409 Golf Road</u>	<u>Eau Claire, Wisconsin 54701</u>	<u>(715) 858-1234</u>	<u>Advantage Learning, Inc.</u>
<u>Sylvan Learning of Hudson</u>	<u>904 Carmichael Rd</u>	<u>Hudson, Wisconsin 54016</u>	<u>(715) 690-2722</u>	<u>Advantage Learning, Inc.</u>
<u>Sylvan Learning of Kenosha</u>	<u>7863 Green Bay Rd.</u>	<u>Kenosha, Wisconsin 53142</u>	<u>(262) 694-6286</u>	<u>S B Associates, Inc.</u>

LIST OF CURRENT DEVELOPERS
AS OF DECEMBER 31, 2024

<u>Name</u>	<u>City, State</u>	<u>Contact Information</u>
Ed Bahoura*	Detroit, Michigan	(586) 212-0286

*This developer is subject to an old form of development agreement which is no longer offered. There are no developers subject to the development agreement described in this disclosure document.

FRANCHISE AGREEMENT SIGNED BUT LOCATION NOT YET OPENED
AS OF DECEMBER 31, 2024

<u>Name</u>	<u>City</u>	<u>State</u>	<u>Phone</u>
The Southern California Learning Corporation – Todd Crabtree	Eagle Rock	CA	(818) 639-9692
The Southern California Learning Corporation – Todd Crabtree	Los Feliz	CA	(818) 639-9692
SANPACT, LLC – Sandeep Malik	Orange	CA	(310) 467-1366
Student Advance Tutoring & Testing #2 LLC - Adriene White	Pico Rivera	CA	(310) 971-0262
The Southern California Learning Corporation – Todd Crabtree	South Whittier	CA	(818) 639-9692
LearnBerry, LLC - Megan Cabrera	Apopka	FL	(321) 332-5312
Study Solutions PVB LLC - Anil & Mala Singh	Nocatee	FL	(347) 251-4962
Soaring to Success Learning LLC - William & Rachelle Cintron	Port St. Lucie	FL	(772) 342-5158
Study Solutions LLC - Anil & Mala Singh	St. Augustine	FL	(347) 251-4962
Study Solutions JAX LLC – Anil & Mala Singh	St. Johns East	FL	(347) 251-4962
FCH L.L.C. – Jeff Hohensee	Des Moines	IA	(515) 988-9955
FCH L.L.C. – Jeff Hohensee	Saylorville	IA	(515) 988-9955
Daksh Institute LLC – Sudhaker Chhabra	Coeur d'Alene	ID	(208) 713-4165
Daksh Institute LLC – Sudhaker Chhabra	Twin Falls	ID	(208) 713-4165
KCK, LLC – Kent Kolbow	Portage	IN	(574) 514-3636
Prompt and Quality Services LLC – Anthony & Onyinye Igbokwe	Denver	NC	(646) 418-2341
Prompt and Quality Services LLC – Anthony & Onyinye Igbokwe	Monroe	NC	(646) 418-2341
Hopewell Educational Enterprises, Inc. – Marty Conner	Stallings	NC	(704) 299-8088
Sirius Innovations Inc. – Michael Hazen	Closter	NJ	(201) 675-7480
NEXGEN LEARNING LLC – Hannah Lee	Jersey City	NJ	(646) 750-8217
Paramount Family Services LLC – LaRhonda Lewis	Newark	NJ	(908) 868-1162
NWSA Educators, Inc. – Joan Lovin	Bulverde	TX	(419) 234-1014
AZG Ventures LLC – Zibaa Pirani	Hunters Creek	TX	(713) 410-7021
A Team Learning LLC – Arthur & Nina Fonteneaux	Liberty	TX	(713) 703-9879
Carissa Li Ying Chan	Manchaca	TX	(214) 289-9056
Angelica Teodoro	Memorial	TX	(832) 257-7372
A Team Learning LLC – Arthur & Nina Fonteneaux	Spring Branch	TX	(713) 703-9879
Carissa Li Ying Chan	Sunset Valley	TX	(214) 289-9056
A Team Learning LLC – Arthur & Nina Fonteneaux	Westbranch	TX	(713) 703-9879

<u>Name</u>	<u>City</u>	<u>State</u>	<u>Phone</u>
Empower Academy LLC - Aashish Palla	Chantilly	VA	(703) 577-7326
Excelsior Learning LLC – Adam Lewis	Middleton	WI	(201) 563-8819
Excelsior Learning LLC – Adam Lewis	Sun Prairie	WI	(201) 563-8819
Lakeside Learning, LLC - Katelyn O'Brien	Morgantown	WV	(724) 986-3132

FRANCHISES WHOSE AGREEMENTS WERE TERMINATED, CANCELLED, TRANSFERRED, NOT RENEWED, OR WHO CEASED DOING BUSINESS AS OF DECEMBER 31, 2024 OR WHO HAS NOT COMMUNICATED WITH THE FRANCHISOR WITHIN 10 WEEKS OF THE DISCLOSURE DOCUMENT ISSUANCE DATE

<u>Franchisee Name and Contact Information</u>	<u>Center City and State</u>
Inspired Learning LLC Sara Yang (202) 887-0447	Folsom, CA*
G&L Investments Inc. Linda Pham & Holly Le (714) 655-1977	Huntington Beach, CA
Blue Horizon Learning Center LLC Chastity & Spencer Heyward (951) 999-2922	Temecula, CA
mespedu, llc Mishon Paul (303) 503-5936	Lone Tree, CO
New Beginnings in Education LLC Fred & Kativa Perkins (850) 377-0728	Fort Walton Beach - Shalimar, FL
GT Learning Group, LLC Gilley & Tod Spaude (352) 603-3085	Gainesville, FL
Learn Time LLC Michael & Sheri Gray (914) 522-6331	Jupiter, FL
Galaxy Star Tutoring LLC William da Silva (321) 217-2277	Lake Mary, FL
GT Learning Group, LLC Gilley & Tod Spaude (352) 603-3085	Ocala, FL
GT Learning Group, LLC Gilley & Tod Spaude (352) 603-3085	Sumter, FL*
Intellex Enterprises, Inc. Judy Johnson (813) 389-8270	Zephyrhills, FL
8081 Venture Capital L.L.C. Christopher Stewart	Mableton, GA*

<u>Franchisee Name and Contact Information</u>	<u>Center City and State</u>
<u>(718) 450-1229</u>	
<u>NIAA LLC</u> <u>Chhaya Dave & Sandip Chatterjee</u> <u>(224) 633-9873</u>	<u>Buffalo Grove, IL</u>
<u>NIAA LLC</u> <u>Chhaya Dave & Sandip Chatterjee</u> <u>(224) 633-9873</u>	<u>Gurnee, IL</u>
<u>Spearhead Investments, LLC</u> <u>Keith & Peter Anderberg</u> <u>(816) 520-5970</u>	<u>Manhattan, KS</u>
<u>Spearhead Investments, LLC</u> <u>Keith & Peter Anderberg</u> <u>(816) 520-5970</u>	<u>Shawnee, KS</u>
<u>Spearhead Investments, LLC</u> <u>Keith & Peter Anderberg</u> <u>(816) 520-5970</u>	<u>Topeka, KS</u>
<u>A+ Tutoring of Wichita LLC</u> <u>Hazel Darrow</u> <u>(316) 519-9614</u>	<u>Wichita, KS</u>
<u>ITnet Consulting Group, LLC</u> <u>Madhu & Supraja Sanakari</u> <u>(513) 407-0476</u>	<u>Crestview Hills, KY</u>
<u>Anne Marie Naquin & John Cinnater</u> <u>Anne Marie Naquin</u> <u>(985) 223-3798</u>	<u>Houma, LA</u>
<u>Rusthoven Management Company</u> <u>Rick Rusthoven</u> <u>(616) 516-4520</u>	<u>Grand Rapids, MI**</u>
<u>COT, LLC</u> <u>Jessica & George Rollins</u> <u>(734) 787-0471</u>	<u>Jackson, MI</u>
<u>Rusthoven Management Company</u> <u>Rick Rusthoven</u> <u>(616) 516-4520</u>	<u>Portage, MI</u>
<u>Rusthoven Management Company</u> <u>Rick Rusthoven</u> <u>(616) 516-4520</u>	<u>Grand Rapids, MS**</u>
<u>Alldaymk LLC</u> <u>Mike Kelley</u> <u>(320) 492-1873</u>	<u>Burnsville, MN</u>
<u>Alldaymk LLC</u> <u>Mike Kelley</u> <u>(320) 492-1873</u>	<u>Coon Rapids, MN</u>
<u>Alldaymk LLC</u> <u>Mike Kelley</u> <u>(320) 492-1873</u>	<u>Eden Prairie, MN</u>
<u>Alldaymk LLC</u>	<u>Edina, MN</u>

<u>Franchisee Name and Contact Information</u>	<u>Center City and State</u>
<u>Mike Kelley</u> <u>(320) 492-1873</u>	
<u>Alldaymk LLC</u> <u>Mike Kelley</u> <u>(320) 492-1873</u>	<u>Maple Grove, MN</u>
<u>Alldaymk LLC</u> <u>Mike Kelley</u> <u>(320) 492-1873</u>	<u>Roseville, MN</u>
<u>Alldaymk LLC</u> <u>Mike Kelley</u> <u>(320) 492-1873</u>	<u>Saint Paul, MN</u>
<u>Alldaymk LLC</u> <u>Mike Kelley</u> <u>(320) 492-1873</u>	<u>Woodbury, MN</u>
<u>Partners in Learning, Inc.</u> <u>Marissa & Gregory Roh</u> <u>(402) 416-7792</u>	<u>Bellevue, NE</u>
<u>Partners in Learning, Inc.</u> <u>Marissa & Gregory Roh</u> <u>(402) 416-7792</u>	<u>Lincoln, NE</u>
<u>Partners in Learning, Inc.</u> <u>Marissa & Gregory Roh</u> <u>(402) 416-7792</u>	<u>NW Omaha, NE</u>
<u>Partners in Learning, Inc.</u> <u>Marissa & Gregory Roh</u> <u>(402) 416-7792</u>	<u>Omaha, NE</u>
<u>Grant Learning LV, LLC</u> <u>Carole, Frank, & Karen Grant</u> <u>(530) 623-7144</u>	<u>Henderson, NV</u>
<u>KD LionStar, LLC</u> <u>Kristen Maines</u> <u>(716) 465-5499</u>	<u>Amherst, NY</u>
<u>Academic Ventures MBR, LLC</u> <u>Melinda Wood; Roger Racey; Bretaigne Phillips</u> <u>(440) 296-6649</u>	<u>Twinsburg, OH</u>
<u>Miami Valley Learning Systems, Inc.</u> <u>Debbie Slavens</u> <u>765-918-9406</u>	<u>Vandalia, OH</u>
<u>Howard Johnson; Jo Jean Johnson</u> <u>580-351-8900</u>	<u>Lawton, OK</u>
<u>Tulsa Learning Centers, Inc.</u> <u>John Doak; Glenn Haring; James Berryhill</u> <u>(918) 749-0655</u>	<u>Tulsa, OK</u>
<u>Crystal Hub Learning LLC</u> <u>Sangeetha & Sridhar Kondaveeti</u> <u>(248) 346-6307</u>	<u>Exton, PA</u>

<u>Franchisee Name and Contact Information</u>	<u>Center City and State</u>
<u>Gardner Learning Centers, Inc.</u> <u>Amy Gardner</u> <u>(864) 326-8646</u>	<u>Columbia, SC</u>
<u>SLSC Group, Inc.</u> <u>Susan Fairbairn</u> <u>(512) 497-8440</u>	<u>Summerville, SC</u>
<u>New Beginnings in Education LLC</u> <u>Fred & Kativa Perkins</u> <u>(850) 377-0728</u>	<u>Memphis, TN*</u>
<u>Diamond Kean Learning LLC</u> <u>Nizar Bhulani</u> <u>(469) 247-2524</u>	<u>Arlington, TX</u>
<u>Quila A&A Inc.</u> <u>Andrea Uquillas Quila</u> <u>(717) 379-2333</u>	<u>Bayton, TX</u>
<u>Diamond Kean Learning LLC</u> <u>Nizar Bhulani</u> <u>(469) 247-2524</u>	<u>Cedar Hills, TX</u>
<u>Global Tutoring Network LLC</u> <u>Israel Cordero</u> <u>(214) 546-8982</u>	<u>Central Dallas, TX*</u>
<u>Diamond Kean DFW LLC</u> <u>Nizar Bhulani</u> <u>(469) 247-2524</u>	<u>Coppell, TX</u>
<u>Diamond Kean Learning LLC</u> <u>Nizar Bhulani</u> <u>(469) 247-2524</u>	<u>Dallas, TX</u>
<u>Global Tutoring Network LLC</u> <u>Israel Cordero</u> <u>(214) 546-8982</u>	<u>Forney, TX*</u>
<u>katy operations llc</u> <u>Dennis & Cathryn Butts</u> <u>(713) 397-1127</u>	<u>Katy, TX</u>
<u>Nasus Group, Inc.</u> <u>Susan Fairbairn</u> <u>(512) 497-8440</u>	<u>Kyle, TX</u>
<u>JWilliamsMSED LLC</u> <u>Jasmine Williams</u> <u>(305) 942-7243</u>	<u>Lake Jackson, TX*</u>
<u>Nasus Group, Inc.</u> <u>Susan Fairbairn</u> <u>(512) 497-8440</u>	<u>North Austin, TX</u>
<u>Nasus Group, Inc.</u> <u>Susan Fairbairn</u> <u>(512) 497-8440</u>	<u>Round Rock, TX</u>
<u>Nasus Group, Inc.</u> <u>Susan Fairbairn</u>	<u>South Austin, TX</u>

<u>Franchisee Name and Contact Information</u>	<u>Center City and State</u>
<u>(512) 497-8440</u>	
<u>Diamond Kean Learning LLC</u> <u>Nizar Bhulani</u> <u>(469) 247-2524</u>	<u>Southlake, TX</u>
<u>Inwood Learning, LLC</u> <u>Ashish & Hemali Kothari</u> <u>(281) 788-7105</u>	<u>Sugar Land, TX</u>
<u>Diamond Kean DFW LLC</u> <u>Nizar Bhulani</u> <u>(469) 247-2524</u>	<u>Waco, TX</u>
<u>K. Stearns Enterprises, LLC</u> <u>Kathy Sterns</u> <u>(818) 991-2199</u>	<u>Wichita Falls, TX</u>
<u>Educate Virginia, LLC</u> <u>Scott Lindsey; Daniel Wildman; Tasha Browne</u> <u>(540) 498-1182</u>	<u>Falls Church, VA</u>
<u>RMS Enterprise, LLC</u> <u>Ashish Gandhi & Sapna Chordia</u> <u>703-728-7012</u>	<u>Reston, VA</u>
<u>Educate Virginia, LLC</u> <u>Scott Lindsey; Daniel Wildman; Tasha Browne</u> <u>(540) 498-1182</u>	<u>Stafford, VA</u>
<u>Puget Sound Learning Centers, LLC</u> <u>David Smith, III & Gail Smith</u> <u>(253) 581-3389</u>	<u>Auburn, WA¹</u>
<u>Stem King LLC</u> <u>Kevin Moen</u> <u>(253) 508-1705</u>	<u>Kent, WA^{**}</u>
<u>Kathleen Van Milligen</u> <u>(262) 796-0808</u>	<u>Brookfield, WI</u>

*These locations never opened.

** This signifies that this franchisee operated multiple centers in its Protected Area and either closed or transferred these units together.

Note 1: This franchisee operated a primary center and an additional center in its territory, and closed its additional center.

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

EXHIBIT E
TO THE FRANCHISE DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT, ATTACHMENTS,
AND STATE-SPECIFIC AMENDMENTS

SYLVAN LEARNING® ~~AND SYLVANSYNC®~~
LICENSEFRANCHISE AGREEMENT

SUMMARY PAGE

~~LICENSE~~FRANCHISE
AGREEMENT NO.:

—#[]

EFFECTIVE DATE:

—[], 20 [].

~~LICENSEE~~FRANCHISEE(S):

—[].

ADDRESS FOR NOTICES:

—[].

TELEPHONE NUMBER:

—[].

E-MAIL ADDRESS:

—[]@ [].com].

~~TERRITORY NAME:~~

~~LICENSOR~~FRANCHISOR:

SYLVAN LEARNING, LLC, a Delaware limited liability company.

ADDRESS FOR NOTICE:

2350 Airport Freeway, Suite 505, Bedford, ~~TX~~Texas 76022.

PROTECTED AREA NAME:

[]; []; & [].

INITIAL ~~LICENSE~~FRANCHISE
FEE:

~~\$36,900, including (applicable only if checked and respective separate agreement is executed):~~

☐ ~~EDGE Package License~~

☐ ~~ACE IT! Tutoring System License~~ \$36,900.

CALL CENTER FEE (default is Model B if no selection made):

☐ Model A (\$700 per month plus \$10 per inquiry)

or

☐ Model B (\$350 per month plus \$30 per inquiry)

GRAND OPENING ADVERTISING AMOUNT:

\$10,000 minimum.

MONTHLY ROYALTY FEE:

11% of Gross Sales, subject to a quarterly minimum of \$8,000; and
~~16% of monthly gross revenues, with a total Minimum Annual Royalty of not less than \$32,000, subject to Section 6.2~~12% of Gross Sales assessed on the revenue generated from ACE IT!

NAF CONTRIBUTION:

Up to 5% of monthly Gross Sales.

LOCAL MARKETING EXPENDITURE:

Greater of 6% of monthly Gross Sales or \$1,500 per month.

~~TERRITORY ADVERTISING MINIMUM~~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 third-party vendors.

RENEWAL FEE:

~~8% of monthly gross revenues, capped at a maximum of \$40,000 per territory per calendar year, subject to Section 7.8~~

~~\$6,000, subject to Section 10.2~~ plus reimbursement of our legal and professional expenses and our other costs incurred in connection with the renewal

SYLVAN LEARNING® ~~AND SYLVANSYNC®~~
LICENSEFRANCHISE AGREEMENT

TABLE OF CONTENTS

<u>1.</u>	<u>GRANT OF FRANCHISE</u>	<u>2</u>
~~1A.~~	~~Grant of Licenses; The Territory; Site Location.~~	~~4~~ <u>2</u>
<u>B.</u>	<u>Protected Area</u>	<u>2</u>
<u>C.</u>	<u>Reservation of Rights.</u>	<u>2</u>
<u>D.</u>	<u>Restrictions.</u>	<u>3</u>
<u>2.</u>	<u>TERM</u>	<u>3</u>
<u>A.</u>	<u>Initial Term</u>	<u>3</u>
<u>B.</u>	<u>Successor Term</u>	<u>3</u>
~~2C.~~	~~Confidential Operations Manual; Holding Over.~~	<u>5</u>
<u>3.</u>	~~Protection of Sylvan's Proprietary Rights.~~ <u>DEVELOPMENT PROCEDURES</u>	<u>5</u>
<u>A.</u>	<u>Site Selection</u>	<u>5</u>
<u>B.</u>	<u>Site Acceptance</u>	<u>6</u>
~~4C.~~	~~Obligations of Sylvan; Supervision, Assistance and Services~~ <u>Execution of Lease.</u>	<u>7</u>
<u>D.</u>	<u>Lease Approval and Lease Rider</u>	<u>7</u>
<u>E.</u>	<u>Relocation</u>	<u>8</u>
<u>4.</u>	<u>DRAWINGS, CONSTRUCTION, AND RENOVATION</u>	<u>9</u>
<u>A.</u>	<u>Specifications and Drawings</u>	<u>9</u>
<u>B.</u>	<u>Acquisition of Necessary Furnishings, Fixtures and Equipment</u>	<u>10</u>
<u>C.</u>	<u>Commencement and Completion of Construction and Build Out</u>	<u>10</u>
<u>D.</u>	<u>Inspection; Cooperation</u>	<u>11</u>
<u>E.</u>	<u>Final Inspection</u>	<u>11</u>
<u>5.</u>	<u>OPENING</u>	<u>11</u>
<u>A.</u>	<u>Opening Date</u>	<u>11</u>
<u>B.</u>	<u>Opening Authorization</u>	<u>11</u>
<u>C.</u>	<u>Pre-Opening Assistance</u>	<u>12</u>
<u>D.</u>	<u>Ongoing Assistance</u>	<u>13</u>
<u>6.</u>	<u>FEES</u>	<u>13</u>
<u>A.</u>	<u>Initial Franchise Fee</u>	<u>13</u>
<u>B.</u>	<u>Royalty Fee</u>	<u>13</u>
<u>C.</u>	<u>Administrative Fees</u>	<u>14</u>
<u>D.</u>	<u>National Advertising Fund</u>	<u>14</u>
<u>E.</u>	<u>Conferences</u>	<u>14</u>
<u>F.</u>	<u>Payment for Products and Services</u>	<u>15</u>
<u>G.</u>	<u>Payment Method</u>	<u>15</u>
<u>H.</u>	<u>Interest; Non-Sufficient Funds Charge</u>	<u>16</u>
<u>I.</u>	<u>Taxes</u>	<u>16</u>
<u>J.</u>	<u>Partial Payments</u>	<u>16</u>
<u>K.</u>	<u>Collection Costs and Expenses</u>	<u>17</u>
<u>L.</u>	<u>Pre-Opening Gross Sales</u>	<u>17</u>
<u>M.</u>	<u>Designated Accountants and Fees.</u>	<u>17</u>
<u>N.</u>	<u>No Subordination.</u>	<u>17</u>
<u>7.</u>	<u>RECORDKEEPING AND REPORTS</u>	<u>17</u>
<u>A.</u>	<u>Recordkeeping</u>	<u>17</u>
<u>B.</u>	<u>Periodic Reports</u>	<u>17</u>
<u>C.</u>	<u>Other Reports</u>	<u>18</u>
<u>D.</u>	<u>Audit Rights</u>	<u>18</u>
<u>E.</u>	<u>Accounting Practices</u>	<u>18</u>
<u>8.</u>	<u>TRAINING AND ASSISTANCE</u>	<u>19</u>
<u>A.</u>	<u>Training</u>	<u>19</u>
<u>B.</u>	<u>New or Replacement Designated Manager.</u>	<u>20</u>
<u>C.</u>	<u>Training by Franchisee of Additional or Replacement Managers.</u>	<u>20</u>

5D.	<u>Refresher Training.</u>	920
6.	~~Fees.~~	9
7.	~~Licensee's Obligation to Comply with Standards of Operation.~~	14
8E.	~~Technology~~ <u>Training Costs.</u>	21
F.	<u>Location of Training.</u>	21
G.	<u>Additional Training.</u>	21
9.	~~Transfer and Assignment.~~ <u>MANUAL.</u>	2321
A.	<u>Manual on Loan.</u>	21
B.	<u>The Manual is Confidential.</u>	22
C.	<u>Revisions to the Manual.</u>	22
D.	<u>Franchisor's Property.</u>	22
10.	<u>MODIFICATIONS OF THE SYSTEM</u>	22
11.	<u>PERFORMANCE REQUIREMENTS</u>	24
A.	<u>Best Efforts</u>	24
B.	<u>Standards, Specifications and Procedures</u>	24
C.	<u>Designated Suppliers and Distributors</u>	24
10D.	~~Term~~ <u>Authorized Products</u> and ~~Renewal~~ <u>Services</u>	26
E.	<u>Computer Systems and Intranet/Extranet Systems</u>	26
F.	<u>SylvanSync Software.</u>	28
G.	<u>Non-Cash Payment Systems</u>	30
H.	<u>Franchisor Inspections</u>	30
I.	<u>Upkeep of the Franchised Business</u>	31
J.	<u>Franchised Business Operations</u>	31
K.	<u>Management and Personnel</u>	31
L.	<u>Designated Manager</u>	32
M.	<u>Signs and Logos</u>	33
N.	<u>Entertainment Equipment</u>	33
O.	<u>Compliance with Lease and other Agreements</u>	33
P.	<u>Compliance with Laws and Good Business Practices</u>	33
Q.	<u>Payment of Taxes and Other Indebtedness</u>	34
R.	<u>Membership Program</u>	34
S.	<u>Crisis Management Events.</u>	35
T.	<u>Business Data.</u>	35
12.	<u>ORGANIZATION OF THE FRANCHISEE.</u>	37
A.	<u>Representations</u>	37
B.	<u>Governing Documents</u>	37
C.	<u>Ownership Interests</u>	37
D.	<u>Restrictive Legend</u>	38
E.	<u>Guarantees</u>	38
13.	<u>PROPRIETARY MARKS AND INTELLECTUAL PROPERTY</u>	38
A.	<u>Acknowledgments</u>	38
B.	<u>Modification of the Proprietary Marks and Intellectual Property</u>	38
C.	<u>Use of the Proprietary Marks and Intellectual Property</u>	39
D.	<u>Internet and Social Media Usage</u>	39
E.	<u>Customer Data</u>	40
F.	<u>Assignment of Rights</u>	41
G.	<u>Infringement; Notice of Claims</u>	41
H.	<u>Remedies and Enforcement</u>	41
14.	<u>CONFIDENTIALITY OBLIGATIONS AND RESTRICTIVE COVENANTS.</u>	41
A.	<u>Confidential Information</u>	41
B.	<u>Covenants of the Franchisee</u>	42
C.	<u>Covenants of the Franchisee's Owners</u>	43
D.	<u>Reformation and Reduction of Scope of Covenants</u>	44
E.	<u>Acknowledgments</u>	44
F.	<u>No Undue Hardship</u>	44
G.	<u>Injunctive Relief</u>	44

15.	<u>BRAND DEVELOPMENT; MARKETING</u>	45
A.	<u>General Requirements</u>	45
B.	<u>Grand Opening Advertising</u>	46
C.	<u>Advertising Cooperatives</u>	46
D.	<u>Restriction Against Internet Advertising</u>	47
E.	<u>NAF</u>	47
F.	<u>Loyalty Programs, Prize Promotions, and Promotional Literature</u>	48
G.	<u>Social Media Accounts License</u>	49
16.	<u>INSURANCE</u>	50
A.	<u>Obligation to Maintain Insurance</u>	50
B.	<u>Minimum Insurance Coverage</u>	50
C.	<u>Insurance Policy Requirements</u>	52
D.	<u>Delivery of Certificate</u>	52
E.	<u>Minimum Insurance Requirements Not a Representation of Adequacy</u>	52
17.	<u>TRANSFER</u>	52
A.	<u>Transfer by Franchisor</u>	52
B.	<u>Franchisee Transfer of Agreement; Transfer of the Franchised Business; Transfer of Controlling Interest</u>	53
C.	<u>Franchisee Transfer Among Owners; Transfer of Non-Controlling Interest</u>	55
D.	<u>Franchisee Transfer to Business Entity for Convenience</u>	55
E.	<u>Security Interest</u>	55
F.	<u>Public and Private Offerings</u>	56
G.	<u>Right of First Refusal</u>	56
H.	<u>Transfer Upon Death or Incapacitation</u>	56
I.	<u>Non-Waiver of Claims</u>	57
J.	<u>No Transfers in Violation of Law</u>	57
18.	<u>DEFAULT AND TERMINATION</u>	57
~~11~~ A.	<u>Automatic Termination</u>	~~27~~ 57
B.	<u>Termination without Opportunity to Cure</u>	57
C.	<u>Termination with Opportunity to Cure</u>	58
D.	<u>Other Remedies</u>	60
E.	<u>Step-In Rights</u>	60
F.	<u>Liquidated Damages</u>	60
G.	<u>Right of Set Off</u>	61
H.	<u>Cross-Default</u>	61
19.	<u>OBLIGATIONS UPON EXPIRATION OR TERMINATION</u>	62
~~12~~ A.	<u>~~Relationship After~~ Expiration or Termination of Franchise</u>	~~30~~ 62
B.	<u>Franchisor's Option to Assume Lease and Purchase Assets Following Expiration or Termination</u>	63
C.	<u>Compliance with Post Term Obligations</u>	65
~~13~~ 20.	<u>~~Injunctive Relief and Liquidated Damages~~ INDEPENDENT CONTRACTOR AND INDEMNIFICATION</u>	~~32~~ 65
14.	<u>~~Hold Harmless, Indemnification and Insurance~~</u>	32
~~15~~ A.	<u>~~Parties as Independent Contractors~~ Contractor</u>	~~34~~ 65
B.	<u>INDEMNIFICATION</u>	66
21.	<u>NOTICES</u>	68
22.	<u>SEVERABILITY AND CONSTRUCTION</u>	69
A.	<u>Entire Agreement</u>	69
~~16~~ B.	<u>~~Notices~~ Modification</u>	~~35~~ 69
C.	<u>Written Consent</u>	69
D.	<u>No Waiver</u>	69
E.	<u>Severability</u>	69
F.	<u>Captions and Headings; References to Gender; Counterparts</u>	69
G.	<u>Persons Bound</u>	69
H.	<u>Franchisor's Judgment</u>	70
I.	<u>Third Party Beneficiaries</u>	70
23.	<u>GOVERNING LAW AND FORUM SELECTION</u>	70

<u>A.</u>	<u>Governing Law</u>	<u>70</u>
<u>B.</u>	<u>Remedy</u>	<u>70</u>
<u>C.</u>	<u>WAIVER OF JURY TRIAL</u>	<u>71</u>
<u>D.</u>	<u>Contractual Limitations Period</u>	<u>71</u>
<u>E.</u>	<u>WAIVER OF PUNITIVE DAMAGES</u>	<u>71</u>
~~17~~ <u>F.</u>	~~Attorneys' Fees~~	~~35~~ <u>71</u>
~~18~~ <u>G.</u>	~~Construction~~ <u>DISPUTE RESOLUTION BY BINDING ARBITRATION</u>	~~35~~ <u>71</u>
19.	<u>Organization of the Licensee</u>	<u>36</u>
20.	~~Time is of the Essence~~	<u>37</u>
~~24~~ <u>H.</u>	~~Consent to Jurisdiction and Venue~~	~~37~~ <u>73</u>
<u>I.</u>	<u>Material Inducement for Franchisor</u>	<u>73</u>
<u>J.</u>	<u>No Waiver or Disclaimer of Reliance in Certain States</u>	<u>73</u>
24.	<u>ACKNOWLEDGMENTS</u>	<u>73</u>
<u>A.</u>	<u>Reasonable Restrictions</u>	<u>73</u>
<u>B.</u>	<u>Patriot Act</u>	<u>73</u>
<u>C.</u>	<u>Receipt of Disclosure Document</u>	<u>74</u>
~~22~~ <u>D.</u>	~~Waiver~~ <u>Receipt of Damages Agreement</u>	~~37~~ <u>74</u>
23.	<u>Dispute Resolution by Binding Arbitration</u>	<u>37</u>
24.	<u>Acceptance by Licensee</u>	<u>39</u>
~~25~~ <u>E.</u>	~~Waiver~~ <u>Independent Investigation</u>	~~39~~ <u>74</u>
~~26~~ <u>F.</u>	~~Modification~~ <u>No Representations; No Reliance</u>	~~39~~ <u>75</u>
~~27~~ <u>G.</u>	~~Class Action Waiver~~ <u>No Financial Performance Representations; No Reliance</u>	~~39~~ <u>75</u>
28.	<u>Waiver of Jury Trial</u>	<u>39</u>
29.	<u>Limitation on Claims</u>	<u>39</u>
30.	<u>Attachments</u>	<u>40</u>
~~31~~ <u>H.</u>	~~Acknowledgements~~ <u>No Licensure Representations; No Reliance</u>	~~40~~ <u>75</u>

STATE SPECIFIC AMENDMENTS TO FRANCHISE AGREEMENT

RENEWAL RIDER

~~STATE SPECIFIC RIDERS~~ATTACHMENTS

ATTACHMENTS:

- Attachment A—~~Territory~~Glossary of Additional Terms
Attachment B Approved Location and Protected Area
Attachment B—~~Licensee's~~C Franchisee's Owners and Key Personnel
Attachment C—D Undertaking and Guaranty
Attachment D—E 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—F Telephone Numbers Assignment Agreement
Attachment G Lease Rider
Attachment I—H ACH Authorization Agreement
Attachment J—I Dashboard Access Agreement
Attachment K—J Bright Horizons Participation ~~Agreement~~Program
Attachment L—K mySylvan Marketplace+ ~~Franchisee Participation Pilot~~ Agreement

SYLVAN LEARNING® ~~AND SYLVANSYNC®~~
LICENSEEFRANCHISE AGREEMENT

This LICENSEEFRANCHISE 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, (~~“with its principal business address at 2350 Airport Freeway, Suite 505, Bedford, Texas 76022 (“we,” “our,” “Sylvan,” or “Franchisor,” or “Licensor”)~~ and the LicensorFranchisee identified on the Summary Page (“Licensor,” “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~~you,” “your” or “Franchisee”).

BackgroundBACKGROUND:

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.~~ Franchisor and its Affiliates, as the result of the expenditure of time, skill, effort, and money, has developed a distinctive business system relating to the development, establishment, and operation of businesses specializing in supplemental education tutoring services, grades K-12 learning curriculum, personalized instruction and assessments, test preparation support, academic enrichment programs, and related services and products for children under the name SYLVAN LEARNING® trademarks (generally, the “Sylvan Learning Business”), which are based on and include the Proprietary Services, Proprietary Marks, Indicia, and Standards (“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.~~

B. The distinguishing characteristics of the System include, without limitation, our current and any future program curricula, in-person educational tutoring services in a variety of academic subjects, products, and merchandise, which incorporate Franchisor’s Proprietary Marks, trade secrets, and proprietary information (“Proprietary Services”); distinctive exterior and interior design, decor, color scheme, graphics, fixtures, and furnishings (“Indicia”); standards and specifications for products and supplies; service standards; uniform standards, specifications, and procedures for operations; procedures for inventory and management control; training and assistance; and advertising and promotional programs (“Standards”); all of which may be changed, improved, and further developed by Franchisor from time-to-time. For purposes of clarity, the System franchised under this Franchise Agreement and Proprietary Services include, but is not limited to, SylvanSync, Sylvan Edge, and ACE IT! and any other programs that Sylvan may develop in the future and deem to be part of the System.

C. ~~The businesses utilizing the Sylvan System and the SylvanSync System which Sylvan and its Licensees operate (the “Sylvan Network”) are now~~ System is identified by and recognized by means of certain ~~respective~~ trade names, ~~trademarks,~~ service marks, trademarks, logos, ~~symbols,~~ emblems, and ~~other~~ indicia of origin (collectively, the “Licensed Marks”) ~~identified in the Confidential Operations Manual (hereinafter defined), including, but not limited, to, the word marks “Sylvan,” “Sylvan Learning Center,” and “Sylvan Learning” in (the Sylvan System, and “SylvanSync” in the SylvanSync System, and “Brand”) and the list of marks set forth in Attachment A to this Agreement, and~~ such other trade names, ~~trademarks,~~ service marks, ~~associated logos and symbols as are now designated by Sylvan (and as~~ trademarks, logos, emblems, and indicia of origin as Franchisor may hereafter designate in writing for use regarding the System (“Proprietary Marks”).

~~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.”~~ Franchisor and its Affiliates continue to develop, establish, use, and control the use of the Proprietary Services, Proprietary Marks, Indicia, Standards, and System to identify for the public the source of services and products marketed under this Agreement and under the System, and to represent the System’s high standards of quality, appearance, and service.

E. You have applied for the right to operate a business using the System and the Proprietary Services, Proprietary Marks, Indicia, and Standards (the “Franchised Business”), and Franchisor has approved your application in reliance on the representations contained therein, including those concerning your financial resources, your business experience and interests, and the way the Franchised Business will be owned and operated.

AGREEMENT:

~~NOW, THEREFORE, in~~ IN CONSIDERATION OF the mutual promises contained in this Agreement, including the recitals set forth above ~~premises, and of the additional mutual covenants~~ other good and valuable consideration ~~recited below~~, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. GRANT OF FRANCHISE

A. 1. ~~Grant of Licenses; The Territory; Site Location; 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.~~

2.

Subject to the provisions of this Agreement, including without limitation Franchisor’s reservation of rights described in Section 1.B., Franchisor hereby grants you, upon the terms and conditions in this Agreement, the right and limited license (“Franchise”), and Franchisee hereby accepts the right and obligation, to develop and continuously operate the Franchised Business at the site(s) mutually agreed upon by Franchisor and Franchisee as identified in Attachment B to this Agreement (the “Approved Location”) and to use the Proprietary Marks and System in the operation and promotion of the Franchised Business in accordance with the terms and conditions of this Agreement, the Standards, and the Manual serving retail-pay customers and, upon separate prior written approval by Franchisor, institutional-pay customers.

B. Protected Area.

You must operate the Franchised Business at a site within the Protected Area, as further described in Section 3.A. Upon our approval of the site for the Franchised Business in accordance with Section 3.B. and the parties’ execution of Attachment B identifying the Approved Location for the Franchised Business,

your Protected Area will be described in Attachment B and deemed incorporated herein. During the Term, and provided that you are in full compliance with this Agreement and all other agreements between you and Franchisor or its Affiliates, Franchisor shall neither operate nor grant others the right to operate another Sylvan Learning business in the Protected Area (until such time as the Approved Location is identified), and thereafter, the Protected Area as described in Attachment B, except for those rights reserved to Franchisor in this Section 1.B. The Protected Area may overlap with or be overlapped by the protected area of other Sylvan Learning franchisees or Sylvan Learning locations that our Affiliates own or operate, so long as there are no other Sylvan Learning locations in the area of overlap. If there are overlapping protected areas, then during the Term, neither you nor the overlapping franchisee, nor any Affiliate will be permitted to open a Sylvan Learning location within the area of overlap. For avoidance of doubt, nothing in this Agreement shall be deemed to grant Franchisee an exclusive territory.

C. Reservation of Rights.

Franchisor on behalf of itself, its Affiliates and its assigns retains all rights, on any and all terms and conditions that Franchisor deems advisable and, without any compensation or consideration to Franchisee, to (a) own, acquire, establish, operate, and grant to others the right to operate a Sylvan Learning Business or other business that offers and sells products and services that are the same as or similar to a Sylvan Learning Business using the System and/or the Proprietary Marks at locations outside Franchisee's Protected Area as Franchisor deems appropriate and irrespective of the proximity to Franchisee's Protected Area; (b) acquire, merge with, or otherwise affiliate with one or more businesses of any kind including businesses that offer and sell products and services that are the same as or similar to a Sylvan Learning Business, and, after such acquisition, merger or affiliation, to own and operate and to franchise or license others to own and operate and to continue to own and operate such businesses of any kind even if such business offer and sell products and services that are the same as or similar to a Sylvan Learning Business (but not using Sylvan Learning Proprietary Marks) within Franchisee's Protected Area; (c) be acquired by, merge with, or otherwise affiliate with one or more businesses of any kind including businesses that offer and sell products and services that are the same as or similar to a Sylvan Learning Business even if such business or businesses presently, or in the future, own and operate and franchise or license others to own and operate businesses that offer and sell products and services that are the same as or similar to a Sylvan Learning Business (but not use Sylvan Learning Proprietary Marks) within Franchisee's Protected Area; (d) use the Proprietary Marks and System to distribute the Proprietary Services or products and services similar to the Proprietary Services in Alternative Channels of Distribution within or outside Franchisee's Protected Area, without limitation, including to sell and to distribute, directly or indirectly, or to license others to sell and to distribute, directly or indirectly, any products through wholesalers, distributors, catalogs, mail order, toll free numbers, the Internet, mobile or temporary locations, or other alternative distribution channels, including products bearing Proprietary Marks anywhere within or outside of the Protected Area. Franchisee is not entitled to compensation for any such sales made in the Protected Area; (e) operate and grant to others the right to operate a Sylvan Learning Business or other business that offers and sells products and services that are the same as or similar to a Sylvan Learning Business using the System and/or the Proprietary Marks at within non-traditional fixed-location third-party sites such as (but not limited to) Affiliated Brands' premises, national retail outlets, and captive markets that include resorts, parks, stadiums, and other venues with a captive audience, both within or outside Franchisee's Protected Area; (f) use the Proprietary Marks and System and to license others to use the Proprietary Marks and System to engage in all other activities not expressly prohibited by this Agreement; (g) establish and operate, and license others to establish and operate, any business other than an Sylvan Learning Business, under the Proprietary Marks or under other marks, including education or children's entertainment businesses that we or our affiliates may operate, acquire, be acquired by, or be merged or consolidated with; and (h) the right to provide Proprietary Services virtually through the internet or other online platform both within or outside of the Franchisee's Protected Area. Nothing in this Agreement prohibits or restricts Franchisor from owning, acquiring, establishing, operating, or granting franchise rights for one or more other businesses under a different trademark or service mark (i.e., a mark other than SYLVAN LEARNING),

whether or not the business is the same as or competitive with SYLVAN LEARNING Businesses within or outside of the Protected Area. In addition, Franchisor and its Affiliates may advertise and promote Sylvan Learning brand and the System within and outside your Protected Area (if applicable) without limitation.

D. Restrictions.

Franchisee has no right to (i) sublicense the Proprietary Marks or the System to any other person or entity, (ii) use the Proprietary Marks or System at any location other than the Approved Location and within the Protected Area, except for when providing Proprietary Services at Third Party Sites within its Protected Area or as otherwise approved by Franchisor, or (iii) except as expressly authorized by Franchisor, to use the Proprietary Marks or System in any type of sale of, or offer to sell, or distribution of products or Proprietary Services, including, but not limited to: selling, distributing or otherwise providing, any products to third parties at wholesale, or for resale or distribution by any third party; and selling, distributing or otherwise providing any products through catalogs, mail order, toll free numbers for delivery, or electronic means (e.g., the Internet).

2. TERM ~~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.~~

A. Initial Term.

~~1.4 Territorial Rights. During the~~ The initial term of this Agreement, ~~and provided that Licensee is-~~ ("Initial Term") shall begin on the Effective Date and shall expire at midnight on the tenth anniversary of the Effective Date. Notwithstanding the foregoing, nothing contained in this Section 2.A. will limit Franchisor's termination rights set forth in Article 18 of this Agreement. You agree to operate the Franchised Business 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:~~ for the entire Initial Term unless this Agreement is properly terminated under Article 18.

B. Successor Term.

At the expiration of the Initial Term, you will have an option to remain a franchisee at the Approved Location for two (2) additional, consecutive five (5)-year successor terms (the "Successor Terms"). The Initial Term and Successor Terms (if any) are referred to in this Agreement as the "Term." You must give Franchisor written notice of whether you intend to exercise each Successor Term option no less than eight months, nor more than 12 months, before expiration of the then-current Term. Failure to timely provide the required written notice constitutes a waiver of your option to remain a franchisee beyond the expiration of the then-current Term. If you desire to exercise this option, you must comply with all of the following conditions prior to and at the end of the then-current Term:

(1) You may not be in default under this Agreement or any other agreement between you and Franchisor or its Affiliates; you may not be in default beyond the applicable cure period of any real estate lease, equipment lease or financing instrument relating to the Franchised Business; you may not be in default beyond the applicable cure period with any vendor or supplier to the Franchised Business; and, for the 12 months before the date of your notice and the 12 months before the expiration of the then-current term, you may not have been in default beyond the applicable cure period under this Agreement or any other agreements between you and Franchisor or its Affiliates;

(2) You (and any of your affiliates) shall not have any past due monetary obligations or other outstanding obligations to Franchisor and its Affiliates, the approved suppliers of the System, or the lessor of the premises of the Franchised Business;

~~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.~~

(3) If reasonably deemed necessary by Franchisor, you must renovate and upgrade the Franchised Business premises and all fixtures, furniture, equipment, signage and graphics, at your expense, to reflect the then-current image of a Sylvan Learning business, which renovations may include structural changes, installation of new equipment, remodeling, redecoration, and modifications to existing improvements;

(4) You must have the right to remain in possession of the Franchised Business premises for the Successor Term, or have secured other premises acceptable to Franchisor for the purposes of operating the Franchised Business in the Successor Term and all monetary obligations owed to your landlord, if any, must be current;

(5) You and your employees must be in compliance with Franchisor's then-current training requirements, and if Franchisor requires, attend the then-current initial training or additional training before renewal is approved;

(6) At the time of renewal, you satisfy Franchisor's standards of financial responsibility and, if requested by Franchisor, you demonstrate to Franchisor that you have sufficient financial resources and means to continue to operate the Franchised Business during the renewal term;

(7) You and each Owner shall have executed Franchisor's then-current form of general release, subject to governing law, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its Affiliates and their respective past and present officers, directors, shareholders, agents, and employees, in their corporate and individual capacity, including, without limitation, claims arising under federal, state, or local laws, rules, or ordinances, and claims arising out of, or relating to, this Agreement, any other agreements between you and Franchisor or its Affiliates, your operation of the Franchised Business, and

the offer and grant of the franchise opportunity; and

(8) You may not have an established pattern of failing to operate the Franchised Business in accordance with this Agreement and with the System (as set forth in the Manual or otherwise and as revised from time-to-time by Franchisor), as evidenced by three or more failed quality assurance evaluations conducted by Franchisor or its designee pursuant to Section 18.B.(7), regardless of whether any corrective action with respect to such failed evaluation was completed, and you have operated any other Sylvan Learning businesses in which you have an interest in accordance with the applicable franchise agreements.

Within four months after Franchisor's receipt of written notice of your desire for a Successor Term, and subject to you providing such information and documentation requested by Franchisor, including the information described in this Section 2.B. and current financial statements, Franchisor will provide written notice to you regarding whether or not you satisfy the criteria to remain a franchisee for such Successor Term. Such notice will contain preliminary information regarding the required renovations and modernizations described in Section 2.B.(3), above. If you fail to satisfy the criteria for renewal as set forth above, then Franchisor will have the right to unilaterally extend the Initial Term as necessary to comply with governing law.

This Agreement does not grant any automatic rights to a Successor Term and Franchisor is not obligated to offer you a Successor Term if the requirements of this Section 2.B. are not strictly and timely met. If you are granted the right to a Successor Term, Franchisor will deliver to you the then-current form of the franchise disclosure document and, for execution, its then-current form of franchise agreement which may contain terms and conditions differing materially from any and all of those in this Agreement, including, without limitation, higher royalty fees and marketing obligations. Your Protected Area under the franchise agreement for the Successor Term will be the same as under this Agreement. Franchisor will waive any initial franchise fee imposed under such franchise agreement, but you must pay Franchisor the Renewal Fee set forth in Attachment A and identified on the Summary Page. If applicable, you must also pay Franchisor the Holdover Fee set forth in Section 2.C. below.

You must execute the franchise agreement for the Successor Term and return the signed franchise agreement and payment of the Renewal Fee to Franchisor prior to expiration of the then-current Term. Except as provided in Section 2.C. below, your failure to sign the then-current franchise agreement, pay the Renewal Fee, and return them to Franchisor prior to expiration of the then-current Term shall be deemed a waiver of your right to renew for a Successor Term, and this Agreement and the Franchise granted by this Agreement will expire on the Expiration Date. If you have complied timely with all conditions set forth in this Article 2, Franchisor shall execute the franchise agreement for the Successor Term and promptly return a fully executed copy to you.

Notwithstanding the foregoing in this Section 2.B., if Franchisor publicly announces a decision to discontinue offering new franchises and the renewal of existing franchises, then upon expiration of the then-current Term, you shall not have the right to renew this Agreement, in which case and only in such case, the post-termination covenants of Section 14.B. herein shall not apply.

C. Holding Over.

If you continue to operate the Franchised Business after the expiration of the Initial Term, without having completed or complied with the required Successor Term process in Section 2.B., Franchisor, at its option, may consider this Agreement to be renewed on a month-to-month basis until all of the conditions set forth above are met or the Agreement is extended by execution of an extension agreement or is terminated. Whether or not Franchisor exercises this option, you will owe Franchisor the then-current holdover fee for each day, up to \$250 per day, that you operate after the expiration of the Initial Term until the Agreement is renewed, extended or terminated ("Holdover Fee"). Notwithstanding any month-to-month extension, any continuance of business relations between you and Franchisor after the termination or expiration of this Agreement will not constitute, and may not be construed as, a reinstatement, renewal, or

extension beyond a month-to-month arrangement and will not be considered a continuation of the Franchise unless you and Franchisor agree in writing to such renewal, extension or continuation. Payment of the Holdover Fee shall be made in such manner and at such time as Franchisor shall require, including by electronic means.

3. DEVELOPMENT PROCEDURES

A. Site Selection.

Franchisee shall locate and secure, subject to Franchisor's approval, access to and use of an Approved Location for the Franchised Business within the Protected Area described in Attachment B (the "Protected Area"). Franchisee shall be limited to locating and securing a site for the Franchised Business within this Protected Area, which must be approved pursuant to Section 3.B. below.

Upon identifying a potential Approved Location, Franchisee shall submit to Franchisor its complete Site Application in accordance with the Site Application procedures set forth in the Manual. Franchisor will provide Franchisee with site selection assistance as Franchisor deems advisable, including without limitation Franchisor's site selection guidelines and design specifications and conducting an on-site evaluation of the proposed site; provided, Franchisor will not conduct an on-site evaluation for any proposed site prior to the receipt of the complete Site Application. To the extent Franchisor conducts an on-site evaluation, Franchisee will reimburse Franchisor for its out-of-pocket expenses incurred in connection with such site evaluation, including travel, accommodations, and meals. Franchisee must obtain Franchisor's acceptance of the site for the Franchised Business within the Protected Area and sign the lease by the Lease Deadline (defined below). Franchisee assumes all cost, liability, expense, and responsibility for locating, obtaining, and developing the site for the Franchised Business within the Protected Area and for finish-out or renovation and equipping the Franchised Business at the site.

FRANCHISEE ACKNOWLEDGES AND AGREES THAT FRANCHISOR'S PROVIDING ITS SITE SELECTION GUIDELINES AND DESIGN SPECIFICATIONS AND ANY OTHER SITE SELECTION ASSISTANCE TO FRANCHISEE PRIOR TO THE PROPOSED SITE BEING ACCEPTED BY FRANCHISOR WILL NOT CREATE ANY RELIANCE OR EXPECTATION DAMAGES OR LIABILITY FOR FRANCHISOR, AND SUCH ACTIVITIES WILL NOT CREATE ANY EXPECTATIONS OR REPRESENTATIONS TO FRANCHISEE THAT ANY PROPOSED SITE WILL BE ACCEPTED BY FRANCHISOR. Without Franchisee's prior consent, Franchisor shall not operate nor grant others the right to operate another Sylvan Learning location in the Protected Area so long as Franchisee is in compliance with this Agreement and during the Term unless terminated, subject to Section 1.B.

B. Site Acceptance.

Franchisee shall develop and operate the Franchised Business only at the site and premises specified in Attachment B to this Agreement as the "Approved Location" (or "Premises"). The Approved Location shall be described in Attachment B subsequent to the execution of this Agreement, upon Franchisor's approval of the location and execution of the related lease or other agreement for access to and use of the space. Franchisee shall not relocate the Franchised Business from the Approved Location without Franchisor's prior written consent and/or otherwise in writing by Franchisor, as provided in Section 3.E. below.

Upon receipt of the complete Site Application, as determined by Franchisor, Franchisor will review and notify you whether Franchisor accepts (in writing) or does not accept, at its sole option, Franchisee's proposed site. If Franchisor does not provide written notice to Franchisee of its acceptance of a proposed site, Franchisor will be deemed to have rejected the proposed site. Upon Franchisor's acceptance of a proposed site, Franchisor will identify the Opening Date and the Parties will amend Attachment B

memorializing the address of the Approved Location, the Protected Area, and the Opening Date. No site may be used for the location of the Franchised Business unless it is first accepted by Franchisor. No site shall be identified outside of the Protected Area, unless otherwise agreed to by the parties and upon written amendment to this Franchise Agreement.

FRANCHISEE ACKNOWLEDGES AND AGREES THAT FRANCHISOR'S RENDERING OF ANY SITE SELECTION ASSISTANCE OR ITS APPROVAL OF YOUR PROPOSED SITE DOES NOT AND WILL NOT CONSTITUTE, DIRECTLY OR IMPLICITLY, A REPRESENTATION, WARRANTY, GUARANTY OR ASSURANCE THAT THE FRANCHISED BUSINESS WILL ACHIEVE A CERTAIN SALES VOLUME OR LEVEL OF PROFITABILITY OR OTHERWISE WILL BE SUCCESSFUL; IT MEANS ONLY THAT THE PROPOSED SITE MEETS FRANCHISOR'S MINIMUM SITE CRITERIA. FRANCHISOR ASSUMES NO LIABILITY OR RESPONSIBILITY FOR: (1) EVALUATION OF THE SITE FOR STRUCTURAL SOUNDNESS, SEISMIC ACTIVITY, THE SITE'S SOIL FOR HAZARDOUS SUBSTANCES, OR THE SITE'S COMPLIANCE WITH APPLICABLE BUILDING CODES; (2) INSPECTION OF ANY STRUCTURE ON THE FRANCHISED BUSINESS LOCATION FOR ASBESTOS OR OTHER TOXIC OR HAZARDOUS MATERIALS; (3) COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT ("ADA"); OR (4) COMPLIANCE WITH ANY OTHER GOVERNING LAW. IT IS YOUR SOLE RESPONSIBILITY TO OBTAIN SATISFACTORY EVIDENCE AND ASSURANCES THAT THE SITE (AND ANY STRUCTURES THEREON) IS STRUCTURALLY SOUND, FREE FROM ENVIRONMENTAL CONTAMINATION AND IS IN COMPLIANCE WITH THE REQUIREMENTS OF THE ADA AND OTHER APPLICABLE LAWS.

C. Execution of Lease.

(2) Franchisee shall exert best efforts to timely identify appropriate proposed premises for the Approved Location and submit site selection applications and proposed lease agreements as required to the Franchisor for approval. Unless otherwise agreed by Franchisor in writing, Franchisee is required to lease the Approved Location for the Franchised Business no later than 180 days from the Effective Date ("Lease Deadline"). Franchisee shall obtain and provide Franchisor a copy of a fully executed lease agreement permitting the operation of the Franchised Business within the Protected Area. Franchisor retains all rights to approve or reject the proposed lease agreement and premises according to its standard practices and the terms set forth in or incorporated into the Franchise Agreement. Upon execution of the lease, Franchisor shall amend the Franchise Agreement (if not already amended under Section 2.B. above) to establish a new Protected Area based on the Approved Location described in the lease upon its execution.

(3) If Franchisee has not executed a lease agreement by the Lease Deadline, then so long as Franchisee has not passed on an identified Acceptable Opportunity (defined below) in the Protected Area, Franchisee shall have a one-time option to either (1) transfer the Protected Area to another territory mutually agreed upon by Franchisor and Franchisee within 30 days after the Lease Deadline, or (2) extend the Lease Deadline by 30 days. Franchisee must provide Franchisor written notice of its election no later than ten (10) days after the Lease Deadline ("Option Deadline") or such option is waived. Franchisee may elect to transfer the Protected Area pursuant to this subsection only if, at the time of the election but no later than the Option Deadline, Franchisor has approved in writing the new territory to be subject of the Franchise Agreement. If Franchisor and Franchisee mutually agree to transfer the Protected Area to another territory by way of written amendment to this Agreement, Franchisee shall be required to execute a lease for the Approved Location for the Franchised Business no later than 60 days from the effective date of such amendment to this Agreement modifying the Protected Area.

(4) "Acceptable Opportunity" shall mean (i) an opportunity to lease an existing premises or newly constructed premises (i.e., develop and lease a new building) in the Protected Area; and (ii) the following criteria are satisfied: (a) when measured within the Protected Area, the total population of children ages 4 to 18 is equal to or greater than 8,000 and the median household income is equal to or

greater than \$65,000; and (b) with respect to the proposed premises or building, the rentable square footage is equal to or greater than 1,000 sq. ft. but not more than 2,500 sq. ft.

D. Lease Approval and Lease Rider.

Unless otherwise agreed by Franchisor in writing, Franchisee is required to lease the Approved Location for the Franchised Business. On or before 150 days of the Effective Date or 30 days before the execution of the lease, whichever occurs first, Franchisee shall provide to Franchisor for its review and approval a copy of the proposed lease pursuant to which Franchisee will occupy or acquire rights in the Approved Location after Franchisor accepts the Approved Location. The proposed lease will include the Lease Rider attached to this Agreement as Attachment G and will not contain any covenants or other obligations that would prevent, limit or adversely affect Franchisee from performing its obligations under this Agreement. The proposed lease will be executed by all necessary parties after Franchisor accepts the proposed lease (provided such lease must be executed by the Lease Deadline), and Franchisee will furnish a complete copy of the Lease and Lease Rider to Franchisor within ten days after execution.

FRANCHISEE ACKNOWLEDGES AND AGREES THAT FRANCHISOR'S APPROVAL OF A LEASE DOES NOT MEAN THAT THE ECONOMIC OR LEGAL TERMS OF THE LEASE ARE FAVORABLE; IT MEANS ONLY THAT THE LEASE CONTAINS THE LEASE TERMS THAT FRANCHISOR REQUIRES.

E. Relocation.

You may relocate the Franchised Business only within the Protected Area and only with Franchisor's prior written consent. Franchisor will not unreasonably withhold its consent if your lease for the Approved Location expires or terminates through no fault of yours, or if the Franchised Business premises are destroyed or materially damaged by fire, flood, or other natural catastrophe ("Innocent Loss or Casualty") and you are not in default of this Agreement or any other agreement between you and Franchisor. Selection of the relocation site and Franchised Business construction, renovation, and opening shall be governed by Articles 3, 4, and 5 of this Agreement; provided that: (1) if the relocation occurred as a result of an Innocent Loss or Casualty, the Franchised Business must be open for business at the new location within 180 days of closing at the previous Approved Location; and (2) if the relocation occurred for any other reason, the Franchised Business must be open for business at the new location within 30 days of closing at the previous location. You are solely responsible for all relocation costs and expenses.

F. Splitting the Protected Area.

~~1.9 Splitting the Territory. If Licensee requests and Sylvan approves such~~ If you request and we approve your request, ~~the Territory~~ your Protected Area may be divided into two separate territories (each a "Split Territory") in order for Licensee you to develop a second ~~Primary Center~~ Approved Location. For the newly created Split Territory, Sylvan we will disclose to Licensee you our then-current Sylvan franchise disclosure document, and Licensee you 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 Franchise Agreement and pay 25% of the then-current initial franchise fee (the "Split Territory 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 Protected Area with the smaller remaining Split Territory. Sylvan's Our approval to subdivide the current Territory your Protected Area is subject to conditions, which may include successful completion of training by a new ~~manager~~ Designated Manager (if we require you to have a second ~~manager~~); Licensee's Designated Manager), your compliance under all ~~license or~~ franchise agreements and other agreements with Sylvan us and its our affiliates, and the subdivided territory(ies) independently meeting Sylvan's our then-current standards for a ~~Territory and Primary Center~~ Protected Area.

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.~~

G. 3.2 Licensed MarksAdditional Centers.

~~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.~~

Contingent upon Franchisor's prior approval, Franchisee may open additional locations within the Protected Area subject to the terms and conditions of this Section 3.G., and each additional location shall be identified as one of:

- (a) an additional Sylvan center which operates the System in addition to the Approved Location in the Protected Area (an "Additional Center"), which may offer all or a portion of the System, as approved by Franchisor. All terms and conditions for the Approved Location shall apply to such Additional Centers; or
- (b) a temporary location in the Protected Area approved by Franchisor ("Satellite"), in which Franchisee may offer any portion or part of the System, or offer other programs and services approved by Franchisor for a short period of time (i.e., a school or a community center). Satellites must meet the requirements forth in the Manual. Subject to Franchisor's prior written approval, and if Franchisee meets the criteria, terms, and conditions that Franchisor may establish from time to time in the Manual or otherwise in writing, Franchisee may also deliver services virtually through live, online platforms in the Protected Area.

Further, for any Additional Centers and Satellites:

- (1) Franchisee must notify Franchisor in writing of Franchisee's intention to open an Additional Center or Satellite and shall submit to Franchisor for approval other information as is then required by Franchisor of franchisees opening Additional Centers or Satellites in their territories.
- (2) Franchisee must obtain Franchisor's approval of such new Additional Center or Satellite in writing, which Franchisor may withhold in its sole discretion, applying Franchisor's then-current standards and procedures for approval. Franchisor reserves the unrestricted right to approve or deny such written requests from Franchisees for operation of any Additional Center or Satellite.
- (3) Upon Franchisor's approval of the Additional Center, the parties shall execute an amendment to Attachment B to the Franchise Agreement to include the Additional Center address, which may include Franchisor's then-current form of general release. The Additional Center shall be subject to all terms and conditions of this Franchise Agreement, including but not limited to Articles 17, 18, and 19.
- (4) You shall maintain separate books for each Additional Center, and submit separate revenue reports, pursuant to Article 7.

The Approved Location, Additional Centers, and Satellites are generally referred to as "Center(s)."

~~4. **Obligations of Sylvan; Supervision, Assistance and Services.** **DRAWINGS, CONSTRUCTION, AND RENOVATION** 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.~~

A. Specifications and Drawings.

You assume all cost, liability, and expense for developing, constructing, and equipping the Franchised Business. Franchisor reserves the right to identify a Designated Supplier for project management and construction management, which you must utilize and pay the respective fee associated with such services. Franchisor may furnish sample drawings and specifications for a Sylvan Learning business, including requirements for dimensions, design, image, interior layout, décor, fixtures, equipment, signs, furnishings, storefront, signage, graphics, and color schemes, or identify a third-party vendor who shall provide these to you at an additional cost. It is your responsibility to have prepared all required construction plans and specifications to suit the shape and dimensions of the Franchised Business, and you must ensure that these plans and specifications comply with applicable law and ordinances, building codes, and permit requirements, and with your lease requirements and restrictions. You shall use only qualified registered architects, registered engineers, and professional and licensed contractors, all or some of which Franchisor may specifically designate or approve from time-to-time in the Manual.

Franchisor may, but is not required to, make available to Franchisee standard plans and specifications for fixtures, equipment, furnishings, and signs to be used in connection with development of the Franchised Business. Franchisee acknowledges that such standard design plans and specifications shall not contain the requirements of any federal, state, or local law, code, or regulation (including without limitation those concerning the Americans with Disabilities Act ("ADA") or similar rules governing public accommodations or commercial facilities for persons with disabilities), compliance with which shall be Franchisee's sole responsibility and at Franchisee's sole expense.

You shall submit proposed construction plans, specifications, and drawings for the Franchised Business ("Plans") to Franchisor and shall, upon Franchisor's request, submit all revised or "as built" Plans during such construction. Franchisor will approve or refuse to approve the Plans and notify you in writing within 30 days after receiving the Plans. Once Franchisor has approved the Plans, the Plans shall not be materially changed without Franchisor's prior written approval, which shall not be withheld unreasonably. You may not begin site preparation or construction before Franchisor has approved in writing the Plans. All construction must be in accordance with Plans approved by Franchisor and must comply in all respects with the Standards and with applicable laws, ordinances, local rules, and regulations.

B. Acquisition of Necessary Furnishings, Fixtures and Equipment.

You agree to use in the development and operation of the Franchised Business only the fixtures, furnishings, equipment, technology, signs, and items of décor that Franchisor has approved as meeting its specifications and Standards for quality, design, appearance, function, and performance, including without limitation the Indicia. You further agree to place or display at the Franchised Business location (interior and exterior) only those signs, emblems, lettering, logos, and display materials that Franchisor has approved in writing from time-to-time or as otherwise required in accordance with governing law.

You shall purchase or lease approved brands, types, or models of fixtures, furnishings, equipment, and signs only from suppliers designated or approved by Franchisor. If you propose to purchase, lease or otherwise use any fixtures, furnishings, equipment, signs, or items of décor which have not been approved by Franchisor, you shall first notify Franchisor in writing and shall, at your sole expense, submit to Franchisor upon its request sufficient specifications, photographs, drawings, or other information or samples for a determination as to whether those fixtures, furnishings, equipment, or signs comply with Franchisor's specifications and Standards. Franchisor will, in its sole discretion, approve or disapprove the items and notify you within 30 days after Franchisor receives the request.

C. Commencement and Completion of Construction and Build Out.

Construction shall be performed or supervised by a general contractor or construction manager that satisfies the Standards set forth in the Manual. You will notify us in writing within ten days following commencement of construction. Once construction has commenced, it shall continue uninterrupted (except for interruption by reason of events constituting Force Majeure) until completed. You must obtain our approval of and open the Franchised Business for business within eighteen (18) months from the Effective Date, which is the maximum time permitted for the Opening Date. In our sole discretion, if you have made full and complete applications for all building permits, and all other permits required to open the Franchised Business, within ninety (90) days of the date we approve the site, we may grant to you up to two (2) thirty (30) day extensions to open the Franchised Business and/or to obtain all necessary permits, provided that the delay was due to Force Majeure (but not longer than 13 months after the Effective Date of the Franchise Agreement). We are not required to grant extensions. "Force Majeure" means any natural disaster (such as tornadoes, earthquakes, hurricanes and floods), strike, lock-out, or other industrial disturbance, war (declared or undeclared), riot, government mandated closures due to epidemics and pandemics, fire, or other catastrophe, compliance with the orders, requests, regulations of any governmental authority having jurisdiction over a party or its business, and any other cause not within the control of the party affected thereby that materially and adversely affects such party's ability to perform its obligations under this Agreement. Financial inability of a party will not constitute an event of Force Majeure. If events constituting Force Majeure cause a delay in the commencement of the construction or build out of the Franchised Business, Franchisor shall proportionately extend the Opening Date for the Franchised Business. Notwithstanding the occurrence of any such Force Majeure events, the Franchised Business shall be furnished, equipped and shall otherwise be ready to open for business per this Agreement, no later than the Opening Date.

You agree, at your sole expense, to do or cause to be done the following, by the Opening Date:

(2) Obtain and maintain all required building, utility, sign, health, sanitation, business, and other permits and licenses applicable to the Franchised Business;

(3) Make all required improvements to the Franchised Business location and decorate the exterior and interior in compliance with the Plans approved by Franchisor;

(4) Purchase or lease and install all specified and required fixtures, equipment, furnishings, and interior and exterior signs required for the Franchised Business; and

(5) Purchase an opening inventory for the Franchised Business of only authorized and approved products and other materials and supplies.

D. Inspection; Cooperation.

During construction or renovation, you shall (and shall cause your architect, engineer, contractors, and subcontractors to) cooperate fully with Franchisor and its designees for the purpose of permitting Franchisor and its designees to inspect the Franchised Business location and the course of construction or renovation to determine whether construction or renovation is proceeding according to the Plans.

E. Final Inspection.

You shall notify Franchisor in writing at least ten days prior to the date you expect construction or renovation to be completed and a certificate of occupancy to be issued. Upon Franchisor's request, you shall submit a copy of the certificate of occupancy to Franchisor. Franchisor reserves the right, after receiving your notice, to conduct a final inspection of the Franchised Business premises to determine your compliance with this Agreement. You shall not open the Franchised Business for business unless you have satisfied the conditions set forth in Article 5, below. Further, upon Franchisor's request, you agree to submit development costs of the Franchised Business to Franchisor in the format Franchisor requires.

5. ~~**Training.**~~ **OPENING** ~~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.

A. Opening Date.

Franchisee must open the Franchised Business by the "Opening Date", which is the date by which the Franchised Business must open for business to the public, as set forth in Attachment B, which date shall be no later than 273 days following the Effective Date. If the Approved Location is not equipped to open to the public and Franchisee has completed the initial training successfully and is otherwise equipped to offer Proprietary Services successfully, Franchisor reserves the right to require Franchisee to offer Proprietary Services virtually or at approved Satellites to customers before the Opening Date. Any such Gross Sales generated before the Opening Date is subject to payment of fees to Franchisor pursuant to Article 6 below.

Time is of the essence in performance under this Section 5.A. If the Franchised Business is not open and operating by the Opening Date, Franchisor may, at its option, terminate this Agreement without providing any refund to Franchisee or opportunity to cure. However, neither party shall be responsible for non-performance or delay in performance occasioned by a Force Majeure event. Force Majeure shall not include Franchisee's lack of adequate financing, and no event of Force Majeure shall relieve Franchisee of the obligation to pay any money under this Agreement, including the Minimum Royalty.

B. Opening Authorization.

Franchisee shall provide Franchisor with (a) written notice of its specific intended opening date; and (b) request for Franchisor's approval to open on such date. Such written notice and request shall be made no later than thirty (30) days prior to such intended opening date. Franchisor will authorize the opening of the Franchised Business only after all of the following conditions have been fully satisfied:

(1) You are not in material default under this Agreement or any other agreements with Franchisor; you are not in default beyond the applicable cure period under any real estate lease, equipment lease, or financing instrument relating to the Franchised Business; and you are not in default beyond the applicable cure period with any vendor or supplier of the Franchised Business;

(2) You are current on all monetary obligations due to Franchisor, including payment of the initial franchise fee, Minimum Royalty, Technology Fee, and any other fees then due;

(3) Franchisor is satisfied that the Franchised Business was constructed or renovated substantially in accordance with approved Plans and you have provided documentation satisfactory to Franchisor that such construction or renovation was completed in accordance with applicable federal, state, and local laws, regulations, and codes;

(4) Franchisor has received a copy of the approved and fully executed lease and Lease Rider;

(5) You have obtained a certificate of occupancy and any other required health, safety, or fire department certificates;

(6) You shall comply with all federal, state, and local laws, codes, and regulations, including the applicable provisions of the ADA, regarding the Approved Location. In the event you receive any complaint, claim, other notice alleging a failure to comply with the ADA, you shall provide Franchisor with a copy of such notice within five (5) days after receipt thereof;

(7) You have certified to Franchisor in writing that the installation of all items of furnishings, fixtures, equipment, signs, computer terminals, and related equipment, supplies, and other items has been accomplished in accordance with the Standards and governing law;

(8) Your Designated Manager and at least one Owner has attended and successfully completed Franchisor's initial training program and you have hired and trained your personnel in accordance with the requirements of this agreement, including without limitation ensuring that your personnel have obtained all required safety training and certifications;

(9) Franchisor has been furnished copies of all insurance policies required by Article 16 of this Agreement, and all such insurance is in full force and effect;

(10) You have executed and delivered to Franchisor [the Telephone Number Assignment Agreement attached hereto as Attachment F](#);

(11) You have executed and delivered to Franchisor the [ACH Agreement attached hereto as Attachment H](#) for the Franchisee entity operating under this Franchise Agreement;

(12) You have obtained initial inventory of supplies to open, and paid any amounts due to Designated Suppliers, or Franchisor or Affiliate;

(13) you have satisfied all bonding, licensing, and other legal requirements for the lawful operation of your [Sylvan Learning business](#), including, without limitation, by ensuring that your planned membership offerings follow the Center's opening and your forms of membership agreement comply with governing law;

(14) you have conducted or are conducting the Grand Opening advertising according to our Standards; and

(15) You have complied with all other of Franchisor's pre-opening requirements, conditions, and procedures (including, without limitation, those regarding pre-opening scheduling, training, and communications) as [set forth in this Agreement, the Manuals](#), and/or elsewhere in writing by Franchisor.

A. Pre-Opening Assistance.

Franchisor will provide consultation and advice to you regarding: (1) development and operation of the Franchised Business; (2) building and layout, furnishings, fixtures, and equipment plans and specifications; (3) qualifications and training requirements for various personnel roles required for the 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.

B. 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, FEES** 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.~~

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. 6.2 Monthly Royalty Fee; Minimum Annual Royalty. 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 15th 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 15th 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 15th day of the calendar month. If the 15th 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 30th 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 10th 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.~~

~~4.~~

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 ACE IT! System (defined in Section 11.V.), shall be 11% of monthly Gross Sales. The Royalty Fee for Gross Sales generated on the 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 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:

(2) 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.

(3) 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.

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

(5) 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 (“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 Franchisor may identify. Attendance at all such conferences by at least one Owner and a Designated Manager is mandatory. If you are currently in default of this Agreement then Franchisor may, at its option, prohibit you and your

Designated Manager's attendance at such conferences. You are responsible for all costs and expenses associated with attendance including, without limitation, compensation, travel, accommodations, wages, and meals for conference attendees. Franchisor reserves the right to charge a conference fee up to \$1,500 per attendee, 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, which is due upon Franchisor's invoice to you. If your attendance is required and you fail to attend or send a representative in your place to attend the conference, then Franchisor reserves the right to charge you a conference materials fee of \$1,000 to provide you the training materials from the conference in a format of Franchisor's choosing.

F. Payment for Products and Services.

You agree to pay Franchisor and/or its affiliates for all purchases of merchandise, equipment, supplies, and services from Franchisor and its affiliates, in accordance with the seller's then-current prices, terms and conditions of sale, and credit policies for Sylvan Learning businesses. Franchisor and its affiliates reserve the right to refuse orders from or deny delivery of products and services to any Sylvan Learning business with a past due balance. Franchisor and its affiliates have the right to change their prices, terms and conditions of sale, and credit policies on reasonable notice.

G. Payment Method.

6.12 ~~Payment of Fees.~~ Licensee You must participate in Sylvan's Franchisor's then-current electronic funds transfer program authorizing Sylvan Franchisor to utilize a pre-authorized bank draft system, and sign the ACH Authorization form attached hereto as Attachment IH. All-royalty Except as otherwise specified, all Royalty Fees and other amounts owed under this Agreement, including interest charges, are payable monthly and must be received by Sylvan Franchisor or credited to Sylvan's Franchisor'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 Franchisor will transfer from Licensee's your commercial bank operating account ("Account") the fees due pursuant to this Article 6 and elsewhere in this Agreement based on the gross-revenue Gross Sales reported to Sylvan Franchisor by Licensee you or as determined by Sylvan Franchisor by the records contained in the cash registers/computer terminals of the Licensed Franchised Business. Declining or revoking Licensee's participation (directly or indirectly) in Sylvan's your participation in Franchisor's then-current electronic funds transfer program is a material breach of this Agreement for which Sylvan Franchisor may terminate Licensee's your agreement.

For the sake of clarity, Licensee you must include in ~~gross-revenue~~ Gross Sales all revenue you receive in connection with the operation of the Licensed Franchised Business, including without limitation ~~payments that you may receive from third parties that "host" programs and disbursements~~ Licensee disbursements you receive from any third party sales platform (e.g. Groupon), in each case whether authorized or unauthorized (provided, Sylvan's Franchisor'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 Franchisor under this Agreement or applicable governing law). If ~~Licensee has~~ you have not reported to ~~Sylvan gross-revenue~~ Franchisor Gross Sales for any reporting period, Sylvan Franchisor will transfer from the Account an amount calculated in accordance with its estimate of the Licensed Franchised Business' gross revenue Gross Sales during the reporting period, which estimate may be based on, among other things, historical financial performance of the Licensed Franchised Business or current and historical performance of other franchisees. If, at any time, Sylvan Franchisor determines that Licensee you have underreported ~~gross revenue~~ Gross Sales or underpaid the Royalty Fee or other amounts due to Sylvan Franchisor under this Agreement, or any other agreement, Sylvan Franchisor 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~~ Royalty Fees and other payments due under this Agreement.

In connection with the payment by electronic funds transfer, ~~Licensee~~you shall: (1) comply with procedures specified by ~~Sylvan~~Franchisor 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~~Section 6.G.; (3) give ~~Sylvan~~Franchisor an authorization in the form of Attachment H or as otherwise designated by ~~Sylvan~~Franchisor to initiate debit entries and credit correction entries to the Account for payments of the ~~royalty~~Royalty Fee 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.

In addition to those fees payable to Franchisor set forth in this Article 6 and elsewhere in this Agreement, Franchisor may, upon notice to Franchisee and at its option, collect payments due to certain Designated Suppliers of goods and services the Franchisee is required to purchase pursuant to the Standards in connection with the development and operation of the Franchised Business via the electronic funds transfer program and may remit such collected amounts to the Designated Suppliers directly. Such payment on behalf of Franchisee does not constitute a guarantee by Franchisor of any obligation of Franchisee to such Designated Suppliers, and Franchisee will remain fully liable for all such obligations.

Notwithstanding the provisions of this ~~Paragraph 6.12, Sylvan~~Section 6.G., ~~Franchisor~~ reserves the right to modify, at its option, the method by which ~~Licensee~~you pay the ~~royalty~~Royalty Fee and other amounts owed under this Agreement, including interest charges, upon receipt of written notice by ~~Sylvan~~Franchisor. ~~Licensee's~~Your failure to have sufficient funds in the Account shall constitute a default of this Agreement pursuant to ~~Article 11, Licensee~~18. You shall not be entitled to set off, deduct, or otherwise withhold any ~~royalty~~Royalty Fees, interest charges, or other monies payable to ~~Sylvan~~Franchisor under this Agreement on grounds of any alleged nonperformance by ~~Sylvan~~Franchisor of any of its obligations or for any other reason.

H. Interest; Non-Sufficient Funds Charge.

Any payments not received by the Due Date will accrue interest at the rate of 18% per annum or the highest lawful interest rate permitted by the jurisdiction in which the Franchised Business operates, whichever is less. If any check, draft, electronic or otherwise, is returned for nonsufficient funds, you shall pay to Franchisor a nonsufficient funds charge in an amount determined by Franchisor, but not to exceed \$100 per transaction or the maximum allowed by governing law and shall reimburse Franchisor for all expenses that it incurs on account of such nonsufficient funds.

I. Taxes.

Any and all amounts expressed as being payable pursuant to this Agreement are exclusive of any applicable taxes. You are obligated to pay all federal, state, and local taxes, including without limitation sales, use and other taxes, fees, duties, and similar charges assessed against you. **You are responsible for and must indemnify and hold Franchisor and its Indemnitees (as defined in Section 20.B.) harmless against any penalties, interest and expenses incurred by or assessed against Franchisor as a result of your failure to withhold such taxes or to timely remit them to the appropriate taxing authority.** You agree to fully and promptly cooperate with Franchisor to provide any information or records it requests in connection with any application by Franchisor to any taxing authority with respect to you.

J. Partial Payments.

No payment by you or acceptance by Franchisor of any monies under this Agreement for a lesser amount than due shall be treated as anything other than a partial payment on account. Your payments of a lesser amount than due with an endorsement, statement, or accompanying letter to the effect that payment of the lesser amount constitutes full payment shall be given no effect and Franchisor may accept the partial payments without prejudice to any ~~rights or remedies it may have~~ against you. Acceptance of payments by Franchisor other than ~~as set forth in this Agreement or a waiver by Franchisor of any other remedies or~~

rights available to it pursuant to this Agreement shall not constitute a waiver of Franchisor's right to demand payment in accordance with the requirements of this Agreement or a waiver by Franchisor of any other remedies or rights available to it pursuant to this Agreement or under governing law. Notwithstanding any designation by you, Franchisor shall have the sole discretion to apply any payments by you to any of your past due indebtedness for Royalty Fees, purchases from Franchisor or its Affiliates, interest, or any other indebtedness. Franchisor has the right to accept payment from any other entity as payment by you. Acceptance of that payment by Franchisor will not result in that other entity being substituted as franchisee under this Agreement.

K. Collection Costs and Expenses.

You agree to pay Franchisor on demand all costs and expenses incurred by Franchisor in enforcing the terms of this Agreement including, without limitation, collecting any monies that you owe to Franchisor. These costs and expenses include, without limitation, costs and commissions due a collection agency, attorneys' fees, costs incurred in creating or replicating reports demonstrating Gross Sales of the Franchised Business, court costs, expert witness fees, discovery costs, and attorneys' fees and costs on appeal, together with interest charges on all of the foregoing.

L. Pre-Opening Gross Sales.

If Franchisor approves your Franchised Business to engage in pre-opening sales of memberships, then such pre-opening sales will be conducted in accordance with the Standards set forth in the Manual. In such case, Franchisee will pay Franchisor a Royalty Fee, Marketing Fee, and such other fees payable to Franchisor under this Article 6 in accordance with the terms and conditions described above on all Gross Sales of the Franchised Business in connection with such pre-opening sales.

M. Designated Accountants and Fees.

If required by Franchisor, Franchisee shall use a certified public accountant service designated or approved by Franchisor for bookkeeping and financial records management of the Franchised Business. Franchisee shall pay such service provider or Franchisor, as directed by Franchisor, a fee for these services for each month in such amount as the service provider or Franchisor may periodically designate.

N. No Subordination.

Franchisee shall not subordinate to any other obligation its obligation to pay Franchisor the Royalty Fees and/or any other fee or charge payable to Franchisor, whether under this Agreement or otherwise.

7. ~~Licensee's Obligation to Comply with Standards of Operation.~~ RECORDKEEPING AND REPORTS

~~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.~~

A. Recordkeeping.

You agree to use computerized cash and data capture and retrieval systems that meet Franchisor's specifications and to record Franchised Business sales electronically or on tape for all sales at or from the Franchised Business premises. You shall keep and maintain, in accordance with any procedures set forth in the Manual, complete and accurate books and records pertaining to the Franchised Business in the format and using the accounting software that Franchisor requires. Your books and records shall be kept and maintained using generally accepted accounting principles in the United States ("GAAP"). You shall preserve all of your books, records, and state and federal tax returns for at least five years after the later of preparation or filing (or such longer period as may be required by any governmental entity) and make them available and provide duplicate copies to Franchisor within five days after Franchisor's written request. Upon Franchisor's request, you shall provide all organizational documents of the Franchisee, your lease for the Approved Location, and such other records as Franchisor may reasonably require.

B. Periodic Reports and Retention of Records.

You shall, at your expense, submit to Franchisor in the form prescribed by Franchisor a monthly ~~profit and loss statement and balance sheet~~ (both of which may be unaudited). Each statement and balance sheet shall be signed by you, your treasurer, or chief financial officer attesting that it is true, correct, and complete and uses accounting principles applied on a consistent basis which accurately and completely reflects the financial condition of the Franchised Business during the period covered. Where Franchisor authorizes Franchisee to use the services of a third-party sales platform (e.g., Groupon), Franchisee must execute an authorization in the form prescribed by Franchisor that permits Franchisor to access the sales made by such third party sales platform and the disbursements paid to Franchisee at least monthly.

Franchisor reserves the right at adjust the frequency of required financial reporting, as published in the Manual from time to time.

With respect to the operation and financial condition of the Franchised Business, Franchisor may require that Franchisee adopt, until otherwise specified by Franchisor, a fiscal year that coincides with Franchisor's then-current fiscal year, as specified by Franchisor in the Manuals or otherwise in writing. Franchisee shall maintain during the entire term of this Agreement, and, for not less than seven (7) years following the termination, expiration, or non-renewal of this Agreement, full, complete, and accurate books, records, and accounts in accordance with generally accepted accounting principles and in the form and manner prescribed by Franchisor from time to time in the Manuals or otherwise in writing, including but not limited to: (i) daily transaction reports; (ii) cash receipts journal and general ledger; (iii) cash disbursements and weekly payroll journal and schedule; (iv) monthly bank statements, deposit slips and cancelled checks; (v) all tax returns; (vi) suppliers' invoices (paid and unpaid); (vii) dated daily and weekly transaction journal; (viii) semi-annual fiscal period balance sheets and fiscal period profit and loss statements; and (ix) such other records as Franchisor may from time to time request.

C. Other Reports.

You shall submit to Franchisor, for review or auditing, such other forms, reports, records, information, and data as Franchisor may reasonably designate, in the form and at times and places reasonably required by Franchisor, upon request and as specified from time-to-time in the Manual or otherwise in writing. At Franchisor's request, you shall furnish to Franchisor a copy of all federal and state income tax returns reflecting revenue derived from the operation of the Franchised Business, and copies of all sales tax returns, filed with the appropriate taxing authorities.

D. Audit Rights.

Franchisor or its designee shall have the right at all reasonable times, both during and for a period of five years after the Term, to inspect, copy, and audit your books, records, and federal, state, and local tax returns, sales tax returns and such other forms, reports, information, and data as Franchisor reasonably may designate, applicable to the operation of the Franchised Business. If Franchisor conducts an audit pursuant to this Section 7.D., you must produce all requested documents to Franchisor within 10 calendar days after Franchisor's written request; if you do not timely produce such documents, it is considered a default under Section 18.C.(16). If an inspection or audit discloses an understatement of Gross Sales, you shall pay Franchisor, within ten days after receipt of the inspection or audit report, the deficiency in the Royalty Fees plus interest (at the rate and on the terms provided in Section 6.F.) from the Due Date until the date of payment. If an inspection or audit is made necessary by your failure to furnish reports or supporting records as required under this Agreement, or to furnish such reports, records, or information on a timely basis, or if an understatement of Gross Sales for the period of any inspection or audit is determined to be greater than 2%, you also shall reimburse Franchisor for the actual cost of the inspection or audit including, without limitation, the charges of attorneys and independent accountants, and the travel expenses, accommodations, meals and compensation of Franchisor's employees or designees involved in the inspection or audit. These remedies shall be in addition to all other remedies and rights available to Franchisor under this Agreement and governing law.

Franchisor may also require you to participate in Brand-wide management and reporting systems, which you must contribute requested data and otherwise participate in. Upon execution of this Agreement, you must also execute Attachment I, the Dashboard Access Agreement, which gives you access to Franchisor's current reporting system. You may be required to participate in other systems in 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. 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 ACE IT! System's Gross Sales in whatever procedure and process that Franchisor maintains for ACE IT! programs.

8. TRAINING AND ASSISTANCE~~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.~~

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.

Your Designated Manager shall be responsible for training your employees in all aspects of Franchised Business operations in accordance with the Standards set forth in the Manual. If Franchisor determines that the training provided by Franchisee or Designated Manager does not satisfy Franchisor's standards and requirements, or that any newly trained individual is not trained to Franchisor's standards, then Franchisor may require that such newly trained individual(s) attend and complete an initial training program provided by Franchisor prior to the opening of the Franchised Business.

Franchisor may, in its sole discretion, require your Designated Manager and other of your management personnel to attend and complete, to Franchisor's satisfaction, such other additional and remedial training as Franchisor may from time-to-time reasonably deem necessary. By way of example and not limitation, remedial training may be required if you repeatedly fail to comply with the quality and service Standards set forth in the Manual, fail to comply with reporting requirements of this Agreement or receive significant customer complaints. Franchisor may charge, and you agree to pay, the then-current training fee for each day of additional or remedial training provided 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 assistance.

You are responsible for all costs and expenses of complying with Franchisor's training and certification requirements including, without limitation, tuition, fees, and registration costs, as well as compensation, travel, accommodations, and meals for all personnel who participate in the training.

~~7.2.2 Accreditation.~~ Licensee agrees You agree that if accreditation for supplemental education programs or services ~~offered by Licensee~~ is available from an accrediting body or organization, Licensee you 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.~~

Franchisor's training program is intended to maintain and protect the Proprietary Marks and System and not to control the day-to-day operations of the Franchised Business. Franchisor's training program may consist of on-the-job instruction on basic business procedures, equipment operation and maintenance,

scheduling, basic accounting principles, computer operations, advertising and promotion, purchasing procedures, customer safety, inventory and cost control, customer service, janitorial service, general maintenance, and other topics selected by Franchisor (excluding topics relating to labor relations and employment practices). If Franchisee, its Designated Manager, or Franchisee's manager does not successfully complete the required training program, then such person will not be permitted or authorized to participate in the operation of the Franchised Business.

B. New or Replacement Designated Manager.

In the event that Franchisee's Designated Manager ceases active employment in the Franchised Business, Franchisee shall enroll a qualified replacement who is reasonably acceptable to Franchisor in Franchisor's training program reasonably promptly following cessation of employment of said individual. Franchisor reserves the right to require Franchisee to pay Franchisor's then-current per diem charges for any such training conducted by Franchisor. In the alternative, with respect to training a replacement Designated Manager, Franchisee may train such replacement(s) in accordance with Section 8.C. below. The replacement Designated Manager and/or any required managers shall complete the initial training program as soon as is practical and in no event later than any time periods as Franchisor may specify from time to time in the Manuals and otherwise in writing. Franchisor reserves the right to review any Franchisee trained personnel and require that such persons attend and complete, to the satisfaction of Franchisor, the initial training program offered by Franchisor at a location designated by Franchisor.

C. Training by Franchisee of Additional or Replacement Managers.

Franchisee shall have the option of training any additional Designated Manager (following the training of the first Designated Manager by Franchisor) at the Franchised Business or other Sylvan Learning Businesses operated by Franchisee or its Affiliates, provided that Franchisee is in compliance with all agreements between Franchisee and Franchisor and further provided that the training is conducted: (a) by the Designated Manager or other personnel who has completed Franchisor's initial training program to the satisfaction of the Franchisor (and who remains acceptable to Franchisor to provide such training) and (b) in accordance with any requirements or standards as Franchisor may from time to time establish in writing for such training. In the event Franchisor conducts such training, Franchisor reserves the right to require Franchisee to pay Franchisor's then-current per diem charges for training.

D. Refresher Training.

Subject to Section 8.G., Franchisor may also require that Franchisee or its key personnel or Designated Manager attend such refresher courses, seminars, and other training programs as Franchisor may reasonably require from time to time.

E. Training Costs.

All expenses incurred in connection with training, including without limitation, the costs of transportation, lodging, meals, wages, and worker's compensation insurance, shall be borne by Franchisee.

F. Location of Training.

All training programs shall be at such times as may be designated by Franchisor. Training programs shall be provided at Franchisor's headquarters and/or such other locations as Franchisor may designate.

G. Additional Training.

If Franchisor determines, in its sole discretion, that Franchisee is in need of additional supervision or supplemental training, Franchisor may require that Franchisee receive such training from Franchisor, in which case Franchisee agrees that it shall pay Franchisor's then-current additional training fee, per diem charges, and out-of-pocket training expenses, which shall be as set forth in the Manuals or otherwise in

writing. If Franchisee requests that Franchisor provide additional supervision or supplemental training or that any training programs offered or required by Franchisor, then Franchisee further agrees that it shall pay Franchisor's then-current per diem charges and out-of-pocket training expenses, set forth in the Manuals or otherwise in writing.

H. Program-Specific Training.

The training related to certain Proprietary Services, including but not limited to Sylvan Edge and ACE IT!, may be different than training related to the base programs and services you may offer. Therefore, if you choose to offer certain programs authorized by Franchisor, Franchisor reserves the right to require one Owner and the Designated Manager to attend additional training specific to such additional programs and charge you the additional training fee pursuant to Section 8.G. above. You may also be required to purchase additional supplies related to such programs, the details of which are indicated in the Manual or otherwise submitted to you in writing by Franchisor. Franchisee shall not offer such programs in the Protected Area without first successfully completing the respective program-specific training, obtaining the required program-specific materials, and obtaining Franchisor's prior written approval. Violation of this Section 8.H. constitutes a material breach of this Agreement for which Franchisor shall terminate this Agreement pursuant to Article 18.

9. MANUAL~~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.~~

A. Manual on Loan.

Franchisor will loan you one copy of the Manual (as defined in Attachment A of the franchise disclosure document), which may take the form of one or more of the following: one or more loose-leaf or bound volumes; bulletins; notices; videos; CD-ROMS or other electronic media; online postings; online portal; e-mail or electronic communications; facsimiles; PDF; or any other medium capable of conveying the Manual's contents. The Manual is material because it will affect the way you operate your Franchised Business. The Manual contains detailed standards, specifications, instructions, requirements, methods, and procedures for management and operation of the Franchised Business. The Manual may also contain information relating to customer experience and service standards; customer loyalty, rewards and Membership Programs; management training and brand qualifications for personnel roles; marketing, advertising, and sales promotions, including brand strategy and positioning; maintenance and repair of the Franchised Business premises; personnel uniform standards; graphics; and accounting, bookkeeping, records retention, and other business systems, procedures, and operations. In order to protect the reputation and goodwill of Franchisor and to maintain high standards of operation under the System, Franchisee shall operate the Franchised Business strictly in accordance with the standards, specifications, methods, policies, and procedures specified in the Manuals (as supplemented, amended, or modified by Franchisor from time-to-time). The mandatory specifications, standards and operating procedures prescribed by Franchisor and communicated to Franchisee in writing as part of the Manual, shall constitute provisions of this Agreement as if fully set forth herein. All references herein to this Agreement shall include the provisions of the Manuals and all such mandatory specifications standards and operating procedures.

B. The Manual is Confidential.

Franchisee shall treat the Manuals, any other materials created for or approved for use in the operation of the Franchised Business, and the information contained therein, as confidential, and shall use all reasonable best efforts to maintain such information (both in electronic and other formats) as proprietary and confidential. You shall not download, copy, duplicate, record, or otherwise reproduce the foregoing materials, in whole or in part, or otherwise make the same available to any unauthorized person, except as authorized in advance by the Franchisor. You agree to maintain the Manual at the Franchised Business, to

treat the Manual as strictly confidential and proprietary, and to disclose the contents of the Manual only to those employees who have a need to know in connection with the operation of the Franchised Business.

C. Revisions to the Manual.

Franchisor, at its sole discretion, may supplement, amend, or modify the Manual from time-to-time through any of the foregoing methods of communication concerning the System to reflect changes in the image, specifications, and standards relating to developing, equipping, furnishing, and operating a Sylvan Learning business, including without limitation products and services that may be offered to customers, all of which will be considered part of the Manual and will, upon delivery to you, become binding on you as if originally set forth in the Manual or in this Agreement. You must keep your copy of the Manual current and up-to-date with all additions and deletions provided by or on behalf of Franchisor, and you must purchase whatever equipment and related services (including, without limitation, sound system, lighting, computer system, internet service, dedicated phone line, and such other hardware and software and related technology solutions and components as we may prescribe) as may be necessary to receive these communications. Franchisee expressly agrees to comply with each new or changed standard in the Manual. If a dispute relating to the contents or interpretation of the Manual develops, the master copy maintained by Franchisor at its principal offices shall control.

D. Franchisor's Property.

The Manuals shall remain the sole property of Franchisor and shall be accessible only from a secure place. Upon termination or expiration of this Agreement, you shall immediately return the Manual without retaining any copies thereof.

10. MODIFICATIONS OF THE SYSTEM~~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.~~

Franchisor may, at its sole option, change or modify from time-to-time the System, any components of this System, and the requirements applicable to you by means of supplements or amendments to the Manual, including, but not limited to, modifications to the Manual, the required equipment, the signage, the building and premises of the Franchised Business (including the trade dress, décor, and color schemes), the presentation of the Proprietary Marks (including requiring additional or replacement Proprietary Marks), and other characteristics to which you are required to adhere (subject to the limitations set forth in this Agreement); adoptions of new administrative forms and methods of report and of payment of any monies owed by Franchisee (including electronic means of reporting and payment); alterations of the products, services, programs, methods, standards, accounting and computer systems, forms, policies and

procedures of the System; and additions to, deletions from, or modifications to the products and services your Franchised Business is authorized or required to offer; and additions, changes, improvements, modifications, substitutions to, of, from, or for the Proprietary Marks or copyrighted materials. You must accept and implement at the Franchised Business any such changes or modifications in the System as if they were a part of the System at the time you executed this Agreement, and you must make such expenditures as the changes or modifications in the System reasonably require.

Because enhancing the Brand's competitive position and consumer acceptance for the Brand's products and services is a paramount goal of Franchisor and its franchisees, and because this objective is consistent with the long-term interest of the System overall, Franchisor may exercise certain rights, to the fullest extent permitted by then-governing law, with respect to pricing of products and services offered for sale at Sylvan Learning businesses, including, but not limited to, establishing policies with respect to the maximum and minimum retail prices which you may charge customers of your Franchised Business. Franchisor further reserves the right to establish price promotions or package promotions, gift card programs, loyalty programs, and other supplemental marketing programs, which may directly or indirectly impact your retail prices, and in which Franchisor may compel you 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 franchisees but not others.

You acknowledge that because uniformity may not be possible or practical under many varying conditions, Franchisor reserves the right to materially vary its standards or franchise agreement terms for any franchisee, based on the timing of the grant of the franchise, the peculiarities of the particular territory or circumstances, business potential, population, existing business practices, other non-arbitrary distinctions, or any other condition which Franchisor considers important to the successful operation of the System. Except as required by governing law, Franchisor is not obligated to disclose any variation or to grant the same or a similar variation to you.

If you develop any new concepts, processes, or improvements relating to the System, whether or not pursuant to a test authorized by Franchisor, you must promptly notify Franchisor and provide Franchisor with all information regarding the new concept, process, or improvement, all of which will automatically become the sole and exclusive property of Franchisor and its Affiliates, and which Franchisor and its Affiliates may incorporate into the System without any payment or other consideration to you. You, on behalf of yourself and your owners and all personnel, hereby irrevocably assign all rights in any new concepts, process or improvements relating to the System, and any derivative thereof, to Franchisor or any of its Affiliates, at Franchisor's option, and will execute and deliver all such additional instruments and documents as Franchisor may request to evidence the assignment and Franchisor's or its Affiliate's ownership of such new concept, process or improvement relating to the System.

Franchisee shall not implement any change to the System (including the use of any product or supplies not already approved by Franchisor) without Franchisor's prior written consent. Franchisee acknowledges and agrees that, with respect to any change, amendment, or improvement in the System or use of additional product or supplies for which Franchisee requests Franchisor's approval: (i) Franchisor shall have the right to incorporate the proposed change into the System and shall thereupon obtain all right, title, and interest therein without compensation to Franchisee, (ii) Franchisor shall not be obligated to approve or accept any request to implement change, and (iii) Franchisor may from time to time revoke its approval of a particular change or amendment to the System, and upon receipt of written notice of such revocation, Franchisee shall modify its activities in the manner described by Franchisor.

At all times, Franchisee shall update, upgrade, maintain, replenish, replace, and recondition Franchisee's supplies, and, if applicable, the premises of the Approved Location, as specified by Franchisor, in the Operations Manual and as modified by Franchisor from time to time. **NOTWITHSTANDING THE FOREGOING, FRANCHISEE EXPRESSLY ACKNOWLEDGES AND AGREES THAT THE FOREGOING RELATES TO BRAND STANDARDS AND SPECIFICATIONS ASSOCIATED**

WITH THE PROPRIETARY MARKS AND THE SERVICES AND THAT, AT ALL TIMES, FRANCHISEE IS AND SHALL EXCLUSIVELY REMAIN RESPONSIBLE FOR CONDITIONS INVOLVING THE SAFETY OF CUSTOMERS.

If Franchisee fails or refuses to initiate within 10 days after receipt of notice, and to continue in good faith and with due diligence, a bona fide program to undertake and complete required maintenance or refurbishing of the Approved Location and equipment that, in Franchisor's sole discretion, is necessary to prevent a negative impact upon the goodwill associated with the Proprietary Marks and/or the System, or for the safety of customers of the Franchised Business, then Franchisor has the right, but is not obligated, to enter upon the premises of Approved Location and effect maintenance and refurbishing on Franchisee's behalf, and Franchisee must pay the entire cost to Franchisor on demand. In lieu, Franchisor may also require Franchisee to shutter the Franchised Business until such required maintenance or refurbishment is conducted according to Franchisor's specifications.

11. PERFORMANCE REQUIREMENTS

A. Best Efforts.

You or Your Designated Manager (see Section 11.L. below) must use full time and best efforts in the operation of the Franchised Business and must personally supervise the day-to-day operation of the Franchised Business.

B. Standards, Specifications and Procedures.

You agree to comply with all System specifications, standards, and operating procedures (whether contained in the Manual or any other written communication, or communicated in training) relating to the appearance, operation, customer experience, function, safety and cleanliness of a Sylvan Learning business, including without limitation: (1) the types of programs offered; (2) uniformity, pricing and type of all products and services offered for sale at the Franchised Business; (3) sales and marketing procedures and customer service; (4) advertising and promotional programs; (5) Membership Programs (including compliance with the terms and formats of membership agreements in the form prescribed by Franchisor), customer loyalty programs and gift card programs (Customer Card Programs); (6) layout, décor, and color scheme of the Franchised Business and Approved Location; (7) qualification and training of personnel; (8) submission of requests for approval of brands of products, supplies, and suppliers; (9) use and illumination of signs, posters, displays, standard formats, and similar items; (10) use of audio equipment and type and decibel levels of music; (11) use of video equipment and type and decibel level of television broadcasts (including closed captioning requirements); (12) types of fixtures, furnishings, computer systems, equipment, small wares, and packaging; and (13) the make, type, location, and decibel level of any game, entertainment, or vending machine. Mandatory specifications, standards, and operating procedures, including upgraded or additional equipment (including Computer Systems, as defined below) that Franchisor prescribes from time-to-time in the Manual or otherwise communicates to you shall constitute provisions of this Agreement as if fully set forth in this Agreement.

Such System specifications may include brand specifications ("Approved Brands"), and to the extent that Approved Brands have been identified, you may purchase and use only the Approved Brands. Franchisor may from time-to-time modify its specifications, and you shall promptly comply with all such modifications.

C. Designated Suppliers and Distributors.

You must purchase from us or from suppliers or distributors we designate (each a "Designated Supplier") all of your requirements for developing, constructing, and operating the Franchised Business including, but not limited to: (1) fixtures, furniture and other furnishings, equipment, supplies, point-of-sale systems, merchant processing systems, signs, items of décor, paper products, and architect services; (2) uniforms, shirts, and all merchandise and items intended for retail sale (whether or not bearing our

Proprietary Marks); (3) advertising, point-of-purchase materials, and other printed promotional materials; (4) gift certificates and stored value cards; (5) stationery, business cards, contracts, and forms; (6) bags, packaging, and supplies bearing the Proprietary Marks; (7) insurance policies from our Designated Supplier and approved carriers or brokers, to the extent permitted by law; (8) local and regional marketing services through our Designated Supplier; (9) reputation management and customer service satisfaction evaluations, and other surveys, (10) real estate brokers, (11) architect, (12) music providers, and (13) other products and services that we require. We reserve the right to modify, add, and discontinue use of such suppliers or distributors at any time at our sole discretion. You agree to promptly comply with all such requirements within our designated timeframe, and at your sole expense.

Franchisor may, at its sole option, enter into supply contracts either for all Sylvan Learning businesses or a subset of Sylvan Learning businesses situated within one or more geographic regions (each a “Systemwide Supply Contract”). Franchisor may enter into Systemwide Supply Contracts with one or more vendors of products, services, or equipment and may require all company-owned and franchised Sylvan Learning businesses in a geographic area to purchase from or use such vendors. If Franchisor enters into such Systemwide Supply Contracts, then immediately upon notification, you must purchase or use the specified product, service, or equipment, as applicable, only from the Designated Supplier for such Systemwide Supply Contract; provided, however, that if at the time of such notification, you are already a party to a non-terminable supply contract with another vendor or supplier for the designated product, service, or equipment, then your obligation to purchase from or use Franchisor’s Designated Supplier under the Systemwide Supply Contract will not begin until the scheduled expiration or earlier termination of your pre-existing supply contract. Franchisor makes no representation that it will enter into any Systemwide Supply Contracts or other exclusive supply arrangements or, if it does, that you will not otherwise be able to purchase the same products or services at a lower price from another supplier. Franchisor may add to, modify, substitute, or discontinue Systemwide Supply Contracts or exclusive supply arrangements in the exercise of its sole discretion and business judgment. If Franchisor enters into a Systemwide Supply Contract or such other contracts with a Designated Supplier (e.g., point-of-sale systems, music licenses, Membership Programs), then you agree to pay Franchisor on a monthly basis (via ACH or Franchisor’s then-current electronic payment program and on the Due Date for the Royalty Fee collected under this Agreement), or such other basis as reasonably determined by Franchisor, your pro rata share of such payments due to such Designated Supplier under the Systemwide Supply Contract regardless of whether there is a participation agreement or similar agreement in effect to which you are a party.

Franchisor may also establish commissaries and distribution facilities owned and operated by Franchisor or its Affiliate that Franchisor may deem a Designated Supplier. Franchisor may receive money or other benefits, such as rebates or conference sponsorships, from Designated Suppliers based on your purchases; you agree that Franchisor has the right to retain and use all such benefits as it deems appropriate, in its sole discretion. Franchisor and its Affiliates have the right to derive revenue—in the form of promotional allowances, volume discounts, commissions, other discounts, performance payments, signing bonuses, rebates, marketing and advertising allowances, free products, and other economic benefits and payments—from suppliers that we designate, approve, or recommend for some or all Sylvan Learning franchised businesses on account of those suppliers’ prospective or actual dealings with your Franchised Business and other Sylvan Learning franchised businesses. That revenue may or may not be related to services we and our affiliates perform. All amounts received from suppliers, whether or not based on your or other franchisees’ purchases from those suppliers, will be our and our Affiliates’ exclusive property, which we and our Affiliates have the right to retain and use without restriction for any purposes we and our Affiliates deem appropriate. Any products or services that we or our Affiliates sell you directly may be sold to you at prices exceeding our and their costs.

Franchisor may approve one or more suppliers for any products and services and may approve a supplier only as to certain products and services. Franchisor may concentrate purchases with one or more suppliers or distributors to obtain lower prices and the best advertising support and services for any group

of Sylvan Learning businesses or any other facilities franchised or operated by Franchisor or its Affiliates. Approval of a supplier may be conditioned on requirements relating to the frequency of delivery, reporting capabilities, standards of service, including prompt attention to complaints, corporate social responsibility policies or other criteria as set forth in the Manual, and concentration of purchases, as set forth above, and may be temporary pending a further evaluation of such supplier by Franchisor.

If you propose to purchase from a previously unapproved source, you shall submit to Franchisor a written request for such approval or shall request the supplier to submit a written request on its own behalf. Franchisor **has the right to require**, as a condition of its approval, that its representatives be permitted to sample the product and inspect the supplier's facilities, and that such information, specifications, and samples as Franchisor reasonably requires be delivered to Franchisor and to an independent, certified laboratory designated by Franchisor for testing prior to granting approval. A charge not to exceed the actual cost of the inspection and product testing and the actual cost of the test shall be paid by you ("Supplier Testing Fee"). Franchisor will notify you within 120 days of your request as to whether you are authorized to purchase such products from that supplier. Franchisor reserves the right, at its option, to re-inspect the facilities and products of any such Designated Supplier and to revoke its approval of any supplier upon the suppliers' failure to meet Franchisor's criteria for quality and reliability.

D. Authorized Products and Services.

You shall cause the Franchised Business to offer all products and services that Franchisor requires and only offer the products and services that Franchisor has authorized in writing. For the sake of clarity, you may not "co-host" programs at your Franchised Business (e.g., after-school programs and children's camps organized by third party service providers for which the Franchised Business serves as a "host venue") without Franchisor's prior written authorization. Franchisor may add, modify, and discontinue authorized products and services at any time, in its sole discretion, and you shall promptly comply with all directives. The Franchised Business shall begin offering for sale additional, upgraded, or modified products and services and cease offering discontinued products and services within ten days of the date you receive written notice of the addition, modification, or discontinuance. All products and services offered for sale by the Franchised Business shall meet Franchisor's Standards. You shall discontinue selling and offering for sale any products and services which Franchisor shall have disapproved, in writing, even if Franchisor has previously approved its use.

ALTHOUGH APPROVED OR DESIGNATED BY FRANCHISOR, FRANCHISOR AND ITS AFFILIATES MAKE NO WARRANTY AND EXPRESSLY DISCLAIM ALL WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE WITH RESPECT TO THE PRODUCTS, SERVICES, EQUIPMENT, SUPPLIES, FIXTURES, FURNISHINGS OR OTHER APPROVED ITEMS. IN ADDITION, FRANCHISOR DISCLAIMS ANY LIABILITY ARISING OUT OF OR IN CONNECTION WITH THE SERVICES RENDERED OR PRODUCTS SUPPLIED BY ANY DESIGNATED SUPPLIER OR SUPPLIER APPROVED BY FRANCHISOR. FRANCHISOR'S APPROVAL OF OR CONSENT TO ANY PRODUCTS OR SERVICES, ANY SUPPLIER THEREOF OR ANY OTHER INDIVIDUAL, ENTITY OR ANY ITEM WILL NOT CREATE ANY LIABILITY TO FRANCHISOR.

With respect to party supplies, merchandise and other items required for the operation of the Franchised Business, you shall always **maintain an inventory of such** products sufficient in quality and variety to realize the full potential of the Franchised Business. Franchisor may, from time-to-time, conduct market research and testing to determine consumer trends and the salability of new products and services. You agree to cooperate in these efforts by participating in customer surveys and market research programs if requested by Franchisor. All customer surveys and market research programs will be at Franchisor's sole cost and expense, unless you have volunteered to participate in the survey or market research and to share your proportionate cost. You may not test any new product or service without Franchisor's prior written consent.

E. Computer Systems and Intranet/Extranet Systems.

You shall acquire and use all point-of-sale systems, computer hardware and related accessories, and peripheral equipment (“Computer Systems”) that Franchisor prescribes for use by the Franchised Business and may not use any point-of-sale systems or computer hardware, accessories, or peripheral equipment that Franchisor has not approved for your use. Requirements may include, among other things, connection to remote servers, off-site electronic repositories, and high-speed Internet connections and service.

You shall: (1) use any proprietary software programs, system documentation manuals, and other proprietary materials provided to you by Franchisor in connection with the operation of the Franchised Business; (2) input and maintain in your computer **such data and information as** Franchisor prescribes in the Manual, software programs, documentation, or otherwise; and (3) purchase new or upgraded software programs, system documentation manuals, and other proprietary materials at then-current prices whenever Franchisor adopts such new or upgraded programs, manuals, and materials system-wide. You shall enter into all software license agreements, “terms of use” agreements, and software maintenance agreements, in the form and manner Franchisor prescribes, and pay all fees charged by third-party software and software service providers thereunder. In addition, Franchisor has the right to charge, and you agree to pay, a technology fee of up to \$750 per month (“Technology Fee”). The Technology Fee 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 third-party vendors. Franchisor has the right to adjust the Technology Fee **upon thirty (30) days’ notice to franchisees.**

You acknowledge that Franchisor may independently access from a remote location, at any time, all information input to, and compiled by, your Computer System or an off-site server, including information concerning Gross Sales, purchase orders, inventory and expenditures, customer data, and any other data contained within your Computer System. You must provide Franchisor continuous, uninterrupted 24/7 independent access to the Computer System to monitor your social media, sales, receivables, and other financial and operational data Franchisor designates. There is no contractual limitation on Franchisor’s right to access these records. There are no contractual limitations on Franchisor’s right to access or retrieve any information contained and/or utilized by your Computer System.

You acknowledge that technology is ever changing and that, as technology or software is developed in the future, Franchisor may, in its sole discretion, require you to: (1) add to your Computer System memory, ports, and other accessories or peripheral equipment, or additional, new, or substitute software; (2) replace, update or upgrade your Computer System, including but not limited to computer hardware components and software applications as Franchisor prescribes, but not to exceed three times per calendar year.

To ensure full operational efficiency, you agree to keep your Computer System in good maintenance and repair and to make additions, changes, modifications, substitutions, and replacements to your computer hardware, accessories and peripherals, software, telephone and power lines, high speed Internet connections, and other computer-related facilities as directed by Franchisor. Upon **termination or expiration of this Agreement**, all computer software, disks, tapes, and other magnetic storage media shall be returned to Franchisor in good operating condition, excepting normal wear and tear. You must update the Computer System periodically according to Franchisor’s then-current Standards.

Franchisor may, at its option, establish and maintain an intranet or extranet system through which members of Sylvan Learning franchise network may communicate, and through which Franchisor may disseminate updates to the Manual and other Confidential Information. Franchisor will have no obligation to establish or to maintain the intranet indefinitely and may dismantle it at any time without liability to you. Franchisor may establish policies and procedures for the intranet’s use. Franchisor expects to adopt and adhere to a reasonable privacy policy. However, you acknowledge that, as administrator of the intranet,

Franchisor can technically access and view any communication that anyone posts on the intranet. You further acknowledge that the intranet facility and all communications that are posted to it will become Franchisor's property, free of any claims of privacy or privilege that you or any other individual may assert. If you fail to pay when due any amount payable to Franchisor under this Agreement, or if you fail to comply with any policy or procedure governing the intranet, Franchisor may suspend your access to any chat room, bulletin board, listserv, or similar feature the intranet includes until you fully cure the breach.

E. 7.5 Sylvan Advertising Software.

(1) Software License. Subject to the terms of this Agreement, Franchisor or its designated Affiliate hereby grants to Franchisee a limited, revocable, non-exclusive, non-sublicensable, and non-transferable license to install and use the Sylvan Software related to the Franchised Business at all Centers during the Term (the "License"). Franchisee shall immediately incorporate any new or replacement Sylvan Software and is prohibited from transferring the original media and related data to any other individual or computer. All rights not expressly granted to Franchisee herein are hereby reserved by Franchisor or its designated Affiliate. Franchisee will not use any other program, software, or vendor for automated or online enrollment or related goods or services, e-mail marketing services, or customer management services other than those specified by Franchisor. "Sylvan Software" means the i) office management software that includes proprietary front desk management and point of sale system, online enrollment system, automated e-mail marketing tool, customer management system, and any other technology or software and respective updates that Franchisor may implement from time to time, and ii) any proprietary Sylvan educational software used in connection with delivering services to customers or other third parties, including but not limited to, SylvanSync, ACE IT!, and Sylvan Edge developed by Franchisor or its designated Affiliate, developed as of the Effective Date or anytime thereafter. "Extranet" refers to Franchisor's extranet made available to Franchisee, which includes password protected access. "Website" means Franchisor's website that Franchisor provides or makes available to Franchisee or otherwise uses to advertise, market, and promote Sylvan Learning businesses.

(2) Limited Use; No Reproduction; No Modification. Franchisee may use the Sylvan Software, Website, and Extranet only as expressly provided in this Agreement and the Manual. Franchisee may not copy or reproduce the Sylvan Software in any way, except to make copies necessary for the initial installation of the Sylvan Software and to maintain copies for backup and archival purposes of the Sylvan Software and all associated data as part of its cybersecurity protocol. Franchisor may reproduce, distribute, transmit, delete, publish, transfer, or commercially exploit the content located on and collected by the Sylvan Software, the Extranet, and the Website, including that supplied by Franchisee. Franchisee's modification, disassembly, reverse engineering, or attempting to decipher the source code of any portion of the Sylvan Software, or creating derivative works based on the Sylvan Software, Website, and Extranet is strictly prohibited.

~~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, X (formerly known as 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.~~

(3) No Sublicense. Franchisee shall not, nor permit any party to (i) use the Sylvan Software, Extranet, or Website for the benefit of any third party, including without limitation, in an outsourcing or timesharing arrangement, or in the operation of a service bureau, or (ii) sell, lease, sublicense, distribute, or otherwise transfer (directly or indirectly) the Sylvan Software or any rights under this Agreement to any other person, firm or entity.

(4) Revocable Access to Sylvan Software, Website, and Extranet. Franchisee shall be responsible for all access to, denial of access to, and use or misuse of Sylvan Software, Website, and Extranet by any of its owners, employees, agents, and affiliates. Franchisor reserves the right to revoke Franchisee, Owners, employees, and Affiliates' access to Sylvan Software, Website, and Extranet at its own discretion, including but not limited to, breach of this Agreement.

(5) Ownership and Intellectual Property Rights. The Sylvan Software, the Website, and the Extranet are the property of the Franchisor or its Affiliate, or where designated by Franchisor, of Franchisor's authorized content suppliers. This Agreement does not grant Franchisee any title or ownership of the Sylvan Software or any content provided on or through the Website or Extranet, but only a right of limited use of the Sylvan Software, Website, and Extranet. Franchisee shall at all times keep the Sylvan Software free and clear of all claims, liens and encumbrances. Franchisor reserves all copyrights and other intellectual property, proprietary and other rights, and trade secret rights to the Sylvan Software, the Website, and the Extranet.

~~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 (3rd) 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.~~

(6) 7.12.2 Licensee Customer Information. You may not use the Customer Information for any purpose other than in the normal conduct of ~~the Licensed Business.~~ Licensee providing services at the Centers pursuant to the terms of this Agreement. You 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. Upon Sylvan may have independent access to the Customer Information via connection to the Computer System. Nevertheless, upon Sylvan's request, Licensee shall promptly you must provide Sylvan with a copy of all Customer Information in electronic or other format Sylvan designates.~~

~~7.12.4 as designated by Sylvan. Sylvan may periodically establish policies regarding the use of the Customer Information by Sylvan franchisees, which you must follow. 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 11.F. You expressly affirm and agree that, upon the expiration or termination of this Agreement, your rights to Customer Information are subject to this Agreement, and you shall not use the Customer Information for any purpose following expiration or termination of the this Agreement. Nothing in this Section 11.F.(6) shall be construed to supersede or modify your post-termination obligations under this Agreement, including without limitation your covenant not to compete and your obligation not to contact former customers of the Franchised Business. Sylvan shall have the unrestricted right and ability to access to the Customer Information through the Sylvan Software, and share such Customer Information with its Affiliates. 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 AgreementLicense, Sylvan may disclose, use, and authorize others to disclose and use, the Customer Information only for purposes that, in Sylvan's exclusive business judgment, any purposes, including but not limited to (i) research, evaluation, and analysis in connection with the services provided in the System, and (ii) any purpose that will benefit the Sylvan Network or System and 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. 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.~~

(7) Computer systems are vulnerable in varying degrees to computer viruses, bugs, worms, mal-ware, spy-ware, power disruptions, communication line disruptions, internet access failures, internet content failures, date-related problems, and attacks by hackers and other unauthorized intruders ("E-problems"). Franchisee shall take commercially reasonable steps so that E-problems will not materially affect its business. Franchisor does not guarantee that Sylvan Software, the Website, Extranet or other systems that it or others supply will not be vulnerable to E-problems. FRANCHISEE EXPRESSLY AGREES THAT USE OF THE SYLVAN SOFTWARE, WEBSITE, AND EXTRANET, AND SYSTEMS PROVIDED HEREUNDER IS AT FRANCHISEE'S SOLE RISK. THE SYLVAN SOFTWARE, WEBSITE, EXTRANET AND OTHER SYSTEMS ARE PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS WITHOUT REPRESENTATIONS OR WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES THAT THE SYLVAN SOFTWARE, WEBSITE, EXTRANET OR OTHER SYSTEMS WILL BE UNINTERRUPTED

OR ERROR FREE, WARRANTIES OF TITLE OR NON-INFRINGEMENT OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE. NEITHER FRANCHISOR NOR ANY OF ITS AFFILIATES, SERVICE PROVIDERS, EMPLOYEES, AFFILIATES, OR AGENTS (THE "FRANCHISOR GROUP") SHALL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF USE OF THE SYLVAN SOFTWARE, WEBSITE, EXTRANET, AND OTHER SYSTEMS OR INABILITY TO USE THE SOFTWARE OR SYSTEMS OR OUT OF ANY BREACH OF ANY REPRESENTATION OR WARRANTY OR OTHER FRANCHISOR GROUP OBLIGATIONS. NONE OF THE FRANCHISOR GROUP SHALL HAVE ANY LIABILITY WHATSOEVER IN CONNECTION WITH THE LICENSE PROVIDED HEREUNDER.

G. Non-Cash Payment Systems~~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.~~

Franchisor shall reserve the right to dictate the method of Franchisee's payment systems, whether it be through a Designated Supplier or through Franchisor or its Affiliate's online payment processing portal. You shall accept debit cards, credit cards, stored value cards, or other non-cash systems (including, for example, APPLE PAY, and/or GOOGLE WALLET) specified by Franchisor to enable customers to purchase authorized products, and you shall obtain all necessary hardware and software used in connection with these non-cash systems. You will use the Designated Suppliers of such non-cash payment systems that we designate in the Manual, and we will collect your pro rata share of payments due to such Designated Suppliers in accordance with Section 11.C. related to Systemwide Supply Contracts. The parties acknowledge and agree that protection of customer privacy and credit card information is necessary to protect the goodwill of businesses operating under the Proprietary Marks and System. Accordingly, you shall cause the Franchised Business to meet or exceed, at all times, all applicable security standards developed by the Payment Card Industry Security Standards Council or its successor and other regulations and industry standards applicable to the protection of customer privacy and credit card information. You shall use only the non-cash payment systems approved by Franchisor, and are prohibited from accepting any currency or payment type other than U.S. currency. This prohibition extends to cryptocurrency or any other non-U.S. currency based payment systems. You shall take commercially reasonable precautions to prevent data security breaches, and to comply with breach notification statutes and other legal requirements in the event of a security breach. You are solely responsible for your own education concerning these regulations and standards and for achieving and maintaining applicable compliance certifications. **YOU SHALL DEFEND, INDEMNIFY, AND HOLD FRANCHISOR HARMLESS FROM AND**

AGAINST ALL CLAIMS ARISING OUT OF OR RELATED TO YOUR VIOLATION OF THE PROVISIONS OF THIS SECTION 11.G. IN ACCORDANCE WITH THE INDEMNIFICATION PROCEDURES SET FORTH IN SECTION 20.B.

Notwithstanding anything to the contrary in this Section 11.G. or anywhere else in the Agreement, Franchisor will allow Franchisee to collect cash payments in limited circumstances, such as one-time events, parent's night out, camps, and other similar events. For purposes of clarity, any recurring payments such as memberships are required to be paid by credit card, debit card, stored value cards, or other non-cash systems approved by Franchisor, except for memberships subsidized by government payments or extraordinary one-time situations. Franchisee is required to report all cash payments to Franchisor via Zendesk, or other system required by Franchisor, within a reasonable time after collection, but in no case later than 5 business days after collection of cash payments.

H. Franchisor Inspections.

Franchisor or its designees shall have the right at any reasonable time and without prior notice to you to: (1) inspect the Franchised Business premises; (2) observe, photograph, and record the operation of the Franchised Business for such consecutive or intermittent periods as Franchisor deems necessary; (3) interview Franchised Business personnel; (4) interview customers; and (5) inspect and copy any books, records, and documents relating to the operation of the Franchised Business or, upon request of Franchisor or its designee, require you to send copies thereof to Franchisor or its designee. You shall present to your customers those evaluation forms as are periodically prescribed by Franchisor and shall participate and ask your customers to participate in any surveys performed by or on behalf of Franchisor as Franchisor may direct.

You agree to cooperate fully with Franchisor or its designee regarding any such inspection, observations, recordings, product removal, and interviews. You shall take all necessary steps to immediately correct any deficiencies detected during these inspections including, without limitation, ceasing further sales of unauthorized items and ceasing further use of any equipment, advertising materials, or supplies that do not conform to the Standards and requirements promulgated by Franchisor from time-to-time. Franchisor shall have the right to develop and implement a grading system for inspections and, to the extent such a system is implemented, if the Franchised Business fails to achieve a passing score on any inspection, Franchisor may require your key personnel identified in Attachment C and other Franchised Business personnel to attend and participate in such additional training as Franchisor deems appropriate. If the Franchised Business fails to achieve a passing score on any i) three consecutive inspections, ii) two consecutive inspections involving health, safety, or sanitation, or iii) if the Franchised Business fails to achieve a passing score three or more times in any 12-month period, Franchisor may terminate this Agreement in accordance with Article 18.

These inspections may take the form of quality assurance inspections and mystery shops. If Franchisor utilizes any of its employees, representatives, or a third-party service to conduct a quality assurance inspection or mystery shop of the Franchised Business, then the cost of same ("Compliance Review Fee") shall be borne by Franchisor, save and except in the following circumstances in which case you must reimburse Franchisor for the Compliance Review Fee: (i) the Franchisee has failed to report Gross Sales or use the approved technology systems; (ii) the Franchisee has failed to comply with brand standards related to health, safety, and sanitation; or (iii) Franchisee has failed to follow brand standards. The Compliance Review Fee shall be the actual cost of program, including purchases made as part of the mystery shop or audit. At Franchisor's request, Franchisor may require you to pay the Compliance Review Fee directly to the applicable service provider.

I. Upkeep of the Franchised Business.

You shall continuously operate the Franchised Business and shall, at all times and at your sole expense, maintain in first class condition and repair (subject to normal wear and tear), in good working

order, in accordance with the requirements of the System, and in compliance with all governing laws and regulations, the interior and exterior of the Franchised Business premises, including, without limitation, all furniture, fixtures, equipment, computer systems, furnishings, floor coverings, interior and exterior signage, interior and exterior finishes, and interior and exterior lighting. You shall promptly and diligently perform all necessary maintenance, repairs, and replacements to the Franchised Business premises as Franchisor may prescribe from time-to-time including periodic interior painting and replacement of obsolete or worn-out signage, floor coverings, furnishings, equipment, and décor. Franchisee shall make such changes, upgrades, and replacements as Franchisor may periodically require, in the time frames specified by Franchisor.

J. Franchised Business Operations.

You shall cause the Franchised Business to be open and operating on the days and during the hours that Franchisor designates, which may be all seven days during the week, subject to applicable lease and local law or licensing limitations. You shall operate and maintain the Franchised Business in conformity with the highest ethical standards and sound business practices and in a manner that will enhance the goodwill associated with the Proprietary Marks.

K. Management and Personnel.

You shall employ a sufficient number of qualified, competent personnel to satisfy the demand for the products and services offered by the Franchised Business. Your key management personnel are identified in Attachment C to this Agreement. The Franchised Business must be supervised at all times by the Designated Manager, or an Owner if the Designated Manager does not have equity interest in the Franchisee. If the Designated Manager is not an Owner, then at least one Owner must be actively involved in the business' daily operations and such Owner cannot delegate ownership responsibilities to the Designated Manager or other employee. This Owner is ultimately responsible for compliance and business performance (including but not limited to compliance with the Franchise Agreement and System standards, resourcing the business needs, accountability systems for employees, timely reporting and resolution of issues to avoid escalations to Franchisor), while day-to-day operations can remain with the Designated Manager. The Designated Manager (or an Owner if the Designated Manager does not have ownership interest in the Franchisee) must devote substantial full-time and best efforts, in person on a daily basis, to the supervision, operation, and conduct of the Franchised Business. Violation of this Section 11.K. is a material default under Section 18.C.

You shall hire all employees of the Franchised Business and be exclusively responsible for the terms of their employment and for the proper training of such employees in the operation of the Franchised Business, including without limitation with respect to customer relations. You are required to conduct such training of your employees in compliance with Franchisor's Standards, specifically Franchisor's then-current approved program content developed by Franchisor's then-current approved Sylvan Learning certified trainers. You will ensure that your personnel comply with the Standards set forth in the Manual, including compliance with Standards related to customer service and engagement. The parties acknowledge and agree that these requirements are necessary to preserve the goodwill identified by the Proprietary Marks.

Franchisor may provide recommendations to you on qualifications and skill level of certain key employees or prospective candidates. These recommendations do not constitute direction to you on whether to employ or discharge candidates, or otherwise impact your employment relationship with your employees. You retain the sole authority to make all employment decisions regarding your employees.

Further, the parties acknowledge and agree that Franchisor neither dictates nor controls labor or employment matters for you or your employees. You are exclusively responsible for labor and employment-related matters and decisions related to the Franchised Business, including, but not limited to, hiring, promoting, and compensating personnel, for determining the number of jobs offered or job vacancies to be

filled, for determining and changing employee wages, benefits and work hours, method of payment, maintenance of employment records, for disciplining and discharging your employees, and for supervising and controlling your employee's work schedule or conditions of employment. You are exclusively responsible for labor relations with your employees. We do not require you to implement any employment-related policies or procedures or security-related policies or procedures that we (at our option) may make available to you in the Operations Manual or otherwise for your optional use. You shall determine to what extent, if any, these policies and procedures may be applicable to your operations at the Franchised Business. **YOU SHALL DEFEND AND INDEMNIFY FRANCHISOR AND ITS INDEMNITIES (AS DEFINED IN SECTION 20.B. BELOW) AGAINST ANY AND ALL PROCEEDINGS, CLAIMS, INVESTIGATIONS, AND CAUSES OF ACTION INSTITUTED BY YOUR EMPLOYEES OR BY OTHERS THAT ARISE FROM YOUR EMPLOYMENT PRACTICES IN ACCORDANCE WITH THE INDEMNIFICATION PROCEDURES SET FORTH IN SECTION 20.B.**

L. Designated Manager.

You shall designate and retain an individual to serve as your Designated Manager. The Designated Manager as of the date of this Agreement is identified in Attachment C to this Agreement. Unless waived in writing by Franchisor, the Designated Manager shall meet all of the following qualifications:

(2) He or she, at all times, shall have full control over the day-to-day activities and operations of the Franchised Business and shall devote full time and best efforts to supervising the operation of the Franchised Business (and any other Sylvan Learning businesses that you own and operate pursuant to a franchise agreement with Franchisor) and shall not engage in any other business or activity, directly or indirectly, that requires substantial management responsibility or time commitment;

(3) He or she shall successfully complete the initial training program and any additional training required by Franchisor;

(4) Franchisor shall have approved him or her as meeting its then-current Standards for such position, and not have later withdrawn such approval;

(5) He or she shall have executed and delivered to Franchisor the Undertaking and Guaranty in the form attached to this Agreement as Attachment D (or then-current form if later appointed) if he or she is an Owner with more than 10% ownership interest in you; and

(6) He or she shall have executed and delivered to Franchisor a Confidentiality and Non-Competition Agreement in the form attached to this Agreement as Attachment E (or then-current form if later appointed) if he or she is also an Owner.

If the Designated Manager ceases to serve in, or no longer qualifies for such position, you shall inform the Franchisor immediately and designate another qualified person to serve as your Designated Manager within 30 days. Franchisor reserves the right to approve or reject your replacement Designated Manager. Your approved replacement Designated Manager must successfully complete the initial training program and execute and deliver to Franchisor a Confidentiality and Noncompete Agreement in the form prescribed by Franchisor before assuming Designated Manager responsibilities. **We reserve the right to charge** you our then-current training fee to train your new Designated Manager. Franchisee acknowledges and agrees that Franchisor shall have the right to rely upon the Designated Manager as having responsibility and decision-making authority regarding the Franchised Business's operation and Franchisee's business.

M. Signs and Logos.

Subject to any applicable local ordinances, you shall prominently display at the Franchised Business premises such interior and exterior signs, logos, and advertising of such nature, form, color, number, location, and size, and containing the content and information that Franchisor may from time-to-time direct. You shall not display in or about the Franchised Business premises or otherwise regarding the Proprietary Marks any unauthorized sign, logo, or advertising media of any kind.

N. Entertainment Equipment.

You shall not permit to be installed at the Franchised Business premises any juke box, vending or game machine, gum machine, game, ride, gambling or lottery device, coin or token operated machine, or any other music, film, or video device not authorized by Franchisor.

O. Compliance with Lease and other Agreements.

Franchisee shall comply with all terms of its lease or sublease or the agreement governing its access to and use of Approved Location in which the Franchised Business operates, its financing agreements (if any), and all other agreements affecting the operation of the Franchised Business; shall undertake best efforts to maintain a good and positive working relationship with its landlord, lessor, and/or the party controlling the site in which the Franchised Business operates; and shall not engage in any activity which may jeopardize Franchisee's right to remain in possession of or access to, or to renew the lease, sublease or other agreement for, the premises of the Franchised Business.

Franchisee must at all times pay its distributors, contractors, suppliers, trade creditors, employees, lessors, lenders, tax authorities, and other creditors, promptly as the debts and obligations to such persons become due. Failure to do so shall constitute a breach of this Agreement.

P. Compliance with Laws and Good Business Practices.

You shall secure and maintain in full force in your name and at your expense all required licenses, permits, and certifications relating to the operation of the Franchised Business, including without limitation any licenses, permits, and certifications that may be required in the jurisdiction in which the Franchised Business is located with respect to services and programs (e.g., after-school programs and children's camps) offered at your Franchised Business. You shall operate the Franchised Business in full compliance with all laws, ordinances, and regulations including, without limitation, all laws or regulations governing or relating to immigration and discrimination, occupational hazards, employment laws (including, without limitation, workers' compensation insurance, unemployment insurance, and the withholding and payment of federal and state income taxes and social security taxes) and the payment of sales taxes. All advertising and promotion for the Franchised Business shall be completely factual and shall conform to the highest standards of ethical advertising and all governing law, including truth in advertising laws. In all dealings with the Franchised Business' customers, suppliers, and the public, you shall adhere to the highest standards of honesty, integrity, fair dealing, and ethical conduct. You acknowledge that the quality of customer service, and every detail of appearance and demeanor of you and your employees, is material to this Agreement and the relationship created and licenses granted hereby. Therefore, you shall endeavor to maintain high standards of quality and service in the operation of the Franchised Business, including operating in strict compliance with all applicable standards, rules, and regulations. You shall at all times give prompt, courteous, and efficient service to customers of the Franchised Business. You shall refrain from any business or advertising practices that may be injurious to the good will associated with the Proprietary Marks or to Sylvan Learning Brand, Franchisor or its Affiliates, the System, or other System franchisees.

You shall notify Franchisor in writing within five days after the commencement of: (1) any action, suit, or proceeding, or the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, which may adversely affect the operation of the Franchised Business or your financial condition; or (2) any notice of violation of any law, ordinance, or regulation relating to health or sanitation at the Franchised Business.

Q. Payment of Taxes and Other Indebtedness.

You shall promptly pay, when due, all taxes levied or assessed by any federal, state, or local tax authority and any and all other indebtedness incurred by you in the operation of the Franchised Business. In the event of any bona fide dispute as to liability for taxes assessed or other indebtedness, you may contest

the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or governing law; provided, however, in no event shall you permit a tax sale or seizure by levy of execution or similar writ or warrant, or attachment by a creditor, to occur against the premises of the Franchised Business or any improvements thereon.

R. Membership Program.

Franchisor has established a multi-tier membership program for SYLVAN LEARNING® businesses (the “Membership Program”). You are obligated to participate in the Membership Program in accordance with the terms set forth in this Agreement and the Manual. All Membership Program fees you collect from members will be included in your Gross Sales and subject to the monthly Royalty Fee and other fees.

You must comply with the Standards for the Membership Program set forth in the Manuals, including Membership Program tiers, pricing, and such other terms and conditions as we may establish from time to time. We or our Designated Supplier will administer the Membership Program, and we reserve the right to modify the structure of the Membership Program and the benefits of membership at any time upon notice to you. In connection with the sale of each membership, the customer must enter into a membership agreement with us in the form prescribed by us and we reserve the right to charge each customer a setup or additional fees to be paid to us, the amount of which we may set at our sole discretion, in addition to membership fees that customers may pay directly to you.

You acknowledge that we and our Affiliates have the right, through the point-of-sale or other technology system components, or otherwise, to independent and unrestricted access to lists of the Franchised Business’s members and prospects, including names, addresses and other related information (“Member Information”). If we require your participation, you must sign the Dashboard Access Agreement, attached hereto as Attachment I and pay the relevant fees, and any other reporting software that we require from time to time. We and our Affiliates may use Member Information in our and their business activities, but, during the Term, we and our Affiliates will not use the Member Information that we or they learn from you or from accessing the point-of-sale or other technology system components to compete directly with the Franchised Businesses. Upon termination of this Agreement, we and our Affiliates reserve the right to make any and all disclosures and use the Member Information in any manner that we or they deem necessary or appropriate.

S. Crisis Management Events.

Upon the occurrence of a Crisis Management Event, you must immediately inform Franchisor’s President, Chief Executive Officer, or Chief Legal officer (or as otherwise instructed in the Manuals) by telephone, and to cooperate fully with Franchisor with respect to Franchisor’s response to the Crisis Management Event. You shall also notify Franchisor immediately when you receive any media inquiries concerning the Franchised Business or Approved Location, including, but not limited to, the business operation and incidents and occurrences related to a customer or employee, and you shall direct all media inquiries to Franchisor. You must not communicate directly with the press or media, and you or your employees are prohibited from publishing your own statements on any other media, including on any social media platform. You shall follow all of Franchisor’s policies, procedures, and instructions in every such situation, including, without limitation, managing public relations and communications, as directed by the Franchisor or as specified in the Manuals, whether or not you have retained outside counsel or a public relations firm to assist with such matters.

T. Business Data.

Franchisor may, from time-to-time, specify in the Manuals or otherwise in writing the information that Franchisee shall collect and maintain on the Computer System installed at the Franchised Business, and Franchisee shall provide to Franchisor such reports as Franchisor may reasonably request from the data so collected and maintained. All data pertaining to the Franchised Business, and all data created or collected by Franchisee in connection with the System (including Membership Data), or in connection with

Franchisee's operation of the business (including without limitation data pertaining to or otherwise concerning the Franchised Business's customers) or otherwise provided by Franchisee (including, without limitation, data uploaded to, or downloaded from Franchisee's Computer System) is and will be owned exclusively by Franchisor, and Franchisor will have the right to use such data in any manner that Franchisor deems appropriate without compensation to Franchisee. Copies and/or originals of such data must be provided to Franchisor upon Franchisor's request. Franchisor hereby licenses use of such data back to Franchisee for the term of this Agreement, at no additional cost, solely for Franchisee's use in connection with the business franchised under this Agreement.

U. Call Center.

Franchisor reserves the right to enter into an agreement with an Affiliate or a third-party service provider to establish and operate a Call Center for its franchisees that performs various functions for franchisees, including general customer support and promotion, booking, and selling related to events held at Sylvan Learning businesses. If Franchisor requires your participation, you must participate in utilizing the Call Center and choose one of the payment models indicated on the Summary Page. Franchisee shall have the option to modify its selection of Model A or Model B during the Initial Term by providing thirty (30) days' prior written notice to Sylvan. Sylvan shall invoice Licensee monthly for services provided to the Approved Location and each Additional 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 Franchisee's obligations concerning payment of accounts as set forth in this Agreement. Franchisee shall install such software or elect participation in online platforms that are required for participation in the Call Center.

SYLVAN DOES NOT GUARANTY OR WARRANT THAT THE SERVICES PROVIDED BY THE CALL CENTER WILL RESULT IN ANY MINIMUM VOLUME OF SALES OR ANY MINIMUM NUMBER OF CONVERSIONS FROM CALLS TO SALES, NOR THAT THE CALL CENTER WILL BE ABLE TO RESOLVE ALL ISSUES PRESENTED BY FRANCHISEES. EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT, ALL SERVICES ARE BEING PROVIDED BY THE CALL CENTER IS "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.

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;

(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.

(5) Franchisee shall establish the tuition and other charges applicable under Franchisee's Third-Party Contracts, and shall make such revenue information available to Franchisor upon request. Franchisee 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.

12. ORGANIZATION OF THE FRANCHISEE ~~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.

A. Representations.

The Franchisee is required to be a Business Entity. If the Agreement was signed under the Franchisee's individual capacity, then such individuals are required to execute the Franchisor's form of the assignment and assumption agreement assigning this Agreement to the Business Entity within 30 days of the Effective Date.

If you are a Business Entity, you make 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 Franchised Business is located; (3) execution of this Agreement and the development and operation of the Franchised Business is permitted by its governing documents; and (4) unless waived in writing by Franchisor, 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 Sylvan Learning businesses.

If you are an individual, or a partnership comprised solely of individuals, you 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 17 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.

B. Governing Documents.

If you are a corporation, copies of your 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 Franchisor. If you are a limited liability company, copies of your 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 Franchisor. If you are a general or limited partnership, copies of your 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 Franchisor, 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 your written partnership agreement or governing law. When any of these governing documents are modified or changed, you must promptly provide copies of the modifying documents to Franchisor.

C. Ownership Interests.

If you are a Business Entity, you represent that all of your equity interests are owned as set forth on Attachment C to this Agreement. In addition, if you are a corporation, you 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 you are a limited liability company, you shall maintain a current list of all members (and the percentage membership interest of each member). If you are a partnership, you 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). You shall comply with Article 17 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 C is true, accurate, and complete at all times. You must also provide a copy of the Business Entity's EIN and execute a new ACH Authorization Agreement (Attachment H), if the EIN changes.

D. Restrictive Legend.

If you are a corporation, you shall maintain stop-transfer instructions against the transfer on your 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 LEARNING® Franchise Agreement(s) to which the corporation is a party." If you are 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 SYLVAN LEARNING® Franchise Agreement(s) to which the limited liability company is a party." If you are a partnership, your 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.

E. Guarantees.

If you are a Business Entity, each Owner (and if you are a limited partnership, each of your general partner's Owners) who owns greater than 10% ownership interest in you shall execute the Undertaking and Guaranty attached hereto as Attachment D and all Owners shall execute the Confidentiality and Non-Competition Agreement attached hereto as Attachment E.

13. PROPRIETARY MARKS AND INTELLECTUAL PROPERTY~~Licensee agrees not to use or modify any such Website without Sylvan's prior written approval as to such proposed use or modification.~~

A. Acknowledgments.

You expressly understand and acknowledge that: (1) as between you and Franchisor, Franchisor is the exclusive owner of all right, title, and interest in and to the Proprietary Marks (and all goodwill symbolized by them) and the Intellectual Property; (2) the Proprietary Marks are valid and serve to identify the System and those who are licensed to operate a Franchised Business in accordance with the System; (3) your use of the Proprietary Marks and Intellectual Property pursuant to this Agreement does not give you any ownership interest or other interest in or to them, except the nonexclusive license to use them in accordance with this Agreement and the Standards; (4) any and all goodwill arising from your use of the Proprietary Marks, Intellectual Property and the System shall inure solely and exclusively to Franchisor's benefit, and upon expiration or termination of this Agreement, no monetary amount shall be assigned as attributable to any goodwill associated with your use of the System, Intellectual Property or the Proprietary

Marks; (5) the license and rights to use the Proprietary Marks and Intellectual Property granted hereunder to you are nonexclusive; (6) Franchisor may itself use, and grant franchises and licenses to others to use, the Proprietary Marks, Intellectual Property, and the System; (7) Franchisor may establish, develop and franchise other systems, different from the System licensed to you herein, without offering or providing you any rights in, to, or under such other systems; and (8) Franchisor may add to, eliminate, modify, supplement, or otherwise change, in whole or in part, any aspect of the Proprietary Marks or Intellectual Property.

B. Modification of the Proprietary Marks and Intellectual Property.

Franchisor reserves the right to add to, eliminate, modify, supplement, or otherwise change any of the Proprietary Marks and Intellectual Property, in whole or in part. You must promptly take all actions necessary to adopt all new and modified Proprietary Marks or Intellectual Property and discontinue using obsolete Proprietary Marks or Intellectual Property which may include, among other things, acquiring and installing, at your expense, new interior and exterior signage and graphics.

C. Use of the Proprietary Marks and Intellectual Property.

You shall use only the Proprietary Marks and Intellectual Property designated by Franchisor and shall use them only in connection with the operation and promotion of the Franchised Business and in the manner required or authorized and permitted by Franchisor. Your right to use the Proprietary Marks and Intellectual Property is limited to the uses authorized under this Agreement and in the Manual, and any unauthorized use thereof shall constitute an infringement of Franchisor's rights and grounds for termination of this Agreement.

You shall not use all or any recognizable portion of the Proprietary Marks or the trademarks of any of Franchisor's Affiliates as part of your Business Entity or other legal name, and may not use them to incur any obligation or indebtedness on Franchisor's behalf. You shall comply with all requirements of Franchisor's and governing law and local laws concerning use and registration of fictitious and assumed names and shall execute any documents deemed necessary by Franchisor or its counsel to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability. You shall not use any confusingly similar trademarks in connection with the Franchise Business or any other business in which you or any Affiliate has an interest.

Franchisor reserves the right to approve all signs, memos, stationery, business cards, advertising material forms and all other objects and supplies using the Proprietary Marks. All advertising, publicity, point of sale materials, signs, decorations, furnishings, equipment, or other materials employing the Proprietary Marks shall be in accordance with this Agreement and the Manuals, and Franchisee shall obtain Franchisor's approval prior to such use.

Upon the expiration, termination, or non-renewal of this Agreement, Franchisee shall immediately cease using the Proprietary Marks and Intellectual Property, color combinations, designs, symbols, or slogans; and Franchisor may cause Franchisee to execute such documents and take such action as may be necessary to evidence this fact. After the effective date of expiration, termination, or non-renewal, Franchisee shall not represent or imply that it is associated with Franchisor or Sylvan Learning franchise. To this end, Franchisee irrevocably appoints Franchisor or its nominee to be Franchisee's attorney-in-fact to execute, on Franchisee's behalf, any document or perform any legal act necessary to protect the Proprietary Marks from unauthorized use. Franchisee acknowledges and agrees that the unauthorized use of the Proprietary Marks and Intellectual Property will result in irreparable harm to Franchisor for which Franchisor may obtain injunctive relief, monetary damages, attorneys' fees, and costs.

D. Internet and Social Media Usage.

You may not cause or allow all or any recognizable portion of the Proprietary Marks to be used or displayed as all or part of an e-mail address, Internet domain name, uniform resource locator ("URL"), or

meta-tag, or in connection with any Internet home page, web site, landing pages, mobile channels, or any other Internet-related activity without Franchisor's express written consent, and then only in a manner and in accordance with the procedures, standards and specifications that Franchisor establishes. This prohibition includes use of the Proprietary Marks or any derivative of the Proprietary Marks as part of in the registration of any username on any gaming website, personal blogs or social networking website including, but not limited to, Facebook, LinkedIn, Yelp, Pinterest, Instagram, Tik Tok or X (formerly known as Twitter), or any virtual worlds, file sharing, audio sharing and video-sharing sites. You will at all times during the Term comply with our social media and networking policies which will be provided to you in the Manual, and may be modified, amended, or terminated by us at any time.

E. Customer Data.

All customer information collected by Franchisee in connection with the operation of the Franchised Business ("Customer Data"), and all revenues Franchisor derives from such Customer Data, will constitute our sole property, and be considered Confidential Information. Franchisor may use such Customer Data for any reason without compensation to Franchisee. You will assign all rights in Customer Data to us as further described in Section 13.F. You will provide copies of all Customer Data to us upon request. At your sole risk and responsibility, you may use Customer Data that you acquire solely in connection with operating the Franchised Business to the extent your use is permitted by governing law. Upon expiration, termination or transfer of your Franchise Agreement, you must immediately cease using all Customer Data and all copies of Customer Data must be returned to us and removed from your POS, computer hardware and software and any other form of electronic media or hard copy in your possession or to which you have access.

In connection with collecting, storing and using Customer Data, you will: (1) comply with all applicable privacy laws ("Privacy Laws"); (2) comply with all Standards that relate to Privacy Laws and the privacy and security of Customer Data; (3) comply with any posted privacy policy and other representations made to the individual identified by Customer Data you process and communicate any limitations required thereby to any authorized receiving party in compliance with all Privacy Laws; (4) refrain from any action or omission that could cause Franchisor to breach any Privacy Laws; (5) maintain reasonable physical, technical and administrative safeguards for Customer Data and other Confidential Information that is in your possession or control in order to protect the same from unauthorized processing, destruction, modification or use that would violate the Franchise Agreement or any Privacy Law; (6) do and sign, or arrange to be done and signed, each act and document we deem necessary in our business judgment for us to maintain compliance with Privacy Laws; and (7) immediately report to us any theft or loss of Customer Data (other than the Customer Data of your own officers, directors, shareholders, employees or service providers).

You will, upon our request, provide us or representatives with: (1) information, reports and the results of any audits performed on your Franchised Business regarding your data security policies, security procedures or security technical controls related to Customer Data; and (2) access to your technology systems and related records, policies and practices that involve processing Customer Data in order to mitigate a security incident or so that an audit may be conducted.

In addition to the indemnity obligations set forth in Section 20.B. and in accordance with the indemnification procedures set forth in Article 20, you will indemnify, defend and hold us harmless from losses arising out of or relating to any theft, loss or misuse of Customer Data for your breach of any of the terms, conditions or obligations relating to data security, privacy or Customer Data set forth in this Agreement.

You will immediately notify us upon discovering or otherwise learning of any theft, loss or misuse of Customer Data. You will, at your sole cost and expense, undertake remediation efforts and reasonably cooperate in any remediation efforts undertaken by us and further will implement corrective actions to prevent the recurrence of a similar incident. You will comply with the crisis management policies set forth

in the Manual in connection with any data security incident involving your Franchised Business or Sylvan Learning system and will refrain from making any public comment with respect to such incident, including without limitation communications with customers regarding such incident, except as directed by us or in accordance with governing law. You will provide all documentation and information to us related to any incident involving the unauthorized access or use of Customer Data. Where you are required by governing law to notify customers directly about the incident, you must notify us in writing promptly after concluding that you have such a legal obligation and you will limit such notice to the customers to whom you are legally required to provide notice. You will reasonably cooperate with us in connection with any notice to customers and will assist in sending notices to such customers at our request.

F. Assignment of Rights.

In addition to your obligations set forth in Article 10 with respect to development of new concepts, modifications or improvements to the System, to the extent that you or any Owner or personnel creates any derivative work based on the Proprietary Marks or Intellectual Property (“Derivative Works”), you and each such Owner and personnel hereby permanently and irrevocably assigns to Franchisor all rights, interests, and ownership (including intellectual property rights and interests) in and to the Derivative Works, and agree to execute such further assignments as Franchisor may request. The term “Derivative Works” shall be interpreted to include, without limitation: any and all of the following which is developed by you, or on your behalf, if developed in whole or in part in connection with your Franchised Business: all products or services; all variations, modifications and/or improvements on products or services; your means, manner and style of offering and selling products and services; management techniques or protocols you may develop (or have developed on your behalf); all sales, marketing, advertising, and promotional programs, campaigns, or materials developed by you or on your behalf; and, all other intellectual property developed by you or on behalf of your Franchised Business.

Franchisor may authorize itself, its Affiliates, and other Franchised Businesses to use and exploit any such rights assigned by this Section 13.F. The sole consideration for your assignment to Franchisor of the foregoing rights shall be Franchisor’s grant of the Franchise conferred to you under this Agreement. You and each Owner shall take all actions and sign all documents necessary to give effect to the purpose and intent of this Section 13.F. You and each Owner and personnel irrevocably appoint Franchisor as true and lawful attorney-in-fact for you and each Owner and authorize Franchisor to take such actions and to execute, acknowledge, and deliver all such documents as may from time-to-time be necessary to convey to Franchisor all rights granted herein.

G. Infringement; Notice of Claims.

If you become aware of any infringement of the Proprietary Marks or Intellectual Property or if your use of the Proprietary Marks or Intellectual Property is challenged by a third party, then you must immediately notify Franchisor. Franchisor shall have the exclusive right to take whatever action it deems appropriate. If Franchisor or its Affiliate undertakes the defense or prosecution of any litigation pertaining to any of the Proprietary Marks or other intellectual property, you must sign all documents and perform such acts and things as, in the opinion of Franchisor’s counsel, may be necessary to carry out such defense or prosecution. If it becomes advisable at any time in the sole discretion of Franchisor to modify or discontinue the use of any Proprietary Mark or Intellectual Property, or to substitute a new mark or graphic for any Proprietary Mark or Intellectual Property, as applicable, you must promptly comply, at your expense (which may include the cost of replacement signage and/or trade dress), with such modifications, discontinuances, or substitutions within 60 days following your receipt of written notice of the change.

H. Remedies and Enforcement.

You acknowledge that violation of this Article 13 is a material breach of this Agreement for which Franchisor may terminate this Agreement pursuant to Section 18.B. You acknowledge that in addition to any remedies available to Franchisor under this Agreement, you agree to pay all court costs and attorneys’

fees incurred by Franchisor in obtaining specific performance of, a temporary restraining order and/or an injunction against violation of the provisions of this Article 13.

14. CONFIDENTIALITY OBLIGATIONS AND RESTRICTIVE COVENANTS~~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.~~

A. Confidential Information.

You and each Owner acknowledge that all Confidential Information belongs exclusively to Franchisor. You and each Owner agree to use and permit the use of the Confidential Information only in connection with the operation of your Franchised Business, to maintain the confidentiality of all Confidential Information, to not duplicate any materials containing Confidential Information. You and each Owner further agree that you will not at any time, during the term of this Agreement and after expiration or earlier termination of this Agreement: (1) divulge any Confidential Information to anyone, except to your employees and professional advisors having a need to know who are subject to a confidentiality agreement with you (the form of which shall contain at least the same level of confidentiality and degree of care related to nondisclosure required under this Agreement); (2) divulge or use any Confidential Information for the benefit of yourself, your Owners, or any third party (including any person, business entity, or enterprise of any type or nature), except in the operation of your Franchised Business, and then only in strict compliance with the Manual and System; or (3) directly or indirectly imitate, duplicate, or "reverse engineer" any of our Confidential Information, or aid any third party in such actions; or (4) enter any Confidential Information into any third-party artificial intelligence platform, data processor, or any other type of computational processor or algorithm connected to the internet, including but not limited to ChatGPT, Gemini, DeepSeek and other processors utilizing algorithms that share and extract information from the internet.

Upon the expiration or earlier termination of this Agreement, you will return to Franchisor all Confidential Information which is then in your possession, including, without limitation, customer lists and records, all training materials and other instructional content, all financial and non-financial books and records, the Manual and any supplements to the Manual, and all computer databases, software, and manual. Franchisor reserves the right, upon its specific written request, to require you to destroy all or certain such Confidential Information and to certify such destruction to Franchisor. You specifically acknowledge that all customer lists or information adduced by your Franchised Business is not your property, but is Franchisor's property, and you further agree to never contend otherwise.

You shall cause your Designated Manager and any employee, professional advisors or other third party with authorized access to Confidential Information as described in this Section 14.A., including information contained in the Manual, to sign a confidentiality agreement in a form prescribed by Franchisor, which identifies Franchisor as a third-party beneficiary of such agreement and gives Franchisor independent rights of enforcement.

The provisions of this Section 14.A. will survive expiration or termination of this Agreement.

B. Covenants of the Franchisee.

You acknowledge that you and your Owners will receive valuable specialized training and Confidential Information, including, without limitation, information regarding development and operation methods, strategies, and procedures; sales, promotional, and marketing methods; techniques and other trade secrets of Franchisor and the System.

You covenant and agree that during the term of this Agreement, you will not, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person, or legal entity:

(2) Divert or attempt to divert any present or prospective customer of any Sylvan Learning 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 Proprietary Marks and the System; or

(3) Own, maintain, advise, operate, engage in, be employed by, make loans to, invest in, provide any assistance to, or have any interest in (as owner or otherwise) or relationship or association with, any Competitive Business other than Sylvan Learning businesses operated by you or your Affiliates pursuant to a then-currently effective franchise agreement with Franchisor, at any location within the United States, its territories or commonwealths, or any other country, province, state, or geographic area in which Franchisor or its Affiliates have used, sought registration of, or registered the Proprietary Marks or similar marks, or have operated or licensed others to operate a business under the System or the Proprietary Marks or similar marks; provided that such restriction shall not apply to less than a 5% beneficial interest in any publicly traded corporation.

You further covenant and agree that for a two (2)-year continuous and uninterrupted period (which shall be tolled during any period of noncompliance) commencing upon expiration or termination of this Agreement, regardless of the reason for termination, you will not, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person, or legal entity:

(4) Divert or attempt to divert any present or prospective customer of any Sylvan Learning 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 Proprietary Marks and the System; or

(5) Own, maintain, advise, operate, engage in, be employed by, make loans to, invest in, provide any assistance to, or have any interest in (as owner or otherwise) or relationship or association with, any Competitive Business (other than Sylvan Learning businesses operated by you or your Affiliates pursuant to a then-currently effective Franchise Agreement with Franchisor), that either: (a) is, or is intended to be, located (i) at the location of any former Sylvan Learning business; (ii) within a 25-mile radius of your former Franchised Business location; or (iii) within a 25-mile radius of any other Sylvan Learning business in existence or under development at the time of such termination or transfer; or (b) delivers services through the internet or mobile channels to customers within a 25-mile radius of your former Franchised Business location.

Franchisee and its Owners shall not communicate or publish, directly or indirectly, any disparaging comments or information about Franchisor or the System during the term of this Agreement or thereafter. This provision shall include, but not be limited to, communication or distribution of information through the Internet via any Electronic Media.

C. Covenants of the Franchisee's Owners.

During the term of this Agreement, your Owners will not, either directly or indirectly, for themselves, or through, on behalf of, or in conjunction with any person, or legal entity:

(2) Divert or attempt to divert any present or prospective customer of any Sylvan Learning 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 Proprietary Marks and the System; or

(3) Own, maintain, advise, operate, engage in, be employed by, make loans to, invest in, provide any assistance to, or have any interest in (as owner or otherwise) or relationship or association with, any Competitive Business other than Sylvan Learning businesses operated by you or your Affiliates pursuant to a then-currently effective Franchise Agreement with Franchisor, at any location within the United States, its territories or commonwealths, or any other country, province, state, or geographic area in

which Franchisor or its Affiliates have used, sought registration of, or registered the Proprietary Marks or similar marks, or have operated or licensed others to operate a business under the System or the Proprietary Marks or similar marks; provided that such restriction shall not apply to less than a 5% beneficial interest in any publicly traded corporation.

For a two (2) year continuous and uninterrupted period (which shall be tolled during any period of noncompliance) commencing upon the earlier of (i) expiration or termination of this Agreement, regardless of the cause for termination, (ii) dissolution of the franchisee entity, or (iii) the transfer or redemption of an Owner's interest in the franchisee entity, your Owners will not, either directly or indirectly, for themselves, or through, on behalf of, or in conjunction with any person, or legal entity:

(4) Divert or attempt to divert any present or prospective customer of any Sylvan Learning 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 Proprietary Marks and the System; or

(5) Own, maintain, advise, operate, engage in, be employed by, make loans to, invest in, provide any assistance to, or have any interest in (as owner or otherwise) or relationship or association with, any Competitive Business (other than Sylvan Learning businesses operated by you or your Affiliates pursuant to a then-currently effective Franchise Agreement with Franchisor), that either: (a) is, or is intended to be, located (i) at the location of any former Sylvan Learning business; (ii) within a 25-mile radius of your former Franchised Business location; or (iii) within a 25-mile radius of any other Sylvan Learning business operating under the System and Proprietary Marks in existence or under development at the time of such termination or transfer; or (b) delivers services through the internet or mobile channels to customers within a 25-mile radius of your former Franchised Business location.

At Franchisor's request, each Owner shall execute a separate agreement containing the terms contained in this Section 14.C.

D. Reformation and Reduction of Scope of Covenants.

If any part of these restrictions contained in this Article 14 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, Franchisee or any of its Owners fails to comply with its obligations under this Article 14, that period of non-compliance will not be credited toward satisfaction of the two-year period.

Franchisee understands and acknowledges that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Article 14, or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof; and Franchisee agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Article 23 hereof.

E. Acknowledgments.

The parties and each Owner acknowledge and agree that any claims that you or such Owner may have or allege to have against Franchisor shall not constitute a defense to the enforcement of any covenant contained in this Article 14 or any Confidentiality and Non-Competition Agreement (or equivalent) signed by such Owner.

F. No Undue Hardship.

You and each Owner acknowledge and agree that the covenants set forth in this Article 14 are fair and reasonable. You acknowledge and agree that such covenants will not impose any undue hardship on you and that you have other considerable skills, experience, and education affording you the opportunity to

derive income from other endeavors. Each Owner acknowledges and agrees that such covenants will not impose any undue hardship on him or her, and that each has other considerable skills, experience, and education affording him or her the opportunity to derive income from other endeavors. Nothing in this Article 14 or this Agreement shall be interpreted to prevent you and your Owners from (i) communicating with or providing information to any federal or state agency or (ii) otherwise complying with any federal, state, or local law.

G. Injunctive Relief.

You and each Owner acknowledge that the violation of any covenant contained in this Article 14 would result in immediate and irreparable injury to Franchisor for which there is no adequate remedy at law. The parties acknowledge and agree that, in the event of a violation of any covenant contained in this Article 14, Franchisor shall be entitled to seek injunctive relief to restrain such violation in accordance with the usual equity principles. The party in violation of any foregoing covenant shall reimburse Franchisor for any costs that it incurs (including attorneys' fees) in connection with enforcement of the provisions contained in this Article 14.

15. BRAND DEVELOPMENT; MARKETING~~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.~~

A. General Requirements and Local Marketing Expenditure.

In addition to contributions to the NAF, you must make the Local Marketing Expenditure and the Advertising Cooperative contribution under Section 15.C., as designated by Franchisor. The Local Marketing Expenditure is set forth in the Summary Page. At Franchisor's request, Franchisee will furnish Franchisor with copies of invoices and other documentation reasonably satisfactory to Franchisor evidencing compliance with this Section 15.A. If Franchisor determines that Franchisee's Local Marketing Expenditure, combined with the Advertising Cooperative contribution, total less than the then-current percentage of Gross Sales required by Franchisor during the then-most recently completed three consecutive months, Franchisor may notify Franchisee of any additional amounts that Franchisee must spend (up to the then-current percentage of Gross Sales required by Franchisor) on local marketing, and if Franchisee has not spent such additional amounts (in addition to any ongoing marketing requirements) by the end of the three-month period following the month in which Franchisee receives such notice, then Franchisor may collect those unspent amounts directly from Franchisee's account pursuant to Section 6.G. and contribute them to the NAF, without any liability or obligation to use such funds for Franchisee's local advertising. Alternatively, at Franchisor's discretion, Franchisor or its Affiliate may collect these Local Marketing Expenditure monies from you and place the advertising on your behalf. Franchisor will provide Franchisee with not less than 30 days' notice of any determination which changes the amount of the Local Marketing Expenditure Franchisee must spend.

You shall focus your marketing activities only within your Protected Area. You may engage in direct marketing activities in the Protected Area. For purposes of this agreement, "direct marketing activities" include, without limitation, personal solicitations, direct mailings, sporting event sponsorships and advertising, and school event sponsorships and advertising. "Direct marketing activities" does not include web site advertising or targeted emails or text messages to existing customers. Franchisor may develop policies and procedures that apply to all types of advertising and marketing efforts, including social media advertising, and Franchisee shall comply with such policies and procedures. You may not conduct marketing activities outside of your Protected Area, unless Franchisor provides you with written consent specifically identifying the additional areas and time frame in which you may market outside of your Protected Area.

All of your promotional and marketing materials shall comply with governing law and conform to Franchisor's standards and specifications related to advertising, marketing, and trademark use. You shall submit to Franchisor samples of proposed promotional and marketing materials, and notify Franchisor of the intended media, before first publication or use. Franchisor will use good faith efforts to approve or disapprove proposed promotional and marketing materials within ten (10) business days after receipt. You may not use the promotional or marketing materials until Franchisor expressly approves the materials and the proposed media. Once approved, you may use the materials only in connection with the media for which they were approved. Franchisor 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.

Franchisor reserves the right to identify a Designated Supplier, who may be Franchisor's Affiliate, of local and regional marketing services and/or establish a Systemwide Supply Contract for local and regional marketing services. In such case, Franchisor may collect all or a portion of the Local Marketing Expenditure in accordance with Section 6.G. and apply it to fees payable to the Designated Supplier for such local and regional marketing services. Franchisor also reserves the right to appoint its Affiliate to provide local and regional marketing services to Franchisee, and if established, Franchisee is required to submit a portion or all of the Local Marketing Expenditure to such Affiliate to satisfy the requirements under this Section 15.A. If the full amount of the Local Marketing Expenditure is applied to fees due under such a Systemwide Supply Contract, then Franchisee may, but is not required to, conduct additional or supplemental local marketing activities in accordance with this Section 15.A. If Franchisor collects less than the full amount of the Local Marketing Expenditure, then Franchisee must spend the remaining Local Marketing Expenditure in its marketing activities in its Protected Area in accordance with this Section 15.A.

Franchisee acknowledges and agrees that any and all copyrights in and to advertising and promotional materials developed by or on behalf of Franchisee shall be the sole property of Franchisor, and Franchisee agrees to execute such documents (and, if necessary, require its independent contractors to execute such documents) as may be deemed reasonably necessary by Franchisor to give effect to this provision. Any advertising, marketing, promotional, public relations, or sales concepts, plans, programs, activities, or materials proposed or developed by Franchisee for the Franchised Business or the System and approved by Franchisor may be used by Franchisor and other operators under the System of Franchisor without any compensation to Franchisee.

B. Grand Opening Advertising.

You agree to spend at least the Grand Opening Advertising Amount set forth in the Summary Page in accordance with the Standards to promote the opening of your Franchised Business. Franchisor reserves the right to require a Designated Supplier, which may be its Affiliate, to conduct your Grand Opening Advertising. Franchisor reserves the right to require the Grand Opening Advertising Amount to be paid directly to a Designated Supplier, or itself or its Affiliate, which will then spend it on Franchisee's behalf. Franchisee shall pay the Grand Opening Advertising Amount to the appropriate party at least 60 days before the Franchisor-approved grand opening date of the Franchised Business. The grand opening advertising shall commence approximately 60 days before the grand opening date and end approximately 60 days thereafter. All grand opening advertising and promotional materials shall be submitted to Franchisor for approval pursuant to Section 15.A., above. The Grand Opening Advertising Amount shall not be credited towards the Local Marketing Expenditure requirements.

C. Advertising Cooperatives.

Franchisor may, from time-to-time, form local or regional advertising cooperatives (each an "Advertising Cooperative") to pay for the development, placement, and distribution of advertising for the benefit of Franchised Businesses located in the geographic region served by the Advertising Cooperative. Any Advertising Cooperative established by Franchisor will be operated solely as a conduit for the collection and expenditure of Advertising Cooperative fees for the foregoing purposes.

If Franchisor forms an Advertising Cooperative for the region in which the Franchised Business is located, you agree to participate in the Advertising Cooperative pursuant to the terms of this Section 15.C.

Franchisor shall have the exclusive right to create, dissolve, and merge each Advertising Cooperative created, in its discretion, and to create and amend the organizational and governing documents related thereto, provided that such documents shall: (1) operate by majority vote, with each Sylvan Learning business (including those owned or managed by Franchisor or its Affiliates) entitled to one vote; (2) entitle Franchisor to cast one vote (in addition to any votes it may be entitled to on account of its ownership or operation of Sylvan Learning businesses in the area served by the Advertising Cooperative); (3) permit the members of the Advertising Cooperative, by majority vote, to determine the amount of required contributions; and (4) provide that any funds left in the Cooperative at the time of dissolution shall be returned to the members in proportion to their contributions during the 12-month period immediately preceding termination. If the majority of the voting power of an Advertising Cooperative consists of Sylvan Learning businesses owned by Franchisor or its Affiliates, contributions will not exceed \$10,000 per year without the consent of a majority of the remaining members.

You agree to be bound by all organizational and governing documents created by Franchisor and, at Franchisor's request, shall execute all documents necessary to evidence or affirm your agreement. The Advertising Cooperative shall begin operating on a date determined in advance by Franchisor.

No advertising or promotional plans or materials may be used by the Advertising Cooperative or furnished to its members without Franchisor's prior approval. All advertising plans and materials must conform to the Standards and must be submitted to Franchisor for approval according to the procedures set forth in Section 15.A. of this Agreement.

D. Restriction Against Internet Advertising.

You may not establish or maintain a web site or other presence on the World Wide Web portion of the Internet, including gaming websites or social networking websites such as, but not limited to, FACEBOOK, LINKEDIN, TIKTOK, YELP, or X (formerly known as Twitter), which reflects any of the Proprietary Marks or any of Franchisor's copyrighted works, that includes the term "Sylvan Learning" or "Sylvan" as part of its URL or domain name, that otherwise states or suggests your affiliation with Sylvan Learning brand or franchise system, or that uses or displays any collateral merchandise offered at the Franchised Business, without Franchisor's express written consent, and then only in a manner and in accordance with the procedures, standards and specifications that Franchisor establishes. Our social media and networking policies will be provided to you in the Manual, and may be modified, amended, or terminated by us at any time.

E. NAF.

Franchisor may implement and administer the NAF for the creation and development of marketing, advertising, and related programs, campaigns and materials for the implementation of Franchisor's Brand positioning. If created, Franchisee will contribute the NAF Contribution to the NAF as set forth in Section 6.D. of this Agreement unless Franchisor suspends, at its option, collection of the NAF Contribution. Franchisor may, at its sole option, increase the NAF Contribution upon 30 days' prior notice to Franchisee, subject to the limitations in Section 15.A.

Franchisor will direct all initiatives related to the positioning of the Brand using the NAF, including without limitation advertising and marketing programs (e.g. research methods, branding, creative concepts and materials, sponsorships, and endorsements used in connection therewith); selection of geographic and media markets; and media placement and the allocation thereof. Franchisor may use the NAF to pay the costs of research (including without limitation product and services research and development, curriculum and program development), market research (e.g. customer engagement with the Brand, including design and décor, concept development, uniform design, customer service techniques, customer research and focus groups) creation and production of video, audio, electronic, and written advertising and marketing

programs; administration of regional, multi-regional, and national advertising and marketing programs, customer research and surveys, and testing and related development activities; promotional events; purchasing and participating in online, social media, radio, television, and billboard advertising and programming; employing marketing, advertising and promotional agencies to assist therewith; conducting community relations activities; supporting public relations, maintenance of the System websites, and online presence; reasonable administrative expenses (including, but not limited to wages), public relations activities, Crisis Management Event management, employing a director and agencies to assist therein, defraying such salaries, administrative costs and overhead as Franchisor may incur in connection with such activities and other purposes deemed beneficial by Franchisor; and such other advertising, marketing, and promotional activities as Franchisor determines are appropriate for Sylvan Learning businesses and the Proprietary Marks and System under which they operate. For the avoidance of doubt, Franchisee will ultimately be responsible for the costs associated with the placement of any such marketing and media for the Franchised Business in accordance with Section 15.A. The NAF may furnish Franchisee with samples of advertising, marketing formats, promotional formats, and other materials at no additional cost when Franchisor deems appropriate. Multiple copies of such materials will be furnished to Franchisee at Franchisee's sole cost.

(2) Accounting. The NAF will be accounted for separately from Franchisor's other funds and will not be used to defray any of Franchisor's general operating expenses, except for such reasonable salaries, administrative costs, travel expenses, and overhead as Franchisor may incur in activities related to the administration of the NAF and its programs, including as described in this Section 15.E. and with respect to collecting and accounting for contributions to the NAF. The NAF will be operated solely as a conduit for collecting and expending the NAF Contribution. Franchisor does not act as trustee with respect to the NAF and has no fiduciary duty to Franchisee or its Affiliates, Owners, or any other franchisees with regard to the operation or administration of the NAF. Franchisor may spend, on behalf of the NAF, in any fiscal year, an amount that is greater or less than the aggregate contribution of Sylvan Learning businesses to the NAF in that year, and the NAF may borrow from Franchisor or others to cover deficits or may invest any surplus for future use. All interest earned on monies contributed to the NAF will be used to pay advertising costs before other assets of the NAF are expended. Franchisor will, upon Franchisee's written request (but no more than once annually), provide a copy of its unaudited annual statement of monies collected and costs incurred by the NAF. Franchisor will have the right to cause the NAF to be incorporated or operated through a separate entity at such time as Franchisor deems appropriate, and such successor entity will have all of the rights and duties specified herein.

(3) Proportionality. Franchisee acknowledges that the NAF is intended to maximize recognition of the Proprietary Marks and patronage of Sylvan Learning businesses generally. Although Franchisor will endeavor to utilize the NAF to develop advertising and marketing materials and programs and to place advertising that will benefit the System, Franchisor has no obligation to ensure that expenditures by the NAF in or affecting any geographic area are proportionate or equivalent to the contributions to the NAF by Sylvan Learning businesses operated in that geographic area. Nor is Franchisor under any obligation to ensure that any Sylvan Learning business will benefit directly or in proportion to its NAF Contribution from the development of advertising and marketing materials or the placement of advertising, or that all Sylvan Learning businesses operated by Franchisor or any of its Affiliates will pay the same NAF Contribution. Except as expressly provided in this Section 15.E., Franchisor assumes no direct or indirect liability or obligation to Franchisee with respect to collecting amounts due to, or maintaining, directing, or administering the NAF. Franchisor reserves the right to suspend or terminate (and, if suspended or terminated, to reinstate) the NAF. If the NAF is terminated, all unspent monies on the date of termination accrued will be distributed to franchisees operating Sylvan Learning businesses in proportion to their respective contributions to the NAF accrued during the preceding three-month period, and such amounts will be spent on local marketing in accordance with Section 15.A.

(4) Unleashed Fund. Franchisor or its Affiliate reserves the right to establish an advertising fund separate from the NAF (the “Unleashed Fund”) for advertising activities related to Franchisor’s affiliates. Franchisee will not contribute directly to the Unleashed Fund. When the Unleashed Fund is established, the NAF shall contribute up to 15% of its monthly balance to the Unleashed Fund. The Unleashed Fund is not audited, and Franchisor is not required to provide any financial reports or other reports of Unleashed Fund. Franchisor or its affiliate 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.

F. Loyalty Programs, Prize Promotions, and Promotional Literature.

You shall participate in and offer to your customers all customer loyalty and reward programs, and all contests, sweepstakes, and other promotions that Franchisor may develop from time-to-time. Franchisor will communicate to you in writing the details of each such program and promotion, and you shall promptly display all point-of-sale advertising and promotion-related information at such places within the Franchised Business premises as Franchisor may designate. You shall purchase and distribute all coupons, clothing, toys, and other collateral merchandise (and only the coupons, clothing, toys, and collateral merchandise) designated by Franchisor for use in connection with each such program and promotion.

To the extent that Franchisor or its Affiliate develops or authorizes the sale of gift certificates and/or stored value cards, including programs or gift certificates not specific to Sylvan Learning business, you shall acquire and use all computer software and hardware necessary to process their sale and to process purchases made using such gift certificates or stored value cards. All proceeds from the sale of all gift certificates and stored value cards belong exclusively to Franchisor or its Affiliate, and you shall remit the proceeds of such sales to Franchisor according to the procedures that Franchisor prescribes periodically. Franchisor or its Affiliate shall reimburse or credit to you (at Franchisor’s option) the redeemed value of gift cards and stored value cards accepted as payment for products and services sold by the Franchised Business.

At your expense, you must fully participate in gift card programs, loyalty programs, credit card programs, customer tracking programs, incentive programs, reward programs, and other types of programs (“Customer Card Programs”) that Franchisor develops or designates to support and promote the System. You must comply with all of Franchisor’s procedures and policies for Customer Card Programs in the Manuals. You will, at your sole expense, promptly install at the Franchised Business any acceptance system for Customer Card Programs and/or hardware and software necessary for Customer Card Programs to operate with the Computer System. You must also obtain any services and supplies Franchisor requires from Designated Suppliers in connection with Customer Card Programs. Customer Card Programs may use aspects of the Computer System. Such Customer Card Programs may not be specific to Sylvan Learning business. Franchisor or its Affiliate reserves the right to charge administrative fees for administration of the Customer Card Programs, which may be up to 7% of the redeemed amount.

You also shall display at the Franchised Business premises all promotional literature and information as Franchisor may reasonably require from time-to-time. This may include, among other things, establishing a bulletin board for posting local school and community events and displaying signage or other literature containing information about Sylvan Learning franchise offering.

You also agree to honor such credit cards, courtesy cards, and other credit devices, programs, and plans as may be issued or approved by us from time-to-time. Any customary service charges or discounts from reimbursements charged on such cards or authorizations will be at your sole expense.

G. Social Media Accounts License.

At Franchisee’s request and upon Franchisee’s execution of a terms of use agreement in a form provided by Franchisor, Franchisor may, technology permitting, create all Social Media accounts related to the Franchised Business, and license the account to Franchisee for use in promoting the Franchised Business

while this Agreement is in effect. Franchisee shall follow Franchisor's mandatory specifications, standards, operating procedures, and rules for using Social Media in connection with Franchisee's operation of the Franchised Business and Franchisee agrees to comply with any Social Media policy Franchisor implements. Franchisor shall own all Social Media accounts used in operation of the Franchised Business and shall allow Franchisee's access and use only in strict compliance with this Agreement. Franchisor reserves its right to remove Franchisee's access to Social Media accounts at any time at its sole discretion. Upon termination of this Agreement for any reason, Franchisee's access to all Social Media accounts will terminate. The term "Social Media" includes, without limitation, blogs; common social networks such as FACEBOOK, SNAPCHAT, INSTAGRAM, LINKEDIN, TIKTOK, X (formerly known as Twitter), or YOUTUBE; internet listing sites such as WIKIPEDIA, GOOGLE, and YELP; applications supported by mobile platforms such as iOS and Android; virtual worlds and metaverses; file, audio, and video-sharing sites; and other similar internet, social networking, or media sites, mobile platforms, or tools.

Franchisee shall use all Social Media accounts and all content associated with the Social Media accounts only in connection with the operation and promotion of the Franchised Business. Franchisee has no right to sublicense use of the Social Media accounts. Franchisee acknowledges that Franchisor owns the Social Media accounts, all goodwill, all customer information, all analytical data, and all content associated with the Social Media accounts. Franchisee's use of the Social Media accounts will inure to the sole benefit of Franchisor. Franchisor shall possess exclusive rights to "likes," "favorites," "retweets," "followers," and other similar benefits ("Benefit") that come as a result of Franchisee's use of the Social Media accounts. Nothing herein shall grant Franchisee any right, title or interest in or to the Social Media accounts, goodwill, customer information, analytical data, content, or Benefit associated with the Social Media accounts, other than the right to use it per this Agreement. Franchisee shall take no action inconsistent with Franchisor's ownership of the Social Media accounts, goodwill, customer information, analytical data, content or Benefit associated with the use of the Social Media accounts, or assist any third party in attempting to claim adversely to Franchisor, with regard to such ownership. Without limiting the generality of the foregoing, Franchisee specifically agrees that it will not challenge Franchisor's ownership of the Social Media accounts, goodwill, customer information, analytical data, content or any Benefit associated with the Social Media accounts.

Franchisee undertakes that its use of the Social Media accounts under this Agreement: (a) will comply in all material respects with the applicable platform's terms and conditions in force from time to time; (b) will not breach any governing law, statute, regulation or legally binding code; (c) will not infringe the legal rights of any person in any jurisdiction; (d) will be used only to publish content about the Franchised Business; and (e) will not breach any provision of the Franchise Agreement and will comply at all times with Franchisor's policies, standards, and specifications, as they exist from time to time.

16. INSURANCE~~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.~~

A. Obligation to Maintain Insurance.

You shall be responsible for all loss or damage arising from or related to your development and operation of the Franchised Business, and for all demands or claims with respect to any loss, liability, personal injury, death, property damage, or expense whatsoever occurring upon the premises of, or in connection with the development or operation of, the Franchised Business. You shall procure at your expense and maintain in full force and effect throughout the term of this Agreement that insurance which you determine is necessary or appropriate for liabilities caused by or occurring in connection with the

development or operation of the Franchised Business, including the minimum coverages described in Section 16.B. below and as otherwise set forth in the Manual, as updated from time-to-time. Franchisor may, from time-to-time, designate one or more Designated Suppliers for the required insurance coverages described in Section 16.B., and Franchisee shall comply with the requirements to use such Designated Suppliers, to the extent permitted by governing law. If you fail to carry the required insurance prior at any time during the Term, you shall not be permitted to operate your Franchised Business, and Franchisor shall maintain the right to place coverage at your expense or prohibit the opening or continued operation of your Franchised Business.

B. Minimum Insurance Coverage.

All insurance policies described below shall be written by an insurance company or companies satisfactory to us, in compliance with the Standards set forth in the Manual or other written directives. Such policy(ies) shall include, at a minimum, the following coverages:

<u>Line of Coverage:</u>	<u>Limits:</u>
<u>General Liability Insurance</u>	• <u>\$1,000,000 per occurrence</u> • <u>\$2,000,000 Annual General Aggregate, Other than Products</u> • <u>\$2,000,000 Annual Aggregate, Products and Completed Operations</u> • <u>(a) premises and operations; (b) products and completed operations; (c) personal injury; (d) advertising liability; (e) abuse and molestation; (f) contractual liability; (g) employees as insureds; (h) extended bodily injury coverage; (i) damage to premises rented to you (\$100,000); (j) owned, non-owned and hired automobile insurance (\$1,000,000 combined single limit); and (k) student sport accident</u> • <u>Medical Expense – each claim – to be excluded</u>
<u>Commercial Property Insurance</u>	• <u>Covering business personal property and business income for one year of lost profit and continued business expenses, for full replacement cost of the Franchised Business's contents.</u>
<u>Worker's Compensation</u>	<u>\$1,000,000 limit</u>
<u>Hired and Non-Owned Auto Liability</u>	<u>\$1,000,000 per occurrence</u>
<u>Employment Practices Liability Insurance</u>	• <u>\$1,000,000 per claim</u> • <u>Wage & Hour sublimit no less than \$100,000 per occurrence</u> • <u>Coverage for 1st and 3rd party sexual harassment</u>
<u>Professional Liability (recommended but not required)</u>	<u>\$1,000,000 per occurrence</u>
<u>Other coverage as we may require from time to time</u>	

You may only purchase the required Worker's Compensation insurance from our Designated Supplier(s), who may be our Affiliate. With respect to all other required insurance, in lieu of purchasing the insurance through our Designated Supplier as we may designate from time-to-time, you may purchase the insurance from insurance brokers and carriers that you select, subject to those brokers and carriers

satisfying our Standards and minimum requirements. You must submit to us the information and documentation that we request in connection with your request for our consent to purchase insurance from any unapproved insurance broker or insurance carrier.

We must be included as additional insured on all of the above policies except Worker's Compensation and Professional Liability. All insurance policies (except worker's compensation) must include a waiver of subrogation in favor of us and our affiliates, and each company's officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants, and employees, and must include a 30-day notice of cancellation directed to both you and to us or the person we designate.

Franchisor shall have the right to establish and modify the minimum required coverages and to require different or additional kinds of insurance to reflect changes in the System or products and services offered to customers of Sylvan Learning businesses, inflation, changes in standards of liability, higher damage awards, or other relevant changes in circumstances. All modifications to the insurance requirements will be communicated to you via the Manual. You shall receive written notice of any modifications to the insurance requirements and shall take prompt action to secure the additional coverage or higher policy limits. Nothing in this Agreement prevents or restricts you from acquiring and maintaining insurance with higher policy limits or lower deductibles than Franchisor requires. If you fail to maintain the required insurance, you may not open your Franchised Business or we may force you to close your Franchised Business until the required insurance is put in place.

C. Insurance Policy Requirements.

The following general requirements apply to each insurance policy you are required to maintain under this Agreement:

(1) Each insurance policy must be specifically endorsed to provide that the coverage must be primary, and that any insurance carried by any additional insured will be excess and non-contributory.

(2) Each insurance policy must name Franchisor and its Affiliates, and their respective partners, officers, subsidiaries, shareholders, directors, regional directors, and employees as additional named insureds on a primary non-contributory basis on an Additional Insured Grantor of Franchise Endorsement per form CG2029 (or an endorsement form with comparable wording acceptable to Franchisor) and include a waiver of subrogation in favor of each such additional named insured.

(3) No insurance policy may contain a provision that in any way limits or reduces coverage for you in the event of a claim by Franchisor or its Affiliates.

(4) Each insurance policy must extend to, and provide indemnity for, all of your obligations and liabilities to third parties and all other items for which you are required to indemnify Franchisor under this Agreement.

(5) Except for insurance provided through a Designated Supplier, all insurance policies must be written by a carrier who is licensed in the state in which the Franchised Business operates and with an A.M. Best rating of not less than A-VII (with the exception of general liability and excess insurance carriers, which must have a minimum rating of A XV).

(6) Except as otherwise provided herein, no insurance policy may provide for a deductible amount that exceeds \$10,000, unless otherwise approved in writing by Franchisor, and your co-insurance under any insurance policy must be 80% or greater.

(7) Each policy must include an endorsement that it may not be modified or terminated without providing at least 30 days prior written notice to Franchisor.

D. Delivery of Certificate.

You must provide us with a certificate of insurance complying with the stated requirements no less than seven days before both (1) the commencement of construction of the Franchised Business and (2) the

Franchised Business is open to the public with respect to all remaining required insurance coverages. Also, you must provide us with a certificate of insurance on each policy renewal date. Upon request, you also shall provide to Franchisor copies of all or any policies, and policy amendments, endorsements, and riders.

E. Minimum Insurance Requirements Not a Representation of Adequacy.

You acknowledge that no requirement for insurance contained in the Agreement constitutes advice or a representation by Franchisor that only such policies, in such amounts, are necessary or adequate to protect you from losses regarding your business under this Agreement. You may choose to obtain additional policies or increase the limits from the minimum requirements in Section 16.B. Maintenance of this insurance, and the performance of your obligations under this Article 16, shall not relieve you of liability under the indemnification provisions of this Agreement.

17. TRANSEER

A. ~~9-Transfer and Assignment by Franchisor.~~

Franchisor shall have the unrestricted right, in its sole discretion and without your consent, to assign this Agreement and/or all of its rights and/or obligations hereunder in a related or third-party transaction, may sell any or all of its assets (including its rights in and to the Proprietary Marks and the System); may issue new shares through an initial public offering and/or private placement; may merge with and/or acquire other companies, or may merge into or be acquired by another company; and may pledge its assets to secure payment of its financial obligations.

B. ~~Franchisee Transfer of Agreement; Transfer of the Franchised Business; Transfer of Controlling Interest.~~

~~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.~~

You understand and acknowledge that Franchisor has entered into this Agreement in reliance on your business skill, financial capacity, personal character, experience, and demonstrated or purported ability in customer service operations. Accordingly, you may not sell or transfer your interest in this Agreement, your Controlling Interest, or the assets of the Franchised Business (except in the ordinary course of your business) without Franchisor's prior written consent. In addition, if you are a Business Entity, no Owner may transfer or assign all or any portion of his or her equity interest in the Business Entity without Franchisor's prior written consent. For purposes of this Section 17.B, the term "transfer" means and includes an actual assignment, sale, or transfer of a Controlling Interest, or a collateral assignment or pledge of the Controlling Interest as security for performance of an obligation.

You must notify Franchisor in writing at least 60 days prior to the date of any such intended transfer. Any purported transfer, by operation of law or otherwise, not having the written consent of Franchisor shall be null and void and shall constitute a material breach of this Agreement. Franchisor shall not unreasonably withhold its consent to any transfer, but may, in its sole discretion, require any or all of the following as conditions of its consent:

(2) All of your accrued monetary obligations and all other outstanding obligations to Franchisor and its Affiliates and your suppliers shall be up to date, fully paid, and satisfied;

(3) You must be in full compliance with this Agreement and any other agreements between you and Franchisor, its Affiliates, and your suppliers;

~~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.~~

~~(4)~~ 9.3.9 Licensee You and each Owner shall have executed a ~~general release under seal where required, in the then-current form of general release and a covenant not to sue, in a form~~ satisfactory to Sylvan Franchisor, of any and all claims against Sylvan, its current and former affiliates, Franchisor and its Affiliates and their respective past and present owners, officers, directors, agents, representatives, heirs, administrators, successors, and assigns shareholders, agents, and employees in their corporate and individual capacities, 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 any release will not be inconsistent with any state statute regulating franchising; provided, however, that any release will not be inconsistent with any state law regulating franchising;

~~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.~~

(5) The transferee shall demonstrate to Franchisor's satisfaction that the transferee meets Franchisor's then-current Standards applicable to new Sylvan Learning franchisees, including but not limited to educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to operate the Franchised Business; does not engage (and its Affiliates do not engage) in a Competitive Business; and has sufficient equity capital to operate the Franchised Business (which condition shall be presumed if the transferee's net worth is equal to or exceeds your net worth at the time of transfer, excluding the value of the Franchised Business);

(6) The transferee shall sign Franchisor's then-current form of franchise agreement, for a term equal to the remaining term of this Agreement, and you shall pay to Franchisor the Transfer Fee in the amount set forth in Attachment A and specified on the Summary Page. The then-current form of franchise agreement may contain different fees, terms, and obligations than this Agreement. If the transferee is a Business Entity, then the transferee's Owners shall jointly and severally guarantee your obligations under this Agreement in writing in a form satisfactory to Franchisor. The transferee shall have the option, however, to purchase a longer term (not to exceed a total of five years) by paying an extended term fee ("Extended Term Fee"). The Extended Term Fee will be calculated as Franchisor's then-current initial franchise fee divided by the number of days included in the initial term of the then-current franchise agreement, multiplied by the number of days of additional term being purchased by the transferee;

(7) If deemed necessary by Franchisor, the transferee shall agree to update, remodel, refurbish, renovate, modify, or redesign the Franchised Business, at transferee's sole expense, to conform to Franchisor's then-current Standards and specifications for Sylvan Learning businesses. Upon Franchisee informing Franchisor of a transfer under this Section 17.B., Franchisor reserves the right to require Franchisee to undergo inspections pursuant to Section 11.H. above and Franchisee shall bear the cost of such inspections, even if such transfer does not close;

(8) You agree to remain liable for all direct and indirect obligations to Franchisor in connection with the Franchised Business prior to the effective date of the transfer, and you and your Owners shall continue to remain responsible for your respective obligations of nondisclosure, noncompetition, and indemnification as provided elsewhere in this Agreement, and all other obligations that survive termination, expiration, or transfer and shall execute any and all instruments reasonably requested by Franchisor to further evidence such obligation;

(9) The transferee shall comply with Franchisor's initial training requirements and pay any applicable training fees;

(10) The transferee has the right to occupy the premises of the Approved Location for the remainder of the term equal to the remaining term of this Agreement;

(11) The transferee has satisfied all licensing and other requirements under governing local, state, and federal law;

(12) If the transferee or its Owners finance any part of the purchase price, you and the transferee agree before the transfer's proposed effective date that the transferee's obligations under promissory notes, agreements, or security interests reserved in the assets, the Franchised Business (including its physical structure), or ownership interests in the Franchisee are subordinate to the transferee's (and its Owners') obligation to pay Royalty Fees, Technology Fees, NAF Contributions, and other amounts due to the Franchisor and its Affiliates and otherwise to comply with the Agreement;

(13) You or the transferor must provide Franchisor with a copy of the agreements of purchase and sale between the transferor and the transferee. The economic terms of the transfer may not materially and adversely affect, in Franchisor's sole judgment, the post-transfer viability of the Franchised Business;

(14) ~~9.3.11 If Licensee elects~~ If you elect to participate in ~~Sylvan's~~ Franchisor's resale program in connection with the transfer of the ~~Licensed~~ Franchised Business pursuant to this ~~Section 9.3~~ 17.B., ~~Licensee~~ you 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 Licenser 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.~~

(15) Franchisor reserves the right to require transferee to conduct grand opening marketing upon closing of the transfer, which Franchisee and Owners shall communicate to transferee during initial communications of the proposed transfer. Such grand opening marketing shall be the same as Franchisor's requirements in the then-current Sylvan Learning franchise disclosure document disclosed to transferee. If transferee does not agree to conduct grand opening upon closing of the transfer, Franchisor reserves the

right to charge Franchisee and Owners the required grand opening amount, payable upon closing of the transfer. This is a material condition of Franchisor's approval of the proposed transfer.

If you utilize any marketing material or any other materials prepared to market your Franchised Business for a transfer subject to this Section 17.B., you must submit a copy of such materials to Franchisor for review and approval prior to your utilization or disbursement to transferee candidates, even if such materials are prepared by your brokers and legal and financial advisors.

Franchisee acknowledges that Franchisor has legitimate reasons to evaluate the qualifications of potential transferees. Therefore, Franchisor's contact with potential transferees to protect its business interests will not constitute improper or unlawful conduct. Franchisee expressly authorizes Franchisor to investigate any potential transferee's qualifications, to review the proposed purchase terms, and to withhold its consent, even if the conditions in clauses (1) through (12) above are satisfied. Franchisee waives any claim that Franchisor's decision to withhold approval of a proposed transfer in order to protect its business interests—despite satisfaction of the conditions in clauses (1) through (12) above—constitutes tortious interference with contractual or business relationships or otherwise violates any law. Franchisor has the right, but not the obligation, to review all information regarding the Franchised Business that Franchisee gives the proposed transferee, correct any information Franchisor believes is inaccurate, and give the proposed transferee copies of any reports Franchisee has given Franchisor or Franchisor has made regarding the Franchised Business.

C. Franchisee Transfer Among Owners: Transfer of Non-Controlling Interest.

If you are a Business Entity, your Owners may transfer their ownership interests in the Business Entity among each other, and may transfer up to a Non-Controlling Interest in the Business Entity to one or more approved third parties, if:

(1) you have provided to Franchisor advance notice of the transfer and have obtained Franchisor's approval of any new owners,

(2) Attachment C has been amended to reflect the new ownership, and each Owner has signed the Confidentiality and Non-Competition Agreement in the form of Attachment E;

(3) each new Owner who holds greater than 10% ownership interest in you has signed an Undertaking and Guaranty in the form of Attachment D;

(4) each previous and/or new owners have signed a general release in favor of Franchisor and in the form Franchisor requires; and

(5) you pay to Franchisor a Transfer Fee in the amount set forth in Attachment A.

Transfers under this Section 17.C. are limited to once per rolling 12-month period. Otherwise, any transfers under this subsection shall be subject to a Transfer Fee. For purposes of this Section 17.C. only and the Transfer Fee, "Non-Controlling Interest" shall mean 20% or less of the total outstanding units or assets in the Franchised Business; provided, however, if multiple transfers of Non-Controlling Interest results in a transfer of Controlling Interest, then such transfers of Non-Controlling Interest shall be subject to Section 17.B. above.

D. Franchisee Transfer to Business Entity for Convenience.

You may transfer your interest in this Agreement to a Business Entity for convenience of operation by signing Franchisor's standard form of assignment and assumption agreement if:

- (1) the Business Entity is formed solely for purposes of operating the Franchised Business;
- (2) you provide to Franchisor a copy of the Business Entity's formation and governing documents (company/operating agreement, by laws, etc.), and a certificate of good standing from the jurisdiction under which the Business Entity was formed;
- (3) you sign a general release in favor of Franchisor and in the form that Franchisor requires;
and
- (4) you pay to Franchisor a Transfer Fee in the amount set forth in Attachment A.

E. Security Interest~~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:~~

Any security interest that may be created in this Agreement by virtue of Section 9-408 of the Uniform Commercial Code is limited as described in Section 9-408(d) of the Uniform Commercial Code. Any such security interest may only attach to an interest in the proceeds of the operation of the Franchised Business and may not entitle or permit the secured party to take possession of or operate the Franchised Business or to transfer your interest in the franchise without Franchisor's consent.

F. Public and Private Offerings.

If you are a Business Entity and you intend to issue equity interests pursuant to a public or private offering, you shall first obtain Franchisor's written consent, which consent shall not be unreasonably withheld. You must provide to Franchisor for its review a copy of all offering materials (whether or not such materials are required by applicable securities laws) at least 60 days prior to such documents being filed with any government agency or distributed to investors. No offering shall imply (by use of the Proprietary Marks or otherwise) that Franchisor is participating in an underwriting, issuance, or offering of your securities, and Franchisor's review of any offering shall be limited to ensuring compliance with the terms of this Agreement. Franchisor may condition its approval on satisfaction of any or all conditions set forth in Section 17.B. and on execution of an indemnity agreement, in a form prescribed by Franchisor, by you and any other participants in the offering. For each proposed offering, you shall reimburse Franchisor and its Affiliates for the actual costs and expenses it incurs (including, without limitation, attorneys' fees and accountants' fees) in connection with reviewing the proposed offering.

G. Right of First Refusal.

If you receive a bona fide offer to purchase your interest in this Agreement or all or substantially all of the assets of the Franchised Business, or if any Owner receives a bona fide offer to purchase his or her Controlling Interest in you, and you or such Owner wishes to accept such offer, you or the Owner must deliver to Franchisor written notification of the offer and, except as otherwise provided herein, Franchisor shall have the right and option, exercisable within 30 days after receipt of such written notification, to purchase the seller's interest on the same terms and conditions offered by the third party. If the bona fide offer provides for the exchange of assets other than cash or cash equivalents, the bona fide offer shall include the fair market value of the assets (as defined herein) and you shall submit with the notice an appraisal prepared by a qualified independent third party evidencing the fair market value of such assets as of the date of the offer. Any material change in the terms of any offer prior to closing shall constitute a new offer subject to the same right of first refusal by Franchisor as in the case of an initial offer. If Franchisor

elects to purchase the seller's interest, closing on such purchase must occur by the later of: (1) the closing date specified in the third-party offer; or (2) within 60 days from the date of notice to the seller of Franchisor's election to purchase. Franchisor failure to exercise the option described in this Section 17.G, shall not constitute a waiver of any of the transfer conditions set forth in this Article 17.

Notwithstanding anything herein to the contrary, in the event of an approved transfer subject to Section 17.C. or an approved in-term familial transfer of ownership (limited to immediate families only), then Franchisor's right of first refusal in this Section 17.G. shall be inapplicable, and Franchisee shall not be obligated to pay a Transfer Fee as a result of such transfer.

H. Transfer Upon Death or Incapacitation.

If any Owner dies or becomes incapacitated (mental or physical), Franchisor shall consent to the transfer of the former Owner's interest in this Agreement or equity interest in the franchisee (as applicable) to his or her spouse or heirs, whether such transfer is made by will or by operation of law, if, in Franchisor's sole discretion and judgment, the transferee meets Franchisor's educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to conduct the Franchised Business herein; has at least the same managerial and financial criteria required by new franchisees; and has sufficient equity capital to operate the Franchised Business. If said transfer is not approved by Franchisor, the executor, administrator, or personal representative of such person shall transfer the former Owner's interest to a third-party approved by Franchisor within six months after such death, mental incapacity, or disability. Such transfer shall be subject to Franchisor's right of first refusal and to the same conditions as any *inter vivos* transfer.

I. Non-Waiver of Claims.

Franchisor's consent to a Transfer shall not constitute a waiver of any claims it may have against the transferring party, and it will not be deemed a waiver of Franchisor's right to demand strict compliance with any of the terms of this Agreement, or any other agreement to which Franchisor and the transferee are parties, by the transferee.

J. No Transfers in Violation of Law.

Notwithstanding anything to the contrary in this Agreement, no transfer shall be made if the transferee, any of its affiliates, or the funding sources for either is a person or entity designated with whom Franchisor, or any of its affiliates, are prohibited by law from transacting business.

18. DEFAULT AND TERMINATION~~Licensee is in full compliance with all conditions and terms of this Agreement at the time of renewal.~~

A. Automatic Termination.

This Agreement will terminate automatically, without notice and without an opportunity to cure, if you become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed against you and you do not oppose it; if you are adjudicated bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver or other custodian (permanent or temporary) for you or your business assets, or any part thereof, is filed against you; if any court of competent jurisdiction appoints a receiver or other custodian (permanent or temporary) for you or your business assets, or any part thereof; if proceedings for a composition with creditors under any state or federal law is instituted by or against you; if a final judgment is entered against you and remains unsatisfied or of record for 30 days or longer, unless a *supersedeas* bond is filed; if you are dissolved, voluntarily or involuntarily; if execution is levied against any assets of you or the Franchised Business; if any proceedings to foreclose any lien or mortgage against you, the Franchised Business, or the assets, equipment, or premises of any of the same, is instituted and not dismissed within 30 days; or if the real or personal property of you, the Franchised Business is sold after levy thereupon by any sheriff, marshal, constable, or other authorized law enforcement personnel.

~~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.~~

~~**B. 11. Termination; without Opportunity to Cure** 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.~~

~~4.~~

Franchisor may terminate this Agreement, by delivering to you written notice of termination, upon the occurrence of any of the following events of default:

(1) Your abandonment of the Franchised Business (for purposes of this provision "abandonment" will be deemed to occur if you fail to operate the Franchised Business on three or more consecutive days or if you otherwise convey an intention to close the Franchised Business), or lose the right to possess the premises for the Approved Location;

(2) Your lease for the Approved Location expires or terminates for any reason or you otherwise lose the right to occupy the premises of the Approved Location;

(3) The making of any false or materially misleading representations in your franchise application or during the franchise application process;

(4) You or any of your Owners or Affiliates is or has been held liable for or convicted by a court of law, pleads or has pleaded no contest to, a felony, indictable offense or other unlawful act, engages in any dishonest or unethical conduct or otherwise engages in any conduct which Franchisor believes will materially and adversely affect the reputation of the Brand, SYLVAN LEARNING franchise system, any other Sylvan Learning business, or the goodwill associated with the Proprietary Marks;

(5) Violation of any governing law or revocation or suspension of any necessary license or certification, in whole or in part;

(6) Violation of any confidentiality or non-compete obligations, as described in Article 14, by you or any Owner;

(7) The Franchised Business fails two consecutive quality assurance inspections during any rolling 12-month period or fails three quality assurance inspections during any rolling 24-month period;

(8) You knowingly maintain false books or records or submit any false reports or statements to Franchisor;

(9) Termination for cause of any agreement between Franchisor and you or your Affiliate, including but not limited to any franchise agreement or area development agreement;

(10) Delivery of three or more notices of default during any rolling 24-month period, whether or not the event(s) of default described in such notices ultimately are cured;

(11) Transfer or attempted transfer in violation of Article 17 of this Agreement;

(12) If an imminent threat or danger to public health or safety results from the operation of the Franchised Business;

(13) Failure to follow Franchisor's instructions or protocol upon a Crisis Management Event;

(14) Utilizing unapproved non-cash payment systems in the Franchised Business;

(15) Accepting or processing non-U.S. currency for products and services offered by the Franchised Business, including but not limited to cryptocurrency; or

(16) If Franchisee breaches any material provision of this Agreement which breach is not susceptible to cure.

C. Termination with Opportunity to Cure.

~~11.2 Material Breaches That May Be Cured. Sylvan Franchisor~~ 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~~your 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.;~~

(2) You fail to identify a site for the Franchised Business in accordance with Section 3.A. or fail to sign a lease for your Approved Location in accordance with Section 3.C., and you fail to cure within seven (7) days after delivery of written notice of default;

(3) You passed on an Acceptable Site and fail to sign a lease for your Approved Location by the Lease Deadline in accordance with Section 3.C., and you fail to cure within seven (7) days after delivery of written notice of default;

(4) You do not obtain or maintain all insurance coverage required under Section 16.B., and you fail to cure within five (5) days after delivery of written notice of default;

(5) The Designated Manager or Owners of the Franchised Business do not successfully complete initial training, in our sole judgment, and you fail to cure within ten (10) days after delivery of written notice of default;

(6) You fail to commence construction of your Franchised Business in accordance with Section 4.C. and fail to cure within 30 days after delivery of written notice of default;

~~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.~~

(7) 11.2.8 To You 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, your Franchised Business by the Opening Date in accordance with Section 5.A. and fail to cure within 15 days after delivery of written notice of default;

~~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.~~

(8) You or your Affiliate fails to pay any monies owed to Franchisor, its Affiliates or your trade creditors when due and fail to cure within ten days after delivery of written notice of default, including but not limited to payment of the Minimum Royalty assessment;

(9) You misuse the Proprietary Marks or the Intellectual Property, including without limitation by offering and selling unauthorized products or services under or in conjunction with the Proprietary Marks or Intellectual Property, and fail to correct the misuse within five (5) days after delivery of written notice of default;

(10) You infringe on the rights of third-parties, including unauthorized use of third-party trademarks, service marks, patents, copyrights, and all other intellectual property, and fail to cure immediately after Franchisor's written or verbal notice, depending on the severity of such infringement;

(11) The Franchised Business is cited for violation of health, sanitation, or safety laws or regulations, and fails to cure the violation within five (5) days after the date the citation is issued;

(12) You purchase or use items for which Franchisor has identified Approved Suppliers from an unapproved source and fail to cure within the cure period specified in writing by Franchisor;

(13) You purchase, use, or sell items not approved by the Franchisor and fail to cure within the cure period specified in writing by Franchisor;

(14) You refuse to permit Franchisor to inspect the Franchised Business premises, or the books, records, or accounts of Franchisee and failed to cure upon Franchisor's demand;

(15) You fail to operate the Franchised Business during such days and hours specified in the Manuals and fail to cure upon Franchisor's demand;

(16) You are not in compliance with federal, state, or local laws, including but not limited to employment, environmental, occupancy, or other laws that affect the day-to-day operations of your Franchised Business and fail to cure upon Franchisor's demand;

(17) You fail to produce within 10 calendar days books, records, federal, state, and local tax returns, sales tax returns, and such other forms, reports, information, and data that Franchisor requests for routine review or an audit pursuant to Section 7.D. and do not cure such default within five (5) calendar days;

(18) You offer any unapproved programs without first completing the program-specific training, obtaining the required supplies, or otherwise complying with Franchisor's requirements for offering such programs in your Protected Area, pursuant to Section 8.H., and do not cure such default upon Franchisor's demand. This includes, but is not limited to, Sylvan Edge and ACE IT! programs;

(19) You fail to appropriately appoint an Owner or Designated Manager pursuant to Sections 11.K. and 11.L. or such individuals do not operate the Franchised Business pursuant to their best efforts or on a full-time basis, and you fail to cure such default upon Franchisor's demand; or

(20) You fail to comply with any provision of this Agreement (except as otherwise provided in Section 18.A. and Section 18.B. and this Section 18.C.) and fail to take appropriate corrective action within 30 days after delivery of Franchisor's written notice of a default.

During any period of default, Franchisor reserves the right to: 1) prohibit you from attending any meetings, seminars, conferences, or other events sponsored by Franchisor; 2) prohibit you from serving on the board of any Franchisor organization, or otherwise participate in leadership of such organizations; 3) suspend your access to the Call Center, the franchisee portal/dashboard, and any technology systems we provide to you; 4) suspend services provided to you by us or our Affiliates under this Agreement, including but not limited to inspections, training, marketing assistance, and the sale of products and supplies; 5) remove the listing of the Franchised Business from all advertising published or approved by Franchisor; 6) cease listing the Franchised Business on Websites and social media, and to discontinue any links to any site or page for the Franchised Business; and 7) contact Franchisee's landlords, lenders, suppliers, customers, and others with whom it has entered into agreements about the status of Franchisee's operations and provide copies of any default or other notices to Franchisee's landlords, lenders, suppliers, and others with whom it has entered into agreements.

D. Other Remedies.

In addition to its termination rights, Franchisor shall have the right to require the Franchised Business, or a portion thereof, closed during any period in which 1) it is in violation of applicable health, sanitation, or safety laws or regulations, or 2) Franchisor determines, in its sole discretion, that continued operation of the Franchised Business poses a risk to public health or safety. We will have the right to take the actions set out below and continue them until you have cured the default to our satisfaction. The taking

of any of the actions permitted in this Section 18.D. will not suspend or release you from any obligation that would otherwise be owed to us or our affiliates under the terms of this Agreement. We may:

(1) Remove the listing of the Franchised Business from all advertising published or approved by us, including but not limited to online directories, forums, social media, and indexing websites;

(2) Prohibit you from attending any meetings or seminars held or sponsored by us or taking place on our premises;

(3) Suspend access to the call center, the franchisee portal, and any technology systems we provide to you; and/or

(4) Suspend services provided to you by us or our Affiliates under this Agreement, including but not limited to inspections, training, marketing assistance, and the sale of products and supplies.

If Franchisor has the right to terminate the Agreement pursuant to Sections 18.B. or 18.C., in lieu of exercising its termination rights, Franchisor may forbear termination of this Agreement while Franchisee attempts to transfer the Franchised Business pursuant to Section 17.B., which may include requiring you to list your Franchised Business for sale with a third-party service provider of your choice or enter Franchisor's resale program by signing our then-current resale participation agreement. If you choose to enter Franchisor's resale program, you may be required to pay Franchisor or its designated Affiliate the then-current resale program fee to assist you in identifying buyers for transfer of your Franchised Business, which is in addition to the Transfer Fee.

E. Step-In Rights.

To prevent any interruption of business of the Franchised Business and any injury to the goodwill and reputation thereof which may be caused thereby, you hereby authorize Franchisor, and Franchisor shall have the right, but not the obligation, to operate the Franchised Business for as long as Franchisor deems necessary and practical, and without waiver of any other rights or remedies Franchisor, may have under this Agreement, if you are in default of your obligations under this Agreement. Franchisor will not be liable to you for any debts, losses, or obligations that the Franchised Business incurs, or to any creditors for any supplies or other products or services purchased for the Studio, in connection with such management. Franchisor or its designee may assume the Franchised Business' management under the following circumstances: (a) if you abandon or fail to actively operate the Franchised Business for any period; or (b) we provide you with a notice of your violation of this Agreement, within the applicable cure period (if any) pursuant to the applicable provision in Sections 18.B. and 18.C.. Our exercise of our rights under this Section will not affect our right to terminate this Agreement. **YOU SHALL INDEMNIFY AND HOLD FRANCHISOR HARMLESS FROM ANY AND ALL CLAIMS ARISING FROM THE ALLEGED ACTS AND OMISSIONS OF FRANCHISOR AND ITS REPRESENTATIVES IN ACCORDANCE WITH THE INDEMNIFICATION PROCEDURES SET FORTH IN SECTION 20.B.**

F. Liquidated Damages.

Franchisee acknowledges and confirms that Franchisor will suffer substantial damages as a result of the termination of this Agreement before the Initial Term expires. Some of those damages include lost Royalty Fees, NAF Contributions, and other fees, lost market penetration and goodwill, loss of Sylvan Learning representation in the Franchisee's Protected Area, confusion of individual customers, lost opportunity costs, and expenses that Franchisor will incur in developing or finding another franchisee to develop another Sylvan Learning franchise in the Protected Area (collectively, "Brand Damages"). Franchisor and Franchisee acknowledge that Brand Damages are difficult to estimate accurately and proof of Brand Damages would be burdensome and costly, although such damages are real and meaningful to Franchisor.

Therefore, upon termination of this Agreement for any reason (subject to this Article 18), Franchisee shall pay Franchisor the Liquidated Damages within fifteen (15) days after Franchisor's service

of written notice terminating this Agreement. As used herein, “Liquidated Damages” shall mean the product of (i) the Royalty Fee multiplied by Franchisee’s Gross Sales during the entire previous twelve (12) full calendar months and (ii) the lesser of (a) three years or (b) the number of years remaining in the Initial Term.

Franchisee agrees that the liquidated damages calculated under this Section 18.F. represent the best estimate of Franchisor’s Brand Damages arising from any termination of this Agreement before the Initial Term expires. Franchisee’s payment of the liquidated damages to Franchisor will not be considered a penalty but, rather, a reasonable estimate of fair compensation to Franchisor for the Brand Damages Franchisor will incur because this Agreement did not continue for the Initial Term’s full length.

Franchisee acknowledges that Franchisee’s payment of liquidated damages is full compensation to Franchisor only for the Brand Damages resulting from the early termination of this Agreement and is in addition to, and not in lieu of, Franchisee’s obligations to pay other amounts due to Franchisor under this Agreement as of the date of termination and to comply strictly with the de-identification procedures of Article 19 and Franchisee’s other post-termination obligations.

If any valid law or regulation governing this Agreement limits Franchisee’s obligation to pay, and/or Franchisor’s right to receive, the Liquidated Damages for which Franchisee is obligated under this Section 18.F., then Franchisee shall be liable to Franchisor for any and all Brand Damages Franchisor incurs, now or in the future, as a result of Franchisee’s breach of this Agreement.

G. Right of Set Off.

If an event of default occurs hereunder or under any other agreement between Franchisor and you or your affiliates, subsidiaries, or Owners, then Franchisor is hereby authorized at any time and from time to time without notice and to the fullest extent permitted by law, to set off and apply any and all sums at any time held or received by Franchisor, including, but not limited to, disbursements of Membership Program revenues, against any of and all obligations of Franchisee now or hereafter existing under this Agreement or any other agreement between Franchisor and you or your affiliates, subsidiaries, or Owners, irrespective of whether or not Franchisor shall have made any demand under this Agreement or such other agreements.

H. Cross-Default.

Any uncured default, following written notice and applicable opportunity to cure, if any, i) under the Franchise Agreement due to safety, sanitation, or health violations, non-compliance with the law, fraud, gross negligence, violation(s) of the no compete covenants, violation(s) of the confidentiality obligations, or failure to satisfy financial obligations owed to the Franchisor or ii) under any development agreement shall be considered a default under this Agreement and shall provide an independent basis for immediate termination of this Agreement, without further opportunity to cure, with or without notice and at Franchisor’s sole discretion.

Any Cross-Default under any agreement between you (or any Owner) and Franchisor or its Affiliates (including but not limited to any development agreement, or any other franchise agreement, including with Affiliates), and failure to cure within any applicable cure period, shall be considered a default under this Agreement and shall provide an independent basis for immediate termination of this Agreement, without an opportunity to cure, with or without notice, upon Franchisor’s sole discretion. “Cross-Default” shall be defined as default due to i) violations of safety, sanitation, or health codes or Franchisor’s safety Standards, or non-compliance with the law, ii) fraud, iii) gross negligence, iv) violation(s) of the non-compete and other applicable restrictive covenants, or violation(s) of confidentiality obligations, and v) failure to satisfy financial obligations owed to the Franchisor.

19. OBLIGATIONS UPON EXPIRATION OR TERMINATION ~~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.

A. 12. Relationship After Expiration or Termination of Franchise 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 (24) 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.~~

Upon termination or expiration of this Agreement, you shall have no further right to use the Proprietary Marks, Intellectual Property or other intellectual property owned and licensed to you by Franchisor. You may no longer hold yourself out as a Sylvan Learning franchisee, and you shall refrain from representing any present or former affiliation with Franchisor or the network of Sylvan Learnings.

You shall immediately:

1. Cease to operate the Franchised Business, unless otherwise specified by Franchisor;
2. Pay all sums due and owing to Franchisor and its Affiliates;
3. Take all actions necessary to cancel any assumed or fictitious name containing the Proprietary Marks (including but not limited to "Sylvan Learning" and "Sylvan") and shall do all things necessary to transfer to Franchisor or its designee the Franchised Business' telephone number(s). You hereby grant to Franchisor and its representatives, power of attorney for the specific purpose of executing all documents and doing all things necessary to effect such cancellations and transfers;
4. Surrender to Franchisor all copies of all materials in your possession including the Manual, all Confidential Information and all other documentation relating to the operation of the Franchised Business in your possession, and all copies thereof, and shall retain no copy or record of any of the foregoing, excepting only your copy of this Agreement, any correspondence between the parties and any other documents which you reasonably need for compliance with any provision of law;

5. At the option of Franchisor, assign to Franchisor (or its designee) any interest which Franchisee has in any lease, sublease or other agreement for the Franchised Business premises and surrender the Franchised Business premises to the Franchisor pursuant to Section 19.B. below. In the event Franchisor does not elect to exercise its option to acquire Franchisee's interest in the lease, sublease or other agreement for the premises, Franchisee shall make such modifications or alterations to the premises immediately upon termination or expiration of this Agreement as may be necessary to distinguish the appearance of the premises from that of Sylvan Learning under the System, and shall make such specific additional changes thereto as Franchisor may reasonably request for that purpose. In the event Franchisee fails or refuses to comply with the requirements of this Section 19.A.(5), Franchisor shall have the right to enter upon the premises, without being guilty of trespass or any other tort, for the purpose of making or causing to be made such changes as may be required, at the expense of Franchisee, which expense Franchisee agrees to pay upon demand; and

6. Comply with all post-termination covenants in Article 14.

If, following **expiration or termination of this Agreement**, the premises for your Franchised Business will not continue to operate as a Sylvan Learning, either by us or our designee, then in addition to any procedures required by governing laws and any instructions that we may provide, upon our request, you will cooperate with us in notifying all members of your Franchised Business immediately that your Franchised Business will cease to operate under the Proprietary Marks. We may offer to such members the option to terminate their membership and receive a pro rata refund of all membership fees and other charges which were prepaid by such members related to any period after the effective date of **termination or expiration of this Agreement**. You are solely responsible for paying such refunds to your members, and we will deduct all such refunds from the amounts to be disbursed to you for the Membership Program revenues of your Franchised Business. You further will cooperate with us to preserve member goodwill. Further, you will immediately comply with our then-current de-branding checklist, as further supplemented in the Manual, which shall require you to, among other things:

(1) Remove and destroy all interior and exterior signage, point-of-sale materials, business forms, and stationary, and any other materials containing the Proprietary marks and brand colors;

(2) Delete from all computer hard drives all materials, information, communications, manuals, and marketing and promotion materials received from us;

(3) Remove all decals containing Sylvan Learning name, the Proprietary Marks, any slogans, or identifiable color scheme;

(4) Repaint or remove all identifiable color schemes from all equipment, padding, walls, doors, floors, and other surfaces;

(5) Promptly instruct all third-party internet sites and telephone directories to remove all listings identifying the location as a Sylvan Learning business;

(6) Return all uniforms, sales materials, operations manuals, and other items that contain any Confidential Information;

(7) Change your corporate and legal business name, if necessary, so that it does not contain any of the Proprietary Marks; and

(8) Return to us all signs, sign-faces, sign-cabinets, marketing materials, forms, packaging, and other materials that contain any of the Proprietary Marks.

B. Franchisor's Option to Assume Lease and Purchase Assets Following Expiration or Termination.

(1) Upon termination or expiration of this Agreement, Franchisor shall have the option, but not the obligation, to assume your lease for the Franchised Business premises by delivering to you written

notice of its election within 30 days after termination or expiration of this Agreement in accordance with the terms of the Lease Rider. If Franchisor elects not to assume your lease for the Franchised Business premises, Franchisor shall have the option to purchase (in accordance with the terms and conditions set forth below), or may require you to destroy any graphics, signage, or other materials bearing the Proprietary Marks. You shall immediately remove from the Franchised Business premises all items bearing the Proprietary Marks and Intellectual Property and modify the trade dress as necessary to distinguish the premises from those of a Sylvan Learning business in accordance with the de-branding requirements set forth in the Manual. If you fail or refuse to comply with the requirements of this Section 19.B., Franchisor and its representatives shall have the right to enter on the Franchised Business premises, without liability for trespass or other civil tort, for purposes of making such changes, at your expense, which you shall pay upon demand.

(2) Upon (a) expiration of this Agreement without extension or renewal or (b) termination of this Agreement by us in accordance with its terms or by you in any manner other than in accordance with its terms, then we have the right, exercisable by giving notice thereof (“Appraisal Notice”) to require that a determination be made of the Agreed Value (as defined below) of all of your personal property, improvements, fixtures, furniture and equipment used and located at the Franchised Business, but excluding any items not meeting our specifications or standards as provided in this Agreement (the “Appraised Assets”). In the event of a termination, such Appraisal Notice shall be given no later than 30 days after the date of such termination; in the event of expiration, such Appraisal Notice shall be given no more than six months and no less than three months prior to the expiration of this Agreement.

(3) Upon such Appraisal Notice, you may not sell or remove any of the Appraised Assets from the Franchised Business. The “Agreed Value” shall be determined by good faith consultation between you and us. You agree to give us, our designated agents and, if applicable, the Appraiser (as defined in subsection (4) below) full access to your Franchised Business’s books and records relating to the Appraised Assets (including copies of all leases, concession licenses or other arrangements relating to your occupancy of the premises), at any time upon three days’ prior written notice during customary business hours in order to inspect the Appraised Assets and determine the purchase price for the Appraised Assets.

(4) If you and we are unable to agree on the Agreed Value of the Appraised Assets within 15 days after the Appraisal Notice, then the Agreed Value will be the Fair Market Value (as defined below), unless the option to purchase occurs as a result of a termination in connection with one or more defaults by Franchisee, in which case the Agreed Value will be the lesser of the Appraised Asset Value (as defined below) or the Net Book Value (as defined below). “Fair Market Value” will be the amount which an arm’s length purchaser would be willing to pay for the Appraised Asset as a going concern operating under our then-current form of franchise agreement with a terminal value based on the remaining term of the lease (not in excess of 5 years) and, for the avoidance of doubt, Fair Market Value may not include goodwill associated with the Proprietary Marks. The “Appraised Asset Value” will be the amount which an arm’s length purchaser would be willing to pay for the Appraised Assets, considering their age and condition. The “Net Book Value” shall be the net book value of the Purchased Assets (including the unamortized portion of any capitalized so-called “key money” for leases), as reflected on Franchisee’s books and records, determined in accordance with generally accepted accounting principles. The Fair Market Value, Appraised Asset Value and Net Book Value, as applicable, will be determined by a member of a nationally recognized accounting firm (other than a firm which conducts audits of either Party’s financial statements) agreed to by the Parties who has experience in the valuation of retail businesses (“Appraiser”). If the Parties cannot agree to an Appraiser, then each Party will select an Appraiser in accordance with the foregoing standards and the appraisal will be conducted by an Appraiser selected by the two party-appointed Appraisers that meets the foregoing standards.

The Appraiser will make his or her determination and submit a written report (“Appraisal Report”) to Franchisee and Franchisor as soon as practicable, which report shall contain the Fair Market Value, Appraised Asset Value and Net Book Value, as applicable. The Appraiser shall endeavor to complete the

Appraisal Report within 60 days after his or her appointment, and both Parties shall fully cooperate with the Appraiser in order to meet the deadline. The Appraiser may extend the Appraisal Report deadline, as may be reasonably necessary. Franchisee agrees to promptly provide the Appraiser with such books and records as he or she may require, which Franchisee represents and warrants to be complete and accurate. In absence of such books and records or if the Appraiser is not satisfied with their completeness or accuracy, the Appraiser may make his or her determination in the Appraisal Report on the basis of other sources and information he or she deems reasonably appropriate. The Appraiser's determination shall be final and binding on the Parties hereto, and the Parties agree to share the cost of the appraisal equally.

Franchisor has the option, exercisable by delivering notice thereof within ten days after submission of the Appraisal Report (or the date that an agreement is reached, if the Parties agree to the Agreed Value), to agree to purchase the Appraised Assets of the Franchised Business at its Agreed Value ("Purchased Assets").

If Franchisor exercises its option to purchase, the purchase price for the Purchased Assets will be paid in full by wire transfer at the closing, which will occur at the place, time and date mutually agreed by the Parties, and if the Parties cannot agree, then as reasonably determined by Franchisor (subject to compliance with governing law and any extensions required by Franchisor). At the closing, Franchisor will be entitled to all customary representations and warranties, covenants and closing documents and post-closing indemnifications, including: (i) instruments transferring good and merchantable title to the Purchased Assets, free and clear of all security interests, liens, encumbrances, and liabilities, to Franchisor or its designee, with all sales and other transfer taxes paid by Franchisee; and, (ii) an assignment of all leases (subject to landlord rights) and concession licenses of personal property and real estate used in the operation of the Franchised Business, including building and/or equipment (or if an assignment is prohibited, a sublease or sublicense to Franchisor or its designee for the full remaining term, subject to landlord rights, and on the same terms and conditions as Franchisee's lease or concession license, including renewal and/or purchase options).

Franchisor shall have the right to offset against the purchase price for the Purchased Assets any of the following: (1) any and all amounts owed by Franchisee or any of its Affiliates to Franchisor or any of its Affiliates; (2) lease transfer fees (if any), other costs owed to your landlord, and the costs of renovating the Franchised Business premises so that it meets Franchisor's then-current standards and specifications (if Franchisor elects to assume the lease for the Franchised Business premises); and (3) the costs of de-identifying the Franchised Business premises in accordance with this Section 19.B., if you fail to do so (if Franchisor does not elect to assume the lease for the Franchised Business premises).

If Franchisee cannot deliver clear title to all of the assets, or if there are other unresolved issues, the closing of the sale may at Franchisor's option, be accomplished through an escrow on reasonably appropriate terms, including the making of payments, to be deducted from the purchase price, directly to third parties in order to obtain clear title to the Purchased Assets. Franchisee and Franchisor shall comply with any applicable bulk sales or similar laws and all applicable tax notification and/or escrow procedures.

Franchisee shall exert reasonable commercial efforts to obtain all necessary consents to consummate the sale (including consents to assignments of leases and concession licenses) and to ensure all managers shall be available, to the extent requested by Franchisor, for continued employment with the company purchasing the Purchased Assets. Franchisor shall have the right to receive specific performance or injunctive relief to enforce the provisions set forth in this Article 19.

Upon delivery of the Appraisal Notice and pending determination of Agreed Value and the closing of the purchase, Franchisor shall authorize continued temporary operations of the Franchised Business pursuant to the terms of this Agreement, subject to the supervision and control of one or more of Franchisor's appointed managers.

FRANCHISEE WILL DEFEND, INDEMNIFY AND HOLD HARMLESS FRANCHISOR FROM AND AGAINST ALL OBLIGATIONS, LIABILITIES, CLAIMS AND CAUSES OF ACTION ACCRUING PRIOR TO CLOSING AND THAT IN ANY WAY RELATE TO OR ARISE OUT OF THE OPERATION OF THE FRANCHISED BUSINESS IN ACCORDANCE WITH THE INDEMNIFICATION PROCEDURES SET FORTH IN SECTION 20.B.

C. Compliance with Post Term Obligations.

You and each Owner shall comply with all covenants and obligations which, by their nature, survive termination of this Agreement including, without limitation, the confidentiality obligations and restrictive covenants set forth and described in Article 14 of this Agreement and the indemnification obligations set forth and described in Section 20.B. of this Agreement.

20. INDEPENDENT CONTRACTOR AND INDEMNIFICATION ~~Hold Harmless, Indemnification and Insurance.~~

A. Independent Contractor.

The parties acknowledge and agree that this Agreement does not create a fiduciary relationship between them, that you will operate the Franchised Business as an independent contractor, we and you do not intend to be partners, associates, joint venturer, employee, employer, agents, or joint employers in any way, we shall not be construed to be jointly liable for any of your 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. Franchisor shall have no relationship with your employees and you have no relationship with Franchisor's employees.

None of your employees will be considered employees of Franchisor or its Affiliates. Neither you nor any of your employees whose compensation you pay may in any way, directly or indirectly, expressly or by implication, be construed to be an employee of Franchisor 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 Franchisor nor its Affiliates will have the power to hire or fire your employees. We have no right or duty to supervise, manage, control or direct your employees in the course of their employment for you. You expressly agree, and will never contend otherwise, that Franchisor's authority under this Agreement to certify certain of your employees for qualification to perform certain functions for your Franchised Business does not directly or indirectly vest in Franchisor or its Affiliates the power to hire, fire, or control any such employee. You further acknowledge and agree, and will never contend otherwise, that you alone will exercise day-to-day control over all operations, activities, and elements of your Franchised Business and that under no circumstance shall Franchisor or its Affiliates do so or be deemed to do so. You further acknowledge and agree, and will never contend otherwise, that the various requirements, restrictions, prohibitions, specifications, and procedures of System which you are required to comply with under this Agreement, whether set forth in the Manual or otherwise, do not directly or indirectly constitute, suggest, infer, or imply that Franchisor or its Affiliates controls any aspect or element of the day-to-day operations of your Franchised Business, which you alone control, but constitute only standards to which you must adhere when exercising your control of the day-to-day operations of your Franchised Business. You are solely responsible for all terms and conditions of employment of your 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 Franchisor and you are other than that of franchisor and franchisee. Franchisor does not assume any liability, and will not be deemed liable, for any agreements, representations, or warranties made by you which are not expressly authorized under this Agreement, nor will Franchisor be obligated for any damages to any person or property which directly or indirectly arise from or relate to the operation of the Franchised Business.

During the term of this Agreement, you shall identify yourself as the owner of the Franchised Business operating under a franchise granted by Franchisor, and shall apply for all permits, certificates of occupancy, and business licenses in your own name. Additionally, your individual name (if you are an individual) or your corporate name (if you are a Business Entity) must appear prominently on all invoices, order forms, receipts, business stationery, and contracts. You shall not use the Proprietary Marks to incur or secure any obligation or indebtedness on behalf of Franchisor. You shall display at the Franchised Business, in a conspicuous location, a form of notice approved by Franchisor, stating that you are an independent franchised operator of the business.

B. INDEMNIFICATION.

~~14.1 Hold Harmless and Indemnification. LICENSEE~~ **YOU** SHALL DEFEND AT ~~ITS~~**YOUR** OWN COST AND INDEMNIFY AND HOLD HARMLESS TO THE FULLEST EXTENT PERMITTED BY LAW, **SYLVAN FRANCHISOR** 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~~**YOU** OR THE ~~LICENSED FRANCHISED~~ BUSINESS OR ANY OF ~~ITS~~**YOUR** 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 FRANCHISED~~ BUSINESS OR OTHERWISE (COLLECTIVELY, THE “~~LICENSEE FRANCHISEE~~ 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~~**YOU** OR ANY OF THE OTHER ~~LICENSEE INDEMNITORS~~**FRANCHISEE INDEMNITORS**; (3) ANY ACTUAL OR ALLEGED LIBEL, SLANDER, OR ANY OTHER FORM OF DEFAMATION BY ~~LICENSEE~~**YOU** OR ANY OF THE OTHER ~~LICENSEE FRANCHISEE~~ INDEMNITORS; (4) ANY ACTUAL OR ALLEGED VIOLATION OR BREACH OF ANY WARRANTY, REPRESENTATION, AGREEMENT, OR OBLIGATION IN THIS AGREEMENT BY ~~LICENSEE~~**YOU** OR ANY OF THE OTHER ~~LICENSEE FRANCHISEE~~ INDEMNITORS; (5) ANY AND ALL ACTS, ERRORS, OR OMISSIONS ENGAGED IN BY ~~LICENSEE~~**YOU** OR ANY OF THE OTHER ~~LICENSEE FRANCHISEE~~ INDEMNITORS, ARISING OUT OF OR RELATED TO THE DESIGN, CONSTRUCTION, CONVERSION, BUILD OUT, OUTFITTING, REMODELING, RENOVATION, UPGRADING, OR OPERATION OF THE ~~LICENSED FRANCHISED~~ BUSINESS, WHETHER ANY OF THE FOREGOING WAS APPROVED BY **SYLVAN FRANCHISOR**, 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 FRANCHISED~~ BUSINESS; (6) ANY PERSONAL INJURY, DEATH, OR PROPERTY DAMAGE SUFFERED OR CAUSED BY ~~LICENSEE~~**YOU** OR ANY OF THE OTHER ~~LICENSEE FRANCHISEE~~ INDEMNITORS; (7) ALL LIABILITIES ARISING FROM OR RELATED TO ~~ITS~~**YOUR** 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~~FRANCHISED BUSINESS, WHETHER OR NOT DISCOVERABLE BY ~~SYLVAN~~FRANCHISOR OR ~~LICENSEE~~YOU; (9) THE INACCURACY OR LACK OF AUTHENTICITY OF ANY INFORMATION DISCLOSED TO ANY CUSTOMER OF THE ~~LICENSED~~FRANCHISED BUSINESS; (10) CRIMES COMMITTED ON OR NEAR ANY OF THE PREMISES OR FACILITIES OR VEHICLES USED BY ~~ITS LICENSED~~YOUR FRANCHISED BUSINESS; (11) ANY SERVICES OR PRODUCTS PROVIDED BY ANY AFFILIATED OR NONAFFILIATED ~~PARTICIPATING~~ ENTITY FOR THE FRANCHISED BUSINESS; (12) ANY ACTION BY ANY CUSTOMER, VISITOR, OPERATOR, EMPLOYEE, OR GUEST OF THE ~~LICENSED~~FRANCHISED BUSINESS OR ANY OTHER FACILITY OF ~~ITS LICENSED~~YOUR FRANCHISED BUSINESS; (13) ANY AND ALL ACTS, ERRORS, OR OMISSIONS ENGAGED IN BY ~~LICENSEE~~YOU OR ANY OF THE OTHER ~~LICENSEE~~FRANCHISEE 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~~FRANCHISED BUSINESS, WHETHER ANY OF THE FOREGOING WAS APPROVED BY ~~SYLVAN~~FRANCHISOR, (14) ANY AND ALL CLAIMS RELATED TO ~~ITS~~YOUR 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~~YOUR ACTS OR OMISSIONS RELATING TO ~~ITS~~YOUR EMPLOYEES, AND (15) ANY DAMAGE TO THE PROPERTY OF ~~LICENSEE~~YOU OR ~~SYLVAN, ITS~~FRANCHISOR, YOUR 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~~FRANCHISOR OR ANY OF ITS AGENTS OR EMPLOYEES, OR RESULTED FROM ANY STRICT LIABILITY IMPOSED ON ~~SYLVAN~~FRANCHISOR OR ANY OF ITS AGENTS OR EMPLOYEES.

~~THE INDEMNIFICATION REQUIRED UNDER THIS PARAGRAPH 14.1~~ THE
INDEMNIFICATION REQUIRED UNDER THIS SECTION 20.B. SHALL APPLY TO ALL CLAIMS, INCLUDING THOSE THAT ARISE, OR ARE ALLEGED TO ARISE, AS A RESULT OF ~~SYLVAN'S OWN NEGLIGENCE~~FRANCHISOR'S OWN NEGLIGENCE OR GROSS NEGLIGENCE, ~~IF ANY~~IF ANY, REGARDLESS OF ~~WHETHER SYLVAN'S NEGLIGENCE~~WHETHER FRANCHISOR'S NEGLIGENCE OR GROSS NEGLIGENCE ~~IS~~IS ALLEGED TO BE ~~THE SOLE, CONTRIBUTING, OR CONCURRING CAUSE OF SUCH ALLEGED DAMAGES~~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~~Franchisor's reputation and goodwill, costs of or resulting from delays, and financing; travel, food, lodging, and other expenses necessitated by ~~Sylvan's~~Franchisor'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~~Franchisor'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~~Franchisor in connection with the matters described above. All such Losses and Expenses incurred by ~~Sylvan~~Franchisor will be chargeable to and payable by ~~Licensee~~you pursuant to this ~~Paragraph 14.1~~Section 20.B., regardless of any actions, activities, or defenses undertaken by ~~Sylvan~~Franchisor or the subsequent success or failure of such actions, activities, or defenses.

Licensee You shall give Sylvan Franchisor written notice of any event of which Licensee is you are aware for which indemnification is required within three days of its your actual or constructive knowledge of such event. At its your expense and risk, Sylvan Franchisor may elect to assume (but under no circumstance is obligated to undertake) the defense or settlement thereof, provided that Sylvan Franchisor will seek Licensee's your advice and counsel. Any assumption by Sylvan Franchisor shall not modify Licensee's your indemnification obligation. Sylvan Franchisor 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 Franchisor's sole and absolute discretion, necessary for the protection of the Franchisor Indemnities or the System. Under no circumstances will Sylvan Franchisor or the Franchisor Indemnities be required to seek recovery from third parties or to otherwise mitigate their losses to maintain a claim against Licensee you; in no event will a failure to pursue recovery from third parties or to mitigate loss reduce the amounts recoverable by Sylvan Franchisor or the Franchisor Indemnities from Licensee you. The indemnification obligations provided by this Paragraph 14.1 Section 20.B, 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."~~

21. ~~16. **NOTICES.**~~ **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.~~

All notices, requests, and reports required or permitted under this Agreement must be in writing and must be (i) personally delivered, (ii) sent by expedited delivery service or certified or registered mail, return receipt requested, first-class postage prepaid, (iii) by facsimile (provided that the sender confirms the facsimile by sending an original confirmation copy by certified mail or expedited delivery service within five calendar days after transmission) to the respective parties at the addresses reflected in the Summary Page, unless and until a different address has been designated by written notice to the other party, or (iv) by email or other electronic means to the respective parties at the addresses reflected in the Summary Page, unless and until a different address has been designated by written notice to the other party. Franchisor and its Affiliates expressly reserve the right to send to the Franchisee all notices of default and notices of termination of the Franchise Agreement to email address(es) on file, and at its sole discretion, submit a copy through any other means under this Article 21. Franchisee shall not opt out of electronic communications from Franchisor and its Affiliates, including email. Any notice will be deemed to have been given at the time of personal delivery or receipt (electronic or otherwise); provided, however, that if delivery is rejected, delivery will be deemed to have been given at the time of such rejection.

22. SEVERABILITY AND CONSTRUCTION

A. Entire Agreement.

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 you by Franchisor.

B. ~~17. Attorneys' Fees~~ Modification.

~~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.~~

This Agreement may be modified only by a written document, signed by both parties.

C. Written Consent.

Whenever this Agreement requires the prior approval or consent of Franchisor, you shall make a timely written request to Franchisor therefore and such approval or consent shall be obtained in writing.

D. No Waiver.

No failure of Franchisor to exercise any power reserved to it by this Agreement, or to insist upon strict compliance by you 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 Franchisor's right to demand exact compliance with any of the terms herein. Franchisor's waiver of any particular default by you shall not affect or impair Franchisor's rights with respect to any subsequent default of the same, similar, or different nature, nor shall any delay, forbearance, or omission of Franchisor to exercise any power or right arising out of any breach or default by you of any of the terms, provisions, or covenants hereof affect or impair Franchisor's right to exercise the same, nor shall such constitute a waiver by Franchisor 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 Franchisor of any payments due to it hereunder shall not be deemed to be a waiver by Franchisor of any preceding breach by you of any terms, covenants, or conditions of this Agreement.

E. ~~18. Construction; Severability.~~

Except as expressly provided to the contrary herein, each section, part, term, and/or provision of this Agreement shall be considered severable, and if, for any reason, any section, part, term, and/or provision herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such shall not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms and/or provisions of this Agreement as may remain otherwise intelligible, and the latter shall continue to be given full force and effect and bind the parties hereto, and said invalid sections, parts, terms and/or provisions shall be deemed not to be a part of this Agreement; provided, however, that if Franchisor determines that such finding of invalidity or illegality adversely affects the basic consideration of this Agreement, Franchisor, at its option, may terminate this Agreement.

E. Captions and Headings; References to Gender; Counterparts.

All captions in this Agreement are intended solely for the convenience of the parties, and none of the captions shall be deemed to affect the meaning or construction of any provision hereof. All references herein to the masculine, neuter, or singular shall be construed to include the masculine, feminine, neuter, or plural. This Agreement may be executed in one or more originals, each of which shall be deemed an original.

~~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 Sylvan 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 D), 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.~~

G. 21. Jurisdiction and Venue **Persons Bound.**

All acknowledgments, promises, covenants, agreements, and obligations herein made or undertaken by you shall be deemed jointly and severally undertaken by all of the parties executing this Agreement as franchisee hereunder. As used in this Agreement, the term "you" shall include all persons who succeed to the interest of the original franchisee by transfer or operation of law.

H. Franchisor's Judgment.

Whenever this Agreement or any related agreement grants, confers, or reserves to Franchisor the right to take action, refrain from taking action, grant or withhold consent, or grant or withhold approval, Franchisor will, unless the provision specifically states otherwise, have the right to engage in such activity at its option taking into consideration its assessment of the long-term interests of the System overall. You acknowledge and recognize, and any court or judge is affirmatively advised, that if those activities and/or decisions are supported by Franchisor's business judgment, neither said court, said judge, nor any other person reviewing those activities or decisions will substitute his, her, or its judgment for Franchisor's judgment. When the terms of this Agreement specifically require that Franchisor not unreasonably withhold approval or consent, any withholding of our approval or consent will be considered reasonable if you are in default or breach under this Agreement.

L. Third Party Beneficiaries.

This Agreement is for the sole benefit of the parties hereto and their permitted assigns and nothing herein, express, or implied, shall give or be construed to give any person, other than the parties and such assigns, any legal or equitable rights under this Agreement.

23. GOVERNING LAW AND FORUM SELECTION

A. 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, SylvanFranchisor 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~~ Franchisee and Franchisor

acknowledge and agree that the choice of ~~applicable governing~~ state law set forth in this Section 23 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~~ Franchisee and Franchisor further acknowledge the receipt and sufficiency of mutual consideration for such benefit, and that each ~~party's~~ Party's agreement regarding ~~applicable governing~~ 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.~~

B. Remedy~~Waiver of Damages.~~

Unless otherwise specified in this Agreement, no right or remedy conferred upon or reserved by Franchisor or you by this Agreement is intended and it shall not be deemed to be exclusive of any other right or remedy provided or permitted herein, by law or at equity, but each right or remedy shall be cumulative of every other right or remedy.

You may not under any circumstances make any claim for money damages based on any claim or assertion that Franchisor has unreasonably withheld or delayed any consent or approval under this Agreement, and you hereby waive any such claim for damages, whether by way of affirmative claim, setoff, counterclaim, or defense. Your sole remedy for any such claim will be an action or proceeding for specific performance of the applicable provision(s) of this Agreement.

C. WAIVER OF JURY TRIAL.

TO THE FULLEST EXTENT PERMITTED BY LAW, FRANCHISEE, 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 FRANCHISED BUSINESS IS LOCATED.

D. Contractual Limitations Period.

Any and all claims and actions arising out of or relating to this Agreement, with the exception of Franchisor's indemnification claims and actions for monies owed to Franchisor or its Affiliates, the parties' relationship, or the operation of the Franchised Business (including any claims of set-off or recoupment), must be brought or asserted before the expiration of the earlier of: (1) the time period for bringing an action under any governing state or federal statute of limitations; or (2) two years and a day after the date such claim arose, whichever occurs first; or it is expressly acknowledged and agreed by all parties that such claims or actions shall be irrevocably barred.

E. WAIVER OF PUNITIVE DAMAGES.

~~SYLVAN AND LICENSEE~~ **THE PARTIES** HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY PUNITIVE, ~~SPECIAL,~~ **CONSEQUENTIAL** ~~EXEMPLARY,~~ **OR EXEMPLARY** ~~MULTIPLE~~ 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.

F. Attorneys' Fees~~Dispute Resolution by Binding Arbitration.~~

If either party commences a legal action against the other party arising out of or in connection with this Agreement, the prevailing party shall be entitled to have and recover from the other party its reasonable attorneys' fees and costs of suit.

G. DISPUTE RESOLUTION BY BINDING ARBITRATION

(2) ~~23.1.1~~ Any dispute or claim between (A) Licensee you and/or any Owner and (B) Sylvan Franchisor or any Franchisor Indemnitee, including but not limited to any dispute or claim arising out of or relating in any way to

(a) ~~23.1.1.2~~ this Agreement or any other agreement between Licensee you and/or any Owner and Sylvan Franchisor or any Franchisor Indemnitee,

(b) ~~23.1.1.3~~ the offer and sale of the franchise opportunity,

(c) ~~23.1.1.4~~ any representations made prior to the execution of this Agreement,

(d) ~~23.1.1.5~~ the validity, enforceability, or scope of this Agreement and this arbitration agreement, and

(e) ~~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. 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 Franchisor's or Franchisor Indemnitees' rights in and to Intellectual Property (including, but not limited to, the Licensed Proprietary 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.

(3) ~~23.1.2~~ Licensee Franchisee, the Owners, Sylvan Franchisor, and the Franchisor Indemnitees agree that arbitration will be conducted on an individual, not a class-wide or representative basis, that only Licensee Franchisee, the Owners, Sylvan Franchisor, and the Franchisor Indemnitees may be the parties to any arbitration proceeding described in this ~~Paragraph~~ Article 23, and that no such arbitration proceeding may be consolidated or joined with another arbitration proceeding involving Licensee Franchisee, the Owners, Sylvan Franchisor, 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~~ Article 23, if any court or arbitrator determines that all or any part of this ~~Paragraph~~ Article 23 is unenforceable with respect to a dispute that otherwise would be subject to arbitration, then Sylvan we and Licensee you 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~~ Section 23.H. below.

(4) ~~23.1.3~~ Sylvan We and Licensee you will be bound by any limitation under this Agreement or ~~applicable~~ governing law, whichever expires first, on the timeframe in which claims must be brought. Sylvan We and Licensee you 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 you or we~~ made.

(5) ~~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.

(6) ~~23.1.5~~ Except as may be required by law, neither ~~Licensee~~Franchisee, its Owners, nor an arbitrator may disclose the existence, content, or results of any arbitration under this ~~Paragraph~~Section without the prior written consent of all parties.

(7) ~~23.1.6~~ The arbitrator must follow, and may not disregard, the ~~applicable~~governing law.

(8) ~~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~~Section 23.F. above), provided that: ~~(i) the arbitrator has no authority to~~may not declare any ~~Licensed~~Proprietary Mark generic or otherwise invalid; and ~~(ii) Sylvan and Licensee~~Franchisee and Franchisor 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~~Article 23, and judgment upon the award may be entered in a court specified or permitted in ~~Paragraph 21 above~~Section 23.G.(10) below.

(9) ~~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.

(10) ~~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~~Franchisor posting bond or other security and any such bond or other security is hereby waived.

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

H. Consent to Jurisdiction.

Subject to the arbitration obligations in Section 23.G. above, 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, Franchisor 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 Franchisee resides or the Franchised Business is located.

I. Material Inducement for Franchisor~~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.~~

FRANCHISEE ACKNOWLEDGES AND AGREES THAT THIS ARTICLE 23 IS ENTERED INTO VOLUNTARILY AND IS NOT THE PRODUCT OF COERCION ON THE PART OF FRANCHISOR. THE BINDING ARBITRATION, CHOICE OF LAW AND FORUM, WAIVER OF PUNITIVE DAMAGES, LIMITATION ON ACTIONS, WAIVER OF CLASS ACTION, AND OTHER PROVISIONS OF THIS ARTICLE 23 ARE A MATERIAL INDUCEMENT FOR FRANCHISOR TO ENTER INTO THIS AGREEMENT. IF ANY PROVISION OF THIS

ARTICLE 23 IS DEEMED UNENFORCEABLE FOR ANY REASON. THERE WILL HAVE BEEN A FAILURE OF CONSIDERATION DELIVERED BY FRANCHISEE TO FRANCHISOR FOR THIS AGREEMENT, AND THIS AGREEMENT WILL HAVE FAILED OF ITS ESSENTIAL PURPOSE, THEREBY ENTITLING FRANCHISOR TO VOID THIS AGREEMENT AT ITS OPTION.

J. ~~25.~~ 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.

~~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~~

~~24. 31. Acknowledgements.~~ **ACKNOWLEDGMENTS**

C. 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 Franchisor; (3) are fully required to protect Franchisor's legitimate business interests; and, (4) do not confer benefits upon Franchisor that are disproportionate to your detriment.

[Please initial to acknowledge that you have read and understand this Section 24.A.]

D. ~~31.1~~ Patriot Act.

You represent and warrant that to your actual knowledge: (i) neither ~~Licensee~~Franchisee, nor its officers, directors, managers, members, partners or other individual who manages the affairs of ~~Licensee~~Franchisee, nor any ~~Licensee~~Franchisee affiliate or related party, or any funding source for the ~~Licensed~~Franchised 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~~Franchisee nor any ~~Licensee~~Franchisee 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~~Franchisee nor any ~~Licensee~~Franchisee 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~~Franchisee nor any ~~Licensee~~Franchisee 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 [LicenseeFranchisee](#) nor any [LicenseeFranchisee](#) 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 [LicenseeFranchisee](#) nor any [LicenseeFranchisee](#) 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 [SylvanFranchisor](#) 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 31.1](#)
[Section 24.B.](#)]**

The acknowledgments in clauses [31.2C](#) through [31.8H](#) below apply to all franchisees and franchisees 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.

~~31.2 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 31.2](#)]**~~

E. [31.3](#) Receipt of Disclosure Document.

You hereby acknowledge that you received from [SylvanFranchisor](#) 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 [calendar](#) 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](#)[Section 24.C.](#)]

E. [31.4](#) Receipt of Agreement.

You hereby acknowledge that you received from [SylvanFranchisor](#) 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](#)[Section 24.D.](#)]

G. [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 [LicensedFranchised](#) Business, and not as a result of any representations about [SylvanFranchisor](#) 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~~ governing 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~~Franchised 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~~Section 24.E.]

H. ~~31.6~~No Representations; No Reliance.

You acknowledge and represent that, except for representations made in ~~Sylvan's~~Franchisor's current franchise disclosure document, neither ~~Sylvan~~Franchisor 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~~Franchisor 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~~Section 24.F.]

I. ~~31.7~~No Financial Performance Representations; No Reliance.

You specifically acknowledge that the only financial performance information furnished by ~~Sylvan~~Franchisor is set forth in Item 19 of its current franchise disclosure document; that no officer, director, employee, agent, representative or independent contractor of ~~Sylvan~~Franchisor 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~~Section 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~~Franchisor-owned facilities.

[Please initial to acknowledge that you have read and understand this ~~Paragraph 31.7~~Section 24.G.]

J. ~~31.8~~No Licensure Representations; No Reliance.

You acknowledge that neither ~~Sylvan~~Franchisor 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~~Section 24.H.]

IN WITNESS WHEREOF, the ~~parties hereto have set their respective hands, as of the Effective Date indicated on the Summary Page.~~ undersigned, intending to be legally bound, have executed this Franchise Agreement to be effective on the day and year first written above.

~~LICENSOR~~FRANCHISOR:

SYLVAN LEARNING, LLC,
a Delaware limited liability company

By: _____
Susan Valverde, President

~~LICENSEE~~FRANCHISEE:

_____[_____] ,
a ~~limited liability company~~ [_____] ,
a [_____]

By: _____
_____[_____] , its ~~Member~~ [_____]

CALIFORNIA RIDER
TO ~~THE SYLVAN LEARNING, LLC LICENSE~~ FRANCHISE AGREEMENT

This Rider is entered into this _____ day of _____, 20____, by and between Sylvan Learning, LLC (“we,” “us,” or “our”), and _____ (“Franchisee,” “you,” or “your”).

This ~~Amendment pertains~~ Rider relates 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 and is intended to comply 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:~~ The parties agree to modify the Franchise Agreement as follows:

1. Sections 24.C through 24.H of the Franchise Agreement are deleted in their entirety.

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.~~

2. ~~5.~~ The following statement shall be deemed to amend the License language is added to the end of the Franchise Agreement:

- a. For franchisees operating outlets located in California, the California Franchise Investment Law and the California Franchise Relations Act will apply regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the Franchise Agreement or any amendment thereto or any agreement to the contrary is superseded by this condition.
- b. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. A contract that restrains a former franchisee from engaging in a lawful trade or business is to that extent void under California Business and Professions Code Section 16600.

No statement, questionnaire, or ~~acknowledgment~~ acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under ~~any~~ applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor,

franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

LICENSOR:	LICENSEE:
~~SYLVAN LEARNING, LLC,~~ ~~a Delaware limited liability company~~	~~[_____] ,~~ <del>a [_____] </del>
By: _____ Susan Valverde, President	By: _____ [_____] , its [_____]

IN WITNESS WHEREOF, the parties have executed this Rider to the Franchise Agreement on the date stated on the first page.

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**FRANCHISOR**:

SYLVAN LEARNING, LLC,
a Delaware limited liability company

LICENSEE**FRANCHISEE**:

[____],
a [_____]

By: _____
Susan Valverde, President

By: _____
[____], its [_____]

ILLINOIS RIDER
TO ~~THE~~ SYLVAN LEARNING, ~~LLC~~ LICENSE FRANCHISE AGREEMENT

This Rider is entered into this ____ day of _____, 20____, by and between Sylvan Learning, LLC (“we,” “us,” or “our”), and _____ (“Franchisee,” “you,” or “your”).

This ~~Amendment~~ Rider relates 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~~ Illinois and is intended to comply 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 agree to modify the Franchise Agreement as follows:

3. Governing Law. Section 23.A of the Franchise Agreement is deleted. The Illinois Franchise Regulations, Section 200.608, require that Illinois law govern franchise agreements entered into in Illinois.

4. Jurisdiction. The following language is added to the end of Section 23.G(9) of the Franchise Agreement:

~~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~~ this Agreement ~~that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement~~ this Agreement ~~may provide for arbitration to take place outside of Illinois.~~

5. Termination. The following language is added at the beginning of Section 18 of the Franchise Agreement:

~~3. Your rights upon Termination and Non-Renewal are set forth in sections~~ If anything in this Section concerning termination is inconsistent with Section ~~19 and 20~~ 19 ~~of the Illinois Franchise Disclosure Act of 1987, then the Act shall apply.~~

6. Waiver of Jury Trial. The following language is added to the end of Section 23.C. of the Franchise Agreement:

However, this waiver shall not apply to the extent prohibited by Section 705/41 of the Illinois Franchise Disclosure Act of 1987 or Illinois Regulations at Section 260.609.

7. 4. In conformance with section ~~Section~~ 41 of the Illinois Franchise Disclosure Act, of 1987 states that any condition, stipulation, or provision purporting to bind any person acquiring ~~any~~ a franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of Illinois is void. Section 41 will control over any inconsistent provisions in the Franchise Agreement.

IN WITNESS WHEREOF, the parties have executed this Rider to the Franchise Agreement on the date stated on the first page.

~~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~~FRANCHISOR:

SYLVAN LEARNING, LLC,
a Delaware limited liability company

~~LICENSEE~~FRANCHISEE:

[____],
a [_____]

By: _____
Susan Valverde, President

By: _____
[____], its [_____]

INDIANA RIDER
MINNESOTA RIDER TO THE SYLVAN LEARNING, LLC LICENSE FRANCHISE AGREEMENT

This Rider is entered into this _____ day of _____, 20____, by and between Sylvan Learning, LLC (“we,” “us,” or “our”), and _____ (“Franchisee,” “you,” or “your”).

This ~~Amendment~~ pertains Rider relates 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~~ Indiana and is intended to comply with the Indiana 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 agree to supplement the Franchise Agreement as follows:

1. Pursuant to Section 23.2-2.7-1 of the Indiana Code, it is unlawful for any franchise agreement entered into between any franchisor and a franchisee who is either a resident of Indiana or a nonresident who will be operating a franchise in Indiana to contain any of the following provisions:

(1) Requiring goods, supplies, inventories, or services to be purchased exclusively from the franchisor or sources designated by the franchisor where such goods, supplies, inventories, or services of comparable quality are available from sources other than those designated by the franchisor. However, the publication by the franchisor of a list of approved suppliers of goods, supplies, inventories, or service or the requirement that such goods, supplies, inventories, or services comply with specifications and standards prescribed by the franchisor does not constitute designation of a source nor does a reasonable right of the franchisor to disapprove a supplier constitute a designation. This subdivision does not apply to the principal goods, supplies, inventories, or services manufactured or trademarked by the franchisor.

(2) Allowing the franchisor to establish a franchisor-owned outlet engaged in a substantially identical business to that of the franchisee within the exclusive territory granted the franchisee by the franchise agreement; or, if no exclusive territory is designated, permitting the franchisor to compete unfairly with the franchisee within a reasonable area.

(3) Allowing substantial modification of the franchise agreement by the franchisor without the consent in writing of the franchisee.

(4) Allowing the franchisor to obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee.

(5) Requiring the franchisee to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability to be imposed by this chapter or requiring any controversy between the franchisee and the franchisor to be referred to any person, if referral would be binding on the franchisee. This subdivision does not apply to arbitration before an independent arbitrator.

(6) Allowing for an increase in prices of goods provided by the franchisor which the franchisee had ordered for private retail consumers prior to the franchisee’s receipt of an official price increase notification. A sales contract signed by a private retail consumer shall constitute evidence of each

order. Price changes applicable to new models of a product at the time of introduction of such new models shall not be considered a price increase. Price increases caused by conformity to a state or federal law, or the revaluation of the United States dollar in the case of foreign-made goods, are not subject to this subdivision.

(7) Permitting unilateral termination of the franchise if such termination is without good cause or in bad faith. Good cause within the meaning of this subdivision includes any material violation of the franchise agreement.

(8) Permitting the franchisor to fail to renew a franchise without good cause or in bad faith. This chapter shall not prohibit a franchise agreement from providing that the agreement is not renewable upon expiration or that the agreement is renewable if the franchisee meets certain conditions specified in the agreement.

(9) Requiring a franchisee to covenant not to compete with the franchisor for a period longer than three (3) years or in an area greater than the exclusive area granted by the franchise agreement or, in absence of such a provision in the agreement, an area of reasonable size, upon termination of or failure to renew the franchise.

(10) Limiting litigation brought for breach of the agreement in any manner whatsoever.

(11) Requiring the franchisee to participate in any:

(A) advertising campaign or contest;

(B) promotional campaign;

(C) promotional materials; or

(D) display decorations or materials;

at an expense to the franchisee that is indeterminate, determined by a third party, or determined by a formula, unless the franchise agreement specifies the maximum percentage of gross monthly sales or the maximum absolute sum that the franchisee may be required to pay.

2. If the Franchise Agreement contains a provision that is inconsistent with the Indiana Code, the provisions of the Indiana Code will supersede the Franchise Agreement.

3. This Rider will have effect only if the Franchise Agreement and/or the relationship between you and Franchisor satisfy all of the jurisdictional requirements of the Indiana Code, without considering this Rider. Except as expressly modified by this Rider, the Franchise Agreement remains unmodified and in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Rider to the Franchise Agreement on the date stated on the first page.

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

~~of the franchisor. This provision supersedes any other term of any document executed with the franchise.~~

~~LICENSOR~~FRANCHISOR:

SYLVAN LEARNING, LLC,
a Delaware limited liability company

~~LICENSEE~~FRANCHISEE:

[____],
a [_____]

By: _____
Susan Valverde, President

By: _____
[____], its [_____]

~~NEW YORK~~**MARYLAND** RIDER
TO ~~THE SYLVAN LEARNING, LLC LICENSE~~ **FRANCHISE 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:~~

This Rider is entered into this _____ day of _____, 20____, by and between SYLVAN LEARNING, LLC ("we," "us," or "our"), and _____ ("Franchisee," "you," or "your").

In recognition of the Maryland Franchise Registration and Disclosure Law, Maryland Stat. §§ 14-201 to 14-233, and the Rules and Regulations promulgated thereunder, the parties agree to modify the Franchise Agreement as follows:

1. Releases. Section 2.B(5) and Section 17.B(3) are each amended to add the following:

This release will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Entire Agreement. Section 22.A is amended by adding the following:

Notwithstanding anything to the contrary in this Agreement, you are not required to waive any of your rights under the Maryland Franchise Registration and Disclosure Law with regard to our prior representations.

3. Time Limit on Filing. Section 23.D. is amended by adding the following:

The foregoing limitation on the period of time arbitration and/or litigation claims must be brought shall not act to reduce the 3-year statute of limitations afforded a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

4. This Rider will have effect only if the Franchise Agreement and/or the relationship between Franchisor and you satisfy all of the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, without considering this Rider. Except as expressly modified by this Rider, the Franchise Agreement remains unmodified and in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Rider to the Franchise Agreement on the date stated on the first page.

~~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 FRANCHISOR:

SYLVAN LEARNING, LLC,
a Delaware limited liability company

LICENSEE FRANCHISEE:

[____],
a [_____]

By: _____
Susan Valverde, President

By: _____
[____], its [_____]

**~~NORTH DAKOTA~~MINNESOTA RIDER
TO ~~THE SYLVAN LEARNING, LLC LICENSE~~ FRANCHISE 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.~~

This Rider is entered into this _____ day of _____, 20____, by and between Sylvan Learning, LLC ("we," "us," or "our"), and _____ ("Franchisee," "you," or "your").

~~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.~~

In recognition of the Minnesota Franchises Law, Minn. Stat. §§ 80C.01-80C.22, and the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, the parties agree to modify the Franchise Agreement as follows:

1. Releases. The following sentence is added to Section 2.B.(5) and Section 17.B.(3)

Notwithstanding the foregoing, Franchisee will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22, provided that the foregoing shall not bar the voluntary settlement of disputes.

2. Term and Successor Franchise Agreement; Default and Termination. Sections 2 and 18 are each amended by adding the following:

Notwithstanding anything to the contrary in Sections 2 and 18, Franchisor will comply with Minnesota Statutes Clause 80C.14, Subdivision 3, 4, and 5, which require, except in certain cases, that Minnesota franchisees be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Franchise Agreement.

3. Proprietary Marks and Copyrights. Section 13 is ~~deleted and~~ amended by adding the following ~~is substituted in lieu thereof~~:

Franchisor will indemnify you against liability to a third party resulting from claims that your use of the Proprietary Marks infringes trademark rights of the third party, provided that your use is in accordance with the requirements of the Franchise Agreement and the System.

4. Time Limit on Filing. Section 23.D is amended to add the following:

Notwithstanding anything to the contrary in this Section, any claim or action arising out of or relating to the Minnesota Franchises Law must be commenced within three (3) years from the occurrence of the facts giving rise to the claim or action, or the claim or action is barred.

5. Jurisdiction and Venue. Section 23 is amended to add the following:

Under Minnesota Statutes Section 80C.21, this section will not in any way abrogate or reduce any rights of the Franchisee as provided for in Minnesota Statutes, Chapter 80C, including the right to submit matters to the jurisdiction of the courts in Minnesota. Minnesota Statutes Section 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota.

~~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."~~

6. 5. Section 24 of the License Entire Agreement. Section 22.A is amended by adding a new Section 26.14 reading as follows the following:

~~"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.~~

Pursuant to Minn. Stat. § 80C.21 and Minn. Rule Part 2860.4400J, nothing in the Agreement shall in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80

7. This Rider will have effect only if the Franchise Agreement and/or the relationship between you and Franchisor satisfy all of the jurisdictional requirements of Minnesota Statutes §§ 80C.01 - 80C.22. Except as expressly modified by this Rider, the Franchise Agreement remains unmodified and in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Rider to the Franchise Agreement on the date stated on the first page.

~~LICENSOR~~FRANCHISOR:

SYLVAN LEARNING, LLC,
a Delaware limited liability company

~~LICENSEE~~FRANCHISEE:

[____],
a [_____]

By: _____
Susan Valverde, President

By: _____
[____], its [_____]

NEW YORK RIDER
RHODE ISLAND RIDER TO THE SYLVAN LEARNING, LLC LICENSE FRANCHISE
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:~~

~~This Rider is entered into this _____ day of _____, 20____, by and between Sylvan Learning, LLC (“we,” “us,” or “our”), and _____ (“Franchisee,” “you,” or “your”).~~

~~In recognition of the requirements of the New York General Business Law, Article 33, Sections 680 through 695, and of the regulations promulgated thereunder (N.Y. Comp. Code R. & Regs., tit. 13, §§ 200.1 through 201.16), the parties agree to modify the Franchise Agreement 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.~~

~~1. Any provision in the Franchise Agreement that is inconsistent with the New York General Business Law, Article 33, Sections 680 – 695 may not be enforceable.~~

~~2. Releases. Sections 2.B.(5) and 17 are each amended to add the following:~~

~~The foregoing release of claims against Franchisor does not release any claim you may have under New York General Business Law, Article 33, Sections 680-695.~~

~~3. Assignment by Franchisor. Section 17 is amended by adding the following:~~

~~Franchisor will not assign its rights under the Franchise Agreement except to an assignee who in Franchisor’s good faith judgment is willing and able to assume Franchisor’s obligations under the Franchise Agreement.~~

~~4. Termination by Franchisee. Section 18 is amended by adding the following:~~

~~You may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.~~

~~5. 2-Governing Law. Section 20 of the License Agreement 23.A 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.”~~

~~Notwithstanding the foregoing, the New York General Business Law shall govern any claim arising under that law.~~

~~6. This Rider will have effect only if the Franchise Agreement and/or the relationship between Franchisor and you satisfy all of the jurisdictional requirements of New York General Business Law, without considering this Rider. Except as expressly modified by this Rider, the Franchise Agreement remains unmodified and in full force and effect.~~

IN WITNESS WHEREOF, the parties have executed this Rider to the Franchise Agreement on the date stated on the first page.

LICENSORFRANCHISOR:

SYLVAN LEARNING, LLC,
a Delaware limited liability company

LICENSEEFRANCHISEE:

[____],
a [_____]

By: _____
Susan Valverde, President

By: _____
[____], its [_____]

~~SOUTH~~NORTH DAKOTA RIDER

TO ~~THE SYLVAN LEARNING, LLC LICENSE~~ FRANCHISE 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:~~

This Rider is entered into this ____ day of _____, 20____, by and between Sylvan Learning, LLC ("we," "us," or "our"), and _____ ("Franchisee," "you," or "your").

~~The~~In recognition of the requirements of the North Dakota Franchise Investment Law, the parties agree to modify the License~~Franchise~~ Agreement dated _____, _____ hereby agree that the License Agreement will be amended as follows:

1. In Sections 2.B(5) and Article 17 of the Franchise Agreement, any reference to a requirement to sign a general release is hereby deleted.

2. Article 14 of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears there:

~~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.~~

"Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota."

3. Section 18.F. of the Franchise Agreement requiring liquidated damages is hereby deleted.

~~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.~~

4. 3. Section 1223.G. of the License~~Franchise~~ Agreement is amended ~~by the addition of~~with 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."~~

"The site of the arbitration or mediation must be agreeable to all parties and not be remote from the franchisee's place of business."

~~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. In Section 23 of the Franchise Agreement, any references to the consent to jurisdiction of courts in Texas are hereby deleted.

6. In Section 23.A. of the Franchise Agreement, the word "Texas" is replaced with the words "North Dakota."

7. Section 23.C. of the Franchise Agreement is hereby deleted.

8. ~~5.~~ Section ~~2023.D.~~ of the ~~License~~Franchise Agreement is hereby amended by the addition of the following language ~~at to the end of it~~original language that appears there:

~~"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.~~

"The statute of limitations under North Dakota Law will apply."

9. Section 23.E. of the Franchise Agreement is hereby deleted.

IN WITNESS WHEREOF, the parties have executed this Rider to the Franchise Agreement on the date stated on the first page.

~~LICENSOR~~FRANCHISOR:

SYLVAN LEARNING, LLC,
a Delaware limited liability company

~~LICENSEE~~FRANCHISEE:

[____],
a [_____]

By: _____
Susan Valverde, President

By: _____
[____], its [_____]

RHODE ISLAND RIDER

VIRGINIA RIDER TO THE SYLVAN LEARNING, LLC LICENSE FRANCHISE 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:~~

This Rider is entered into this _____ day of _____, 20____, by and between SYLVAN LEARNING, LLC (“we,” “us,” or “our”), and _____ (“Franchisee,” “you,” or “your”).

~~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.~~

In recognition of the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34, the parties agree to modify the Franchise Agreement as follows:

~~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.”~~

1. ~~3. The~~Governing Law. Section 23.A is amended by adding the following statement shall be deemed to amend the License Agreement:

Notwithstanding the foregoing, Rhode Island law governs any claim arising under the Rhode Island Franchise Investment Act.

2. Jurisdiction and Venue. Section 23.G is amended by adding the following:

Notwithstanding the foregoing, you have the right to file any arbitration action under the Rhode Island Franchise Investment Act in Rhode Island.

3. This Rider will have effect only if the Franchise Agreement and/or the relationship between you and Franchisor satisfy all of the jurisdictional requirements of the Rhode Island Franchise Investment Act, without considering this Rider. Except as expressly modified by this Rider, the Franchise Agreement remains unmodified and in full force and effect.

~~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.~~the parties have executed this Rider to the Franchise Agreement on the date stated on the first page.

~~LICENSOR~~FRANCHISOR:

SYLVAN LEARNING, LLC,
a Delaware limited liability company

~~LICENSEE~~FRANCHISEE:

[____],
a [_____]

By: _____
Susan Valverde, President

By: _____
[____], its [_____]

WASHINGTON ~~ADDENDUM RIDER~~
TO ~~THE LICENSE, SYLVAN LEARNING FRANCHISE AGREEMENT, FRANCHISE DISCLOSURE~~
~~QUESTIONNAIRE, 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:~~

This Rider is entered into this _____ day of _____, 20____, by and between Sylvan Learning, LLC ("Franchisor," "we," "us," or "our"), and _____ ("Franchisee," "you," or "your"). The provisions of this Rider an integral part of, are incorporated into, and modify the Sylvan Learning franchise agreement executed between the Franchisor and Franchisee, and all related agreements regardless of anything to the contrary contained therein. This Rider applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

~~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:~~

2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede ~~the License Agreement in provisions in the franchise agreement or related agreements concerning~~ your relationship with the ~~licensor or franchisor~~, including in the areas of termination and renewal of your franchise. There may also be court decisions ~~which may that~~ supersede the ~~License Agreement in franchise agreement or related agreements concerning~~ your relationship with the ~~licensor including the areas of termination and renewal of your franchise~~ franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a ~~licensee~~ franchisee 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.~~

4. **General Release.** A release or waiver of rights ~~executed by a licensee may not include rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision~~ under the Washington Franchise Investment Protection Act or any ~~rule or order~~ rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel—, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. **Statute of Limitations and Waiver of Jury Trial.** Provisions ~~such as those which~~ contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or

remedies under the Act such as a right to a jury trial, may not be enforceable.

6. **Transfer Fees.** Transfer fees are collectable only to the extent that they ~~reflect the licensor's~~reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** 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~~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~~inflation). As a result, any ~~provisions~~provision contained in the franchise agreement or elsewhere that ~~conflict~~conflicts with these limitations ~~are~~is void and unenforceable in Washington.

15. **Nonsolicitation Agreements.** 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~~franchise agreement or elsewhere are void and unenforceable in Washington.

16. **Questionnaires and Acknowledgments.** 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.

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

IN WITNESS WHEREOF, the parties have executed this Rider to the Franchise Agreement on the date stated on the first page.

FRANCHISOR:

SYLVAN LEARNING, LLC,
a Delaware limited liability company

FRANCHISEE:

_____],
a [_____]

By: _____
Susan Valverde, President

By: _____
_____, its [_____]

~~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.~~

RENEWAL RIDER TO SYLVAN LEARNING FRANCHISE AGREEMENT #[]

This Renewal Rider to Sylvan Learning Franchise Agreement (the “Rider”) is entered into by and between Sylvan Learning, LLC (“Franchisor”), _____ (“Franchisee”), and the undersigned guarantors (“Owners”) regarding a franchise agreement (“Renewal Franchise Agreement”) to govern Franchisee’s continued operation of it’s Sylvan Learning franchised business at _____ (“Franchised Business”) and is effective as of the Effective Date indicated on the Summary Page of the Renewal Franchise Agreement. All initial-capitalized terms used but not defined in this Rider will have the meanings given to those terms in the Renewal Franchise Agreement.

1. Expiring Franchise Agreement. Franchisor and Franchisee acknowledge that the Renewal Franchise Agreement is the successor to Sylvan Learning franchise agreement between Franchisor and Franchisee dated as of [], as amended (the “Expiring Franchise Agreement”), under which Franchisee operated the Franchised Business during the Expiring Franchise Agreement’s term and until the Effective Date. Franchisor and Franchisee are signing this Rider because the Expiring Franchise Agreement is scheduled to expire, and Franchisor and Franchisee have agreed to renew the Franchised Business’s franchise agreement by signing the Renewal Franchise Agreement. This Rider modifies certain provisions of the Renewal Franchise Agreement that (a) do not apply to Franchisee’s operation of the Franchised Business during the renewal franchise term or (b) otherwise must account for the fact that the Franchised Business already is open and operating as of the Effective Date.

2. Term. The Expiring Franchise Agreement’s term is deemed to expire on the day before the Effective Date. Franchisee has no further rights under the Expiring Franchise Agreement on or following the Effective Date.

3. Grant of Franchise. Section 1.B. of the Renewal Franchise Agreement is amended as follows:

“Franchisor hereby grants to Franchisee and Franchisee hereby accepts a non-exclusive license to operate a Sylvan Learning Franchised Business at the Approved Location indicated in Attachment B in compliance with the System. The franchise granted herein is specifically limited to the Approved Location and does not confer rights of any kind to any other location, area, market or territory.”

4. Remaining Successor Terms. This Renewal Franchise Agreement satisfies the _____ term of the Franchisee’s initial franchise agreement dated _____. Therefore, for purposes of clarity, Franchisee has _____ Successor Terms remaining, notwithstanding anything to the contrary in Section 2.B. of the Renewal Franchise Agreement, and all such Successor Terms are subject to renewal requirements in Section 2.B. of the Renewal Franchise Agreement, including payment of the Renewal Fee as defined in the Renewal Franchise Agreement.

5. Opening Date. If the Franchised Business is open at the Approved Location at the time of execution of the Renewal Franchise Agreement, the Opening Date shall be the same date as the Effective Date. If the Franchised Business is expected to relocate to another premises, then Franchisee shall be subject to all development procedures in Articles 3 and 4, and opening requirements in Article 5 of the Renewal Franchise Agreement.

6. Initial Franchise Fee. Provided that this Renewal Franchise Agreement is renewal of the Expiring Franchise Agreement, the requirement to pay the Initial Franchise Fee in Section 6.A. of the Renewal Franchise Agreement is waived and instead, Franchisee shall pay the Renewal Fee stated in the Expiring Franchise Agreement.

7. Grand Opening Advertising Requirements. Section 15.B. of the Renewal Franchise Agreement is amended with the following:

“Provided that this is a renewal of the Expiring Franchise Agreement, Franchisee is not required to spend the Grand Opening Amount; however, Franchisee may choose to voluntarily spend any amount it deems appropriate to market the renewal its franchise rights under this Agreement.

8. Acknowledgements. Article 24 of the Renewal Franchise Agreement is amended with the following:

“I. **Lease.** Franchisee has fee simple or leasehold title to the premises of the Franchised Business without any restrictions which would interfere with Franchisee’s performance under this Agreement.”

9. Release. As partial consideration for, and as a condition of, Franchisor’s granting Franchisee the rights under the Renewal Franchise Agreement, Franchisee, its Owners, and its affiliates, on behalf of themselves and their respective successors, heirs, executors, administrators, personal representatives, agents, assigns, partners, owners, directors, officers, principals, and employees (all such parties referred to collectively as the “Releasing Parties” and, individually, as a “Releasing Party”), hereby forever release and discharge Franchisor and its current and former affiliated entities (including parent, subsidiary, and other related companies), and all of their respective officers, directors, owners, principals, partners, employees, agents, successors, executors, administrators, personal representatives, predecessors, and assigns (all such parties referred to collectively as the “Released Parties” and, individually, as a “Released Party”), from any and all claims, damages, demands, debts, causes of action, suits, duties, liabilities, costs, expenses, and agreements of any nature and kind, whether presently known or unknown, vested or contingent, suspected or unsuspected (all such matters referred to collectively for purposes of this Section 9 as “Claims” and, individually, as a “Claim”), that any Releasing Party now has, ever had, or, but for this Section 9, hereafter would or could have against any Released Party directly or indirectly arising from or related in any way to (a) the Released Parties’ performance of or failure to perform their obligations under the Expiring Franchise Agreement, or (b) Franchisee’s and the other Releasing Parties’ relationship, from the beginning of time to the Effective Date, with any Released Party, excepting only any Claims arising exclusively from or related exclusively to the grant of the renewal franchise under the Renewal Franchise Agreement. The released Claims include, but are not limited to, any Claim alleging violation of any deceptive or unfair trade practices laws, franchise laws, or other local, municipal, state, federal, or other laws, statutes, rules, or regulations. Franchisee acknowledges that the Releasing Parties might after the Effective Date discover facts different from, or in addition to, those facts currently known to them, or which they now believe to be true, with respect to the Claims released by this Section. The Releasing Parties nevertheless agree that the release set forth in this Section has been negotiated and agreed on despite such acknowledgement and despite any federal or state statute or common-law principle which provides that a general release does not extend to claims which are not known to exist at the time of execution. Franchisee and the other Releasing Parties further covenant not to sue any Released Party on any Claim released by this paragraph and represent that they have not assigned any such Claim to any individual or entity that is not bound by this paragraph.

[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.

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

IN WITNESS WHEREOF, the undersigned, intending to be legally bound, have executed this Renewal Rider to Sylvan Learning Renewal Franchise Agreement to be effective as of the Effective Date of the Renewal Franchise Agreement.

LICENSORFRANCHISOR:

SYLVAN LEARNING, LLC,
a Delaware limited liability company

LICENSEEFRANCHISEE:

[____],
a [_____]

By: _____
Susan Valverde, President

By: _____
[____], its [_____]

OWNERS:

[____], individually

[____], individually

SYLVAN LEARNING® ~~AND SYLVANSYNC®~~
LICENSEFRANCHISE AGREEMENT

ATTACHMENT A

GLOSSARY OF ADDITIONAL TERMS

Capitalized terms will have the following meanings, unless otherwise defined in this Agreement.

“Advertising Cooperative” means a group of Sylvan Learning businesses formed to facilitate marketing and advertising placement in a particular geographic area.

“Affiliate” means, with respect to Franchisee or any Owner, any (i) direct or indirect parent, subsidiary, or affiliate, (ii) any Person, the management of which is, directly or indirectly, controlled by, or of which an aggregate of more than 10% of the voting Stock is, at the time, owned or controlled directly or indirectly by, such Person or one or more Affiliates of such Person, (iii) Person, including another franchisee of Franchisor, that shares common or partial, direct or indirect ownership, and (iv) any Person that has an ownership interest in another entity, or that controls, is controlled by, or is under common control, directly or indirectly.

“Affiliated Brand” means an Affiliate of the Franchisor that offers franchises pursuant to a separate franchise agreement.

“Approved Location” means the Franchisor-approved site for the Franchised Business in the Protected Area that meets Franchisor’s site selection criteria, as specified in Attachment B.

“Business Entity” means a corporation, limited liability company, limited partnership, or other entity created pursuant to statutory authority.

“Competitive Business” means any business or enterprise that is the same or similar to Sylvan Learning businesses, including without limitation any business or enterprise, franchised and non-franchised, that operates or grants franchises or licenses for the operation of businesses specializing in supplemental education tutoring services, grades K-12 learning curriculum, personalized instruction and assessments, test preparation support, academic enrichment programs, and related services and products for children.

“Confidential Information” means all information, knowledge, elements, trade secrets, and know-how utilized or embraced by the System, or which otherwise concerns Franchisor’s systems of operation, programs, services, products, customers, practices, materials, books, records, financial information, manuals, computer files, databases, or software; including, but not limited to: the Standards and all elements of the System and all products, services, equipment, technologies, policies, standards, requirements, criteria, and procedures which now or in the future are a part of the System; all information contained in the Manual, including supplements to the Manual; Franchisor’s standards and specifications for product preparation, packaging, and service; all specifications, sources of supply, all procedures, systems, techniques and activities employed by Franchisor or by you in the offer and sale of products and/or services at or from the Franchised Business premises; all pricing paradigms established by Franchisor or by you; all of Franchisor’s and/or your sources, or prospective sources, of supply and all information pertaining to same, including wholesale pricing structures, the contents of sourcing agreements, and the identity of vendors and suppliers; Franchisor’s specifications, and your final plans, for the construction, buildout, design, renovation, décor, equipment, signage, furniture, fixtures and trade dress elements of your Franchised Business premises; the identify of, and all information relating to, the computer and POS hardware and software utilized by Franchisor and you; all information and data relating to and collected by Sylvan Software, Extranet, and Website; all information and data pertaining to Franchisor’s and/or your advertising, marketing, promotion, and merchandising campaigns, activities, materials, specifications and procedures; information obtained through the Dashboard Access Agreement; all prospective, current, and past customer lists and customer information, Member Information, and records generated and/or otherwise

maintained by your Franchised Business; all internet/web protocols, procedures, and content related to the System and your Franchised Business; Franchisor's training and other instructional programs and materials; all elements of Franchisor's recommended staffing, staff training, and staff certification policies and procedures; all communications between you and Franchisor, including the financial and other reports you are required to submit to Franchisor under this Agreement; additions to, deletions from, and modifications and variations of the components of the System and the other systems and methods of operations which Franchisor employs now or in the future; all other knowledge, trade secrets, or know-how concerning the methods of operation of your Franchised Business which may be communicated to you, or of which you may be apprised, by virtue of operation under the terms of the Franchise Agreement; and all other information, knowledge, and know-how which either Franchisor or its Affiliates, now or in the future, designate as "Confidential Information."

"Controlling Interest" means: (a) if you are a corporation or a limited liability company, that the Owners, either individually or cumulatively (i) directly or indirectly own more than 20% of the shares of each class of the developer entity's issued and outstanding capital stock or membership units, as applicable; and (ii) are entitled, under its governing documents and under any agreements among the Owners, to cast a sufficient number of votes to require such entity to take or omit to take any action which such entity is required to take or omit to take under this Agreement; or (b) if you are a partnership, that the Owners (i) own more than 20% interest in the operating profits and operating losses of the partnership as well as more than 20% ownership interest in the partnership (and more than 20% interest in the shares of each class of capital stock of any corporate general partner); and (ii) are entitled under its partnership agreement or applicable law to act on behalf of the partnership without the approval or consent of any other partner or be able to cast a sufficient number of votes to require the partnership to take or omit to take any action which the partnership is required to take or omit to take under this Agreement.

"Crisis Management Event" means any event that occurs at or about the Franchised Business premises or in connection with the operation of the Franchised Business that has or may cause harm or injury to customers or employees, such as contagious diseases, natural disasters, terrorist acts, personal injuries resulting from the use of an attraction, shootings or other acts of violence, or any other circumstance which may materially and adversely affect the System or the goodwill symbolized by the marks.

"Customer Information" shall mean all information relating to past, current, or prospective customers of the Franchised Business or any other Sylvan Learning franchised business which is stored on or contained in the Sylvan Software, including without limitation, personal identification information, student demographic data, and student academic data.

"Franchise Site Application" means the form of application prescribed by Franchisor, from time-to-time, and used to evaluate proposed sites for the Franchised Business premises.

"Grand Opening Advertising Amount" means the amount set forth in the Summary Page that Franchisee will spend in connection with the opening of the Franchised Business and pursuant to Section 15.B.

"Gross Sales" means the dollar aggregate of: (1) the sales price of all products, services, membership fees, merchandise and other items sold, and the charges for all services you perform, whether made for cash, on credit or otherwise, without reserve or deduction for inability or failure to collect, including sales and services (A) originating at the Franchised Business premises even if delivery or performance is made offsite from the Franchised Business premises, (B) placed by mail, facsimile, telephone, the internet and similar means if received or filled at or from the Franchised Business premises, and (C) that you in the normal and customary course of your operations would credit or attribute to the operation of the Franchised Business; and (2) all monies, trade value or other things of value that you receive from Franchised Business operations at, in, or from the Franchised Business premises that are not expressly excluded from Gross Sales, including but not limited to the redemption of approved gift cards/certificates, stored value cards, and loyalty program benefits (the initial sales or reloading of gift cards shall not be included in the calculation of Gross Sales) pursuant to the Customer Card Programs. Gross Sales does not include: (1) the exchange of merchandise

between Franchised Businesses (if you operate multiple franchises) if the exchanges are made solely for the convenient operation of your business and not for the purpose of depriving us of the benefit of a sale that otherwise would have been made at, in, on or from the Franchised Business premises; (2) returns to shippers, vendors, or manufacturers; (3) sales of fixtures or furniture after being used in the conduct of the Franchised Business; (4) the sale of gift certificates and stored value cards (the redemption value will be included in Gross Sales at the time of redemption); (5) insurance proceeds; (6) sales to employees at a discount (provided such discounts will not exceed 1.5% of Gross Sales during any reporting period); (7) cash or credit refunds for transactions included within Gross Sales (limited, however, to the selling price of merchandise returned by the purchaser and accepted by you); (8) the amount of any city, county, state or federal sales, luxury or excise tax on such sales that is both (A) added to the selling price or absorbed therein and (B) paid to the taxing authority; (9) tips and gratuities; (10) Gross Sales earned through an Affiliated Brand franchise operated at the Franchised Business premises, so long as such Gross Sales constitute gross sales (or equivalent) subject to a royalty fee and other fees under such Affiliated Brand's franchise agreement; and (11) rent or other consideration paid by an Affiliated Brand franchise for occupying the Franchised Business' premises. A purchase returned to the Franchised Business may not be deducted from Gross Sales unless the purchase was previously included in Gross Sales.

"Ideas and Concepts" means processes, innovations, improvements, ideas, concepts, methods, techniques, materials or customer information relating to the System, Confidential Information and/or Sylvan Learning businesses that you or any of your Owners, Affiliates, personnel or independent contractors discovers, invents, creates, develops or derives from time to time in connection with the development or operation of the Franchised Business.

"Initial Franchise Fee" means the initial fee Franchisee must pay to Franchisor upon Franchisee's execution of this Agreement as set forth in Section 6.A. and in the amount set forth in the Summary Page.

"Intellectual Property" means all intellectual property or other proprietary rights throughout the world, whether existing under contract, statutes, convention, civil law, common law or any law whatsoever, now or hereafter in force or recognized, including (1) patents and rights to inventions; (2) trademarks, service marks, logos, trade dress and design rights; (3) works of authorship, including, without limitation, copyrights, source codes, moral rights, and neighboring rights; (4) trade secrets; (5) Ideas and Concepts; (6) publicity and privacy rights; (7) any rights analogous to those set forth herein and any other intellectual property and proprietary rights; (8) any application or right to apply for any of the rights referred to in subsections (1) through (7) above; and (9) any and all renewals, divisions, continuations, continuations-in-part, re-issuances, re-examinations, extensions and restorations of any of the foregoing (as applicable).

"Local Marketing Expenditure" means the amount Franchisee must spend monthly on local advertising for the Franchised Business in the Protected Area each month as set forth in Section 15.A. and in the amount set forth in the Summary Page, as may be amended.

"Manual" or "Operations Manual" means the series of documents, publications, bulletins, materials, drawings, memoranda, digital media, and other media Franchisor may loan you from time-to-time, which sets forth the System's operating systems, procedures, policies, methods, standards, specifications, and requirements for operating your Franchised Business, and which contains information and knowledge necessary and material to the System, and designated by Franchisor as the mandatory guide for the development and operation of Sylvan Learning businesses, including, without limitation, the confidential and proprietary Operations Manual, as Franchisor may, in its sole discretion, revise, amend, modify, or update from time-to-time upon notice of such revisions, amendment, modification, or update to you or your Affiliates.

"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 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 the transfer, the \$6,000 shall be multiplied by the number of Additional Centers plus \$6,000 for the Approved Location.

(ATTACHMENT A CONTINUES ON THE NEXT PAGE.)

US MARKS:

<u>Mark</u>	<u>Registration Number</u>	<u>Registration Date</u>
(Add) 	<u>1410891</u>	<u>September 23, 1986</u>
(Add) 	<u>3732803</u>	<u>December 29, 2009</u>
(Add) 	<u>3735313</u>	<u>January 5, 2010</u>
(Add) 	<u>5329939</u>	<u>November 7, 2017</u>
(Add) 	<u>4227443</u>	<u>October 16, 2012</u>
(Add) 	<u>4467950</u>	<u>January 14, 2014</u>
(Add) 	<u>4732189</u>	<u>May 5, 2015</u>
	<u>4756178</u>	<u>June 16, 2015</u>
(Add) 	<u>5335718</u>	<u>November 14, 2017</u>
(Add) 	<u>4883227</u>	<u>January 5, 2016</u>

<u>Mark</u>	<u>Registration Number</u>	<u>Registration Date</u>
(Add) 	<u>5087116</u>	<u>November 22, 2016</u>
(Add) 	<u>5,142,208</u>	<u>February 14, 2017</u>
(Add) 	<u>3392255</u>	<u>March 4, 2008</u>
(Add) 	<u>3402237</u>	<u>March 25, 2008</u>
(Add) 	<u>5088525</u>	<u>November 22, 2016</u>
(Added) 	<u>5088526</u>	<u>November 22, 2016</u>

TERRITORY

SYLVAN LEARNING®
FRANCHISE AGREEMENT

ATTACHMENT B

APPROVED LOCATION AND PROTECTED AREA

Section 1.A. The Approved Location is at: [_____].

Section 1.31.B. The ~~boundaries of the Territory include~~ Protected Area partially includes 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 3.B. The Opening Date is: [_____].

~~Section 1.6~~ ~~Primary Center address:~~

Section 1.7 3.G. The Additional Center ~~address, if applicable:~~ (s) are located at: [_____].

IN WITNESS WHEREOF, the undersigned, intending to be legally bound, have executed this Attachment AB to be effective as of the Effective Date.

~~LICENSOR~~ FRANCHISOR:

SYLVAN LEARNING, LLC,
a Delaware limited liability company

~~LICENSEE~~ FRANCHISEE:

~~_____~~ [_____] [_____] ,
a [_____] ~~—limited liability~~
~~company~~ [_____]

By: _____
Susan Valverde, President

By: _____ its
~~Member~~ [_____] [_____]

SYLVAN LEARNING® ~~AND SYLVANSYNC®~~
~~LICENSEE~~FRANCHISEE AGREEMENT

ATTACHMENT ~~BC~~

~~LICENSEE'S~~FRANCHISEE'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~~”) Franchisee, 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 ~~CD~~ to the ~~License~~Franchise Agreement:

NAME, ADDRESS, TELEPHONE NUMBER, AND EMAIL	OWNERSHIP INTEREST IN ~~LICENSEE~~ <u>FRANCHISEE</u>	NATURE OF INTEREST
	~~_____~~ %	
	~~_____~~ %	
	~~_____~~ %	
	~~_____~~ %	
	~~_____~~ %	
	~~_____~~ %	

- B. The following is a list of all of ~~Licensee's~~ Franchisee'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 ~~DE~~ to the ~~License~~Franchise Agreement:

NAME, ADDRESS, TELEPHONE NUMBER, AND EMAIL	POSITION

- C. ~~Licensee's Managing Principal is: _____~~ Franchisee's Designated Manager is: [_____].
Telephone Number: ~~_____~~ [_____].
Email Address: ~~_____~~ [_____].
- D. ~~Licensee~~Franchisee represents to ~~Licensor~~Franchisor that the persons identified in this Attachment ~~BC~~, 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~~Franchisee and a true and correct description of the nature of their interest.

~~LICENSEE~~FRANCHISEE:

~~_____~~ [_____] [_____],

a [_____] ~~-limited liability company~~ [_____]

By: _____
~~_____~~ [_____] [_____], its ~~Member~~ [_____] [_____]

SYLVAN LEARNING® ~~AND SYLVANSYNC®~~
LICENSEE FRANCHISE AGREEMENT

ATTACHMENT ~~CD~~

UNDERTAKING AND GUARANTY

By virtue of executing a Sylvan Licensee Learning Franchise Agreement (~~“Licensee~~ dated [] (“Franchise Agreement”) ~~dated~~, (“Licensee, [] (“Franchisee”) has acquired the right and franchise from Sylvan Learning, LLC (“Licensor Franchisor”) to establish and operate a SYLVAN ~~and SYLVANSYNC~~ licensed LEARNING® business (“Licensed Franchised Business”) and the right to use in the operation of the Licensed Franchised Business the Licensed Proprietary Marks and the Sylvan System, as they may be changed, improved, and further developed from time-to-time in Licensor’s Franchisor’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 Licensee Franchise Agreement, each of the undersigned Owners hereby acknowledges and agrees as follows:

1. ~~1.~~ I have read the terms and conditions of the Licensee Franchise Agreement and acknowledge that the execution of this Undertaking and Guaranty and the undertakings of the Owners in the Licensee Franchise Agreement are in partial consideration for, and a condition to, the granting of the rights under the Licensee Franchise Agreement. I understand and acknowledge that Licensor Franchisor would not have granted such rights without the execution of this Undertaking and Guaranty and the other undertakings of the Owners in the Licensee Franchise Agreement.

2. ~~2.~~ I own a beneficial interest in the Licensee Franchisee, and I am included within the term “Owner” as defined in the Licensee Franchise Agreement.

3. ~~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 Licensee Franchise Agreement, and agree that I am obligated to and will perform thereunder, including, without limitation, the provisions regarding compliance with the Franchise Agreement in Article 11, 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~~ 14, the restrictive covenants in Article 12, ~~the indemnification obligations in Article 14~~ 14, ~~the transfer provisions in Article 17~~, the choice of law and venue provisions in Article 21 23, and ~~dispute resolution provisions~~ the indemnification obligations in Article 23 20.

4. ~~4.~~ I, individually and jointly and severally with the other Owners, unconditionally and irrevocably guarantee to Licensor Franchisor and its successors and assigns that all obligations of the Licensee Franchisee under the Licensee Franchise Agreement will be punctually paid and performed. Upon default by the Licensee Franchisee or upon notice from Licensor Franchisor, I will immediately make each payment and perform each obligation required of the Licensee Franchisee under the Licensee Franchise Agreement. Without affecting the obligations of any Owner under this or any other Undertaking and Guaranty, Licensor Franchisor may, without notice to any Owner, waive, renew, extend, modify, amend, or release any indebtedness or obligation of the Licensee Franchisee or settle, adjust, or compromise any claims that Licensor Franchisor may have against the Licensee Franchisee. 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 Franchisee, any default by the Licensee Franchisee or any guarantor, and any release of any guarantor or other security for this Undertaking and Guaranty or the obligations of the Licensee. Licensor Franchisee. Franchisor may pursue its rights against me without first exhausting its remedies against the Licensee Franchisee and without joining any other guarantor and no delay on the part of Licensor Franchisor 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 Franchisor of any right or remedy will preclude the

further exercise of that or any other right or remedy. Upon ~~Licensor's~~Franchisor'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~~Franchise 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. 5-~~ No modification, change, impairment, or suspension of any of ~~Licensor's~~Franchisor's rights or remedies shall in any way affect any of my obligations under this Undertaking and Guaranty. If the ~~Licensee~~Franchisee has pledged other security or if one or more other persons have personally guaranteed performance of the ~~Licensee's~~Franchisee's obligations, I agree that ~~Licensor's~~Franchisor's release of such security will not affect my liability under this Undertaking and Guaranty.

~~6. 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~~Franchisor written notice of the change.

~~7. 7-~~ I understand that ~~Licensor's~~Franchisor'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~~Franchisor under ~~applicable governing~~ law.

~~8. 8-~~ I agree to be bound individually to all of the provisions of the ~~License~~Franchise 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~~Franchisor'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. 9-~~ **I WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, INVOLVING ~~LICENSOR~~FRANCHISOR, WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THE ~~LICENSE~~FRANCHISE AGREEMENT, THE PERFORMANCE OF ANY PARTY UNDER THE ~~LICENSE~~FRANCHISE AGREEMENT, AND/OR THE OFFER OR GRANT OF THE FRANCHISE.**

~~10. 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~~Franchisor. 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~~Franchise Agreement.

~~11. 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.

12. DISPUTE RESOLUTIONS BY BINDING ARBITRATION.

12.1 Any dispute Any dispute or claim between the Franchisee and Owners, and the Franchisor, including but not limited to any dispute or claim arising out of or relating in any way to

- (i) this undertaking and guaranty or any other agreement Franchisee and Owners, and the Franchisor,
- (ii) the offer and sale of the franchise opportunity,
- (iii) any representations made prior to the execution of this undertaking and guaranty,

(iv) the validity, enforceability, or scope of this undertaking and guaranty and this arbitration agreement, and

(v) 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 <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 Franchisor’s rights in and to intellectual property (including, but not limited to, the Proprietary 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.

12.2 Franchisee and Owners, and the Franchisor agree that arbitration will be conducted on an individual, not a class-wide or representative basis, that only Franchisee and Owners, and the Franchisor may be the parties to any arbitration proceeding described in this Section, and that no such arbitration proceeding may be consolidated or joined with another arbitration proceeding involving Franchisee and Owners, and the Franchisor 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 Section, if any court or arbitrator determines that all or any part of this Section is unenforceable with respect to a dispute that otherwise would be subject to arbitration, then the parties agree that this arbitration clause will not apply to that dispute, and such dispute will be resolved in a judicial proceeding in accordance with Section 12.11. below.

12.3 Franchisee and Owners, and the Franchisor are bound by any limitation under this Agreement or governing law, whichever expires first, on the timeframe in which claims must be brought. Franchisee and Owners, and the Franchisor Parties 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 made by Franchisee and Owners, and the Franchisor.

12.4 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.

12.5 Except as may be required by law, neither Franchisee and Owners, and the Franchisor, nor an arbitrator may disclose the existence, content, or results of any arbitration under this Section without the prior written consent of all parties.

12.6 The arbitrator must follow, and may not disregard, the governing law.

12.7 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 Section 12.12. below), provided that Franchisee and Owners, and the Franchisor 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 Section, and judgment upon the award may be entered in a court specified or permitted in Section 12.10. below.

12.8 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.

12.9 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 Franchisor posting bond or other security and any such bond or other security is hereby waived.

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

12.11 Subject to the arbitration obligations in this Section 12, 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, Franchisor 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 Franchisee and Owners reside or the Franchised Business is located.

12.12 If any party commences a legal action against the other party arising out of or in connection with this undertaking and guarantee, the prevailing party shall be entitled to have and recover from the other party its reasonable attorneys' fees and costs of suit.

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®~~
LICENSEE FRANCHISE AGREEMENT**

ATTACHMENT DE

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

In consideration of my being an Owner of [_____] (“Licensee Franchisee”) and by virtue of executing a SYLVAN LEARNING® ~~and SylvanSync®~~ Licensee Franchise Agreement dated [_____] (“Licensee Franchise 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. 1- Through the Licensee Franchise Agreement, Licensee Franchisee has acquired the right and licensee franchise from SYLVAN LEARNING® ~~Sylvan Learning~~, LLC (“Licensor Franchisor”) to establish and operate a SYLVAN LEARNING® ~~and SylvanSync®~~ licensee franchise facility (“Licensed Franchised Business”) and the right to use in the operation of the Licensed Franchised Business the Licensed Proprietary Marks and the ~~Sylvan~~-System, as they may be changed, improved, and further developed from time-to-time in Licensor's Franchisor's sole discretion.

2. 2- Licensor Franchisor 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~~ Manual, Proprietary Services, Intellectual Property Confidential Information and other techniques and know-how which concerns Licensor's Franchisor'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 Licensee Franchise Agreement.

3. 3- In addition to the Confidential Information identified in the Licensee Franchise Agreement, any and all manuals, trade secrets, copyrighted materials, methods, information, knowledge, know-how, and techniques which Licensor Franchisor specifically designates as confidential shall be deemed to be “~~Confidential Information~~” for purposes of this Agreement.

4. 4- I acknowledge that, in my position with the ~~Licensee, Licensor and Licensee Franchisee, Franchisor and Franchisee~~ 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. 5- I will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Licensed Franchised 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. 6- The Confidential Information is proprietary, involves trade secrets of Licensor Franchisor, 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 Franchisor as confidential. Unless Licensor Franchisor otherwise agrees in writing, I will not disclose and/or use the Confidential Information except in connection with the operation of the Licensed Franchised Business as an Owner of the Licensee Franchisee, 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 Franchisor 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 Franchisor 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~~Franchisee under the ~~License~~Franchise Agreement.

~~7.~~ 7. Except as otherwise approved in writing by ~~Licensor~~Franchisor, 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~~Franchisee, 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~~Franchisee (or the two (2)-year period after the expiration or earlier termination of the ~~License~~Franchise 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~~Proprietary Marks and the ~~Sylvan~~-System defined and described in the ~~License~~Franchise 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~~Franchise Agreement with ~~Licensor~~Franchisor. While I am the Owner of, employed by, or associated with the ~~Licensee~~Franchisee, 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~~Franchisor or its Affiliates have used, sought registration of, or registered the ~~Licensed~~Proprietary Marks or similar marks, or have operated or licensed others to operate a business under the ~~Sylvan~~-System or the ~~Licensed~~Proprietary Marks or similar marks. After I cease to be the Owner of, employed by, or associated with the ~~Licensee~~Franchisee (or after the expiration or earlier termination of the ~~License~~Franchise 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~~ is or is intended to be located at the location of any current or former Sylvan Learning business or within a 25-mile radius of any other Sylvan Learning 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~~ Approved Location of the Franchised 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~~and 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~~ businesses specializing in supplemental education tutoring services, grades K-12 learning curriculum, personalized instruction and assessments, test preparation support, academic enrichment programs, and related services and products for children.

~~8.~~ 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~~Franchisor 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. 9. I understand and acknowledge that ~~Licensor~~Franchisor 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. 10. ~~Licensor~~Franchisor is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the ~~Licensee~~Franchisee. I am aware that my violation of this Agreement will cause ~~Licensor~~Franchisor and the ~~Licensee~~Franchisee irreparable harm; therefore, I acknowledge and agree that the ~~Licensee~~Franchisee and/or ~~Licensor~~Franchisor may apply for the issuance of an injunction preventing me from violating this Agreement, and I agree to pay the ~~Licensee and Licensor~~Franchisee and Franchisor 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~~Franchisee and ~~Licensor~~Franchisor, any claim I have against the ~~Licensee or Licensor~~Franchisee or Franchisor is a separate matter and does not entitle me to violate or justify any violation of this Agreement.

11. 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~~Franchisee 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~~Franchise Agreement.

12. DISPUTE RESOLUTION BY BINDING ARBITRATION.

12.1 Any dispute or claim between the Franchisee and Owners, and the Franchisor, including but not limited to any dispute or claim arising out of or relating in any way to

- (i) this Agreement or any other agreement Franchisee and Owners, and the Franchisor,
- (ii) the offer and sale of the franchise opportunity,
- (iii) any representations made prior to the execution of this Agreement,
- (iv) the validity, enforceability, or scope of this Agreement and this arbitration agreement,
- and
- (v) 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 <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 Franchisor's rights in and to intellectual property (including, but not limited to, the Proprietary 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.

12.2 Franchisee and Owners, and the Franchisor agree that arbitration will be conducted on an individual, not a class-wide or representative basis, that only Franchisee and Owners, and the Franchisor may be the parties to any arbitration proceeding described in this Section, and that no such arbitration proceeding may be consolidated or joined with another arbitration proceeding involving Franchisee and Owners, and the Franchisor 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 Section, if any court or arbitrator determines that all or any part of this Section is unenforceable with respect to a dispute that otherwise would be subject to arbitration, then the parties agree that this arbitration clause will not apply to that dispute, and such dispute will be resolved in a judicial proceeding in accordance with Section 12.11

below.

12.3 Franchisee and Owners, and the Franchisor are bound by any limitation under this Agreement or governing law, whichever expires first, on the timeframe in which claims must be brought. Franchisee and Owners, and the Franchisor Parties 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 made by Franchisee and Owners, and the Franchisor.

12.4 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.

12.5 Except as may be required by law, neither Franchisee and Owners, and the Franchisor, nor an arbitrator may disclose the existence, content, or results of any arbitration under this Section without the prior written consent of all parties.

12.6 The arbitrator must follow, and may not disregard, the governing law.

12.7 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 Section 12.12. below), provided that Franchisee and Owners, and the Franchisor 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 Section, and judgment upon the award may be entered in a court specified or permitted in Section 12.10. below.

12.8 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.

12.9 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 Franchisor posting bond or other security and any such bond or other security is hereby waived.

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

12.11 Subject to the arbitration obligations in this Section 12, any judicial action must be brought in a court of competent jurisdiction in the state, and in (or closest to) the county where the 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, Franchisor 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 Franchisee and Owners reside or the Franchised Business is located.

12.12 If any party commences a legal action against the other party arising out of or in connection with this Agreement, the prevailing party shall be entitled to have and recover from the other party its reasonable attorneys' fees and costs of suit.

~~13.~~ ~~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~~Franchisor'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~~state of Texas, and that I am to receive valuable information emanating from ~~Licensor's~~Franchisor'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~~Franchisor 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.

~~14.~~ ~~13.~~ **I WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, INVOLVING ~~LICENSOR~~FRANCHISOR, WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE ~~LICENSE~~FRANCHISE AGREEMENT, THE PERFORMANCE OF ANY PARTY UNDER THE ~~LICENSE~~FRANCHISE AGREEMENT, AND/OR THE OFFER OR GRANT OF THE ~~LICENSE~~FRANCHISE.**

~~15.~~ ~~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~~FRANCHISEE:

— [] [],

a []

a ~~limited liability company~~ []

By: _____

— [] [], its ~~Member~~ [] []

SYLVAN LEARNING® ~~AND SYLVANSYNC®~~
LICENSE FRANCHISE 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 , 20], (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 76022~~, and , (“Licensee”), with a principal place of business at , Center #: ~~Error! Reference source not found.~~, 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:

1. **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.
2. **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:

Fee Type	Model A—Low Variable Fee	Model B—Low Fixed Fee
Flat Fee	\$700 per Month	\$350 per Month
Variable Fee	\$10 per Inquiry	\$30 per Inquiry

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: _____ Susan Valverde, President	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 Buses 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~~
(Del)



~~SYLVANSYNC EDUCATIONAL SOFTWARE~~
~~License and Terms of Use Agreement~~

~~Parties: Sylvan Learning, LLC, as "Licensor," and [redacted],~~
~~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 of the License Agreement.~~

LICENSOR:

SYLVAN LEARNING, LLC,
a Delaware limited liability company

By: _____
Susan Valverde, President

LICENSEE:

_____,
a _____ limited liability company _____

By: _____
_____, its Member _____

~~SYLVAN LEARNING® AND SYLVAN SYNC®~~
LICENSE AGREEMENT

ATTACHMENT H

TELEPHONE NUMBERS ASSIGNMENT AGREEMENT

This Telephone Numbers Assignment Agreement is made on ————[_____, 20____].[_____] 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~~®” (“Franchised Business”));
- B. The Assignor has been granted a license to operate a ~~Licensed~~Franchised Business pursuant to a ~~License~~Franchise Agreement dated ————[_____] in accordance with the System;
- C. To operate its ~~Licensed~~Franchised 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~~Franchise 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~~Franchise 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~~Franchise 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~~Franchised Business in accordance with the terms of the ~~License~~Franchise Agreement; provided, however, such Assignment shall not be effective unless and until the ~~License~~Franchise 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

ASSIGNOR:

_____[] [],
a [] ~~limited liability~~
company []

By: _____
Susan Valverde, President

By: _____ its
~~Member~~ [] []

SYLVAN LEARNING® ~~AND SYLVANSYNC®~~
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”), [_____] (“Landlord”), and [_____] (“Tenant”), 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 [_____, 20____], 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.

LICENSE 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, subject to Franchisor Assignee executing an acceptance of the assignment of Lease or new lease, as the case may be.

3. Tenant's Agreement to Vacate Leased Premises. Tenant agrees to peaceably and promptly vacate the Leased Premises and, subject to Franchisor's right to acquire any such property pursuant to its Franchise Agreement with Tenant, to remove its personal property therefrom upon the termination of the Franchise Agreement. Any property not removed or otherwise disposed of by Tenant within 10 days of Franchisor assignee's election to accept assignment of the Lease shall be deemed abandoned.
4. Entry. Upon notice to Landlord as set forth in the Lease, Franchisor may enter the Leased Premises to make any modification necessary to protect Franchisor's proprietary system or marks or to cure any default under the Franchise Agreement or under the Lease, without being guilty of trespass or any other crime or tort.
5. Amendment of Lease. Tenant agrees not to amend the Lease in any material respect, except with the prior written consent of Franchisor.
6. Franchisor Not a Guarantor. Landlord acknowledges and agrees that notwithstanding any terms or conditions contained in this Agreement or any other agreement, Franchisor shall in no way be construed as a guarantor or surety of Tenant's obligations under the Lease except as may be set forth in any Guaranty attached to the Lease as applicable. Notwithstanding the foregoing, in the event Franchisor Assignee becomes the tenant by assignment of the Lease in accordance with the terms hereof or enters into a new lease with Landlord, then Franchisor Assignee shall be liable for all obligations of Tenant on its part to be performed or observed under the Lease or a new lease.
7. Document to Govern. The terms and conditions contained herein modify and supplement the Lease. Whenever any inconsistency or conflict exists between this Agreement and the Lease, the terms of this Agreement shall prevail.
8. Waiver. Failure of Franchisor to enforce or exercise any of its rights hereunder shall not constitute a waiver of the rights hereunder or a waiver of any subsequent enforcement or exercise of its rights hereunder.
9. Amendment of Agreement. This Agreement may be amended only in writing signed by all parties hereto.
10. Notices. Landlord shall deliver to Franchisor any default notices it issues to Tenant related to the Lease or the Leased Premises concurrently with giving such letters and notices to Tenant. If Tenant fails to cure any default within the period provided in the Lease, if any, Landlord shall issue to Franchisor written notice of such failure to cure within a reasonable amount of time but not exceed 10 days. All notices shall be delivered by certified mail at the addresses designated in the heading of this Agreement or to such other addresses as the parties hereto may, by written notice, designate.
11. Binding Effect. This Agreement shall be binding upon the parties hereto, their heirs, executors, successors, assigns and legal representatives.
12. Severability. If any provision of this Agreement or any part thereof is declared invalid by any court of competent jurisdiction, such act shall not affect the validity of this Agreement and the remainder of this Agreement shall remain in full force and effect according to the terms of the remaining provisions or part of provisions hereof.
13. Remedies. The rights and remedies created herein shall be deemed cumulative and no one such right or remedy shall be exclusive at law or in equity of the rights and remedies which Franchisor may have under this or any other agreement to which Franchisor and Tenant are parties.
14. Attorneys' Fees. If any of the parties to this Agreement commences a legal action against another party arising out of or in connection with this Agreement, the prevailing party shall be entitled to have and recover from the other party its reasonable attorneys' fees and costs of suit; the term "prevailing party" means a party that is awarded actual relief in the form of damages, declaratory

relief, or injunctive relief, as well as a party that successfully defends a legal action commenced against it.

15. Governing law. This Agreement shall be governed by and construed in accordance with the laws of the state in which the Leased Premises are located.

IN WITNESS WHEREOF, the undersigned, intending to be legally bound, have executed this Lease Rider to be effective on the day and year first written above.

FRANCHISOR

SYLVAN LEARNING, LLC,
a Delaware limited liability company

By: _____
Susan Valverde, President

LANDLORD NAME

a _____,

By: _____

(name)
(title)

TENANT NAME

[_____] ,
a [_____]

By: _____
[_____] , its [_____]

SYLVAN LEARNING®
FRANCHISE AGREEMENT

ATTACHMENT ~~H~~ H

ACH AUTHORIZATION AGREEMENT

(VER. 08052021)

By executing below, the undersigned ~~Licensee~~Franchisee authorizes Sylvan Learning, LLC ("~~Licensor~~Franchisor") to credit or debit the account identified below to pay all fees, charges, and any other amounts ~~Licensee~~Franchisee owes ~~Licensor~~Franchisor or its parents, affiliates, or subsidiaries pursuant to the applicable ~~License~~Franchise Agreement, as amended, and any other agreements entered into between ~~Licensor~~Franchisor and ~~Licensee~~Franchisee, including, but not limited to, reimbursable or pass through expenses, the cost of any products or services ~~Licensee~~Franchisee purchases from ~~Licensor~~Franchisor, 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~~franchised 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~~Franchisor has received written notification from ~~Licensee~~Franchisee of its termination in such time and in such manner as to afford ~~Licensor~~Franchisor a reasonable opportunity to act on it. Termination of this authorization may result in your ~~License~~Franchise Agreement being terminated unless an alternate means of payment acceptable to ~~Licensor~~Franchisor is provided.

TERMS OF BILLING:

Starting immediately and continuing thereafter until your ~~License~~Franchise Agreement has expired or been terminated or alternate means of payment are approved by ~~Licensor, Licensee~~Franchisor, Franchisee authorizes ~~Licensor~~Franchisor 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 15th day of each month for those sums authorized herein.

~~Licensee's~~Franchisee's Bank Name:

Bank ABA Number (Routing Number):

Bank Account Number:

Bank Account Type (Checking/Savings):

~~Licensee~~Franchisee Federal Tax ID Number:

Territory Name:

~~Licensee:Franchisee~~ (Insert legal name): _____

By: _____

Printed Name: _____

Title: _____

Date: _____

SYLVAN LEARNING® ~~AND SYLVANSYNC®~~
LICENSEEFRANCHISE AGREEMENT

ATTACHMENT J

DASHBOARD ACCESS AGREEMENT

This Dashboard Access Agreement (“Agreement”) is entered into by ~~Licensor and Licensee on the Franchisor and Franchisee on the effective as of the~~ Effective Date ~~of the License Agreement~~ and amends the terms of the licensee franchise agreement entered into by the parties (“License Franchise Agreement”). Capitalized terms not defined herein have the meaning ascribed in the License Franchise Agreement.

WHEREAS, ~~Licensor Franchisor~~ created an online dashboard through Microsoft’s Power BI to provide Sylvan Learning ~~and SylvanSync licensees franchisees~~ 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 Franchisor~~ (“Data”); and

WHEREAS, ~~Licensee is indicating its desire to acquire a~~ Franchisee desires to purchase an optional license for Power BI through ~~Licensor Franchisor~~, view the Data provided by ~~Licensee Franchisee~~ and others, and share its Data on Power BI such that it is visible to other Sylvan Learning ~~and SylvanSync licensees franchisees~~.

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 Franchisee acknowledges its desire to purchase _____ (insert number of licenses to be purchased) twelve-month Power BI license(s) and agrees to reimburse ~~Licensor Franchisor~~ 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~~ There is no fee for the first license, but the License Fee shall apply to each license over one requested by Franchisee. Franchisor acknowledges the License Fee does not include any markup or rebate. Licensee Franchisee agrees ~~Licensor Franchisor~~ may bill the License Fee through the monthly royalty invoice and collect the License Fee pursuant to Licensee’s Franchisee’s ACH Authorization on file. If there is no ACH Authorization on file, then Licensee Franchisee shall remit payment to ~~Licensor Franchisor~~ by the deadline by which royalties are due ~~Licensor Franchisor~~ under the License Franchise 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 Franchise 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 Franchisor’s account and determines additional fees are due ~~do to because of~~ your violation of the terms, conditions, and license agreement, then Licensee Franchisee agrees to pay such sum to Franchisor upon request.

2. SHARING OF AND ACCESS TO DATA. Licensee Franchisee acknowledges (a) ~~Licensor Franchisor~~ may share Licensee’s Franchisee’s Data with other Sylvan Learning ~~and SylvanSync licensees franchisees~~ through the Power BI platform and such other platforms as identified by ~~Licensor Franchisor~~ and (b) ~~such Licensee’s the~~ Data will may be anonymous ~~on the Power BI platform. Licensor~~ with respect to those Sylvan Learning franchisees who do not execute this Agreement. Franchisor makes no warranty or representation the Data will be representative of all Sylvan Learning ~~and SylvanSync licensees franchisees~~. Further, Licensee Franchisee acknowledges and agrees it will access and use the Data solely with its efforts to improve the operation of its Licensed Business franchised business pursuant to the License Franchise Agreement, and such Data is not provided in connection with the offer or sale of a franchise.

3. CONFIDENTIALITY. ~~Licensee~~Franchisee agrees all Data ~~Licensee~~Franchisor makes available to ~~Licensee~~Franchisee through Power BI is Confidential Information as defined in the ~~License~~Franchise 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~~Franchise Agreement. The remaining terms of the ~~License~~Franchise 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~~FRANCHISOR:

SYLVAN LEARNING, LLC,
a Delaware limited liability company

~~LICENSEE~~FRANCHISEE:

_____[]:[],
a [] ~~limited liability company~~[]

By: _____
Susan Valverde, President

By: _____
_____[]:[], its
~~Member~~[]:[]

SYLVAN LEARNING® ~~AND SYLVANSYNC®~~
~~LICENSE~~ FRANCHISE AGREEMENT

ATTACHMENT KJ

~~Bright Horizons Participation Agreement~~

BRIGHT HORIZONS PARTICIPATION AGREEMENT

As of _____ (the “Effective Date”), [_____] (“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~~ supplements Sylvan ~~License~~ Franchise Agreement ~~dated _____ for Territory # _____ (“Sylvan License # [_____] for Protected Area # [_____] (“Franchise Agreement”) and Center # [_____] located at [_____]”~~.

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 herein. 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~~ GOVERNING LAWS. I agree to perform the Services consistent with the highest professional standards of quality and in accordance with all ~~applicable~~ governing 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~~ governing 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~~Franchise 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. I agree to provide an effective ACH Authorization Agreement in the form set forth as Attachment H to the Franchise Agreement (or any substitute then-current form required by Sylvan) and provide current certificates of insurance demonstrating my compliance with Section 5 (Insurance) below; without meeting such forgoing requirements at the time of execution of this Agreement, this Agreement may be subject to immediate termination upon Sylvan's written notice to me.

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 5th 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. Alternatively, Sylvan may apply the funds collected from Bright Horizons as a credit against any past, current, and future amounts I may owe to Sylvan under the Franchise Agreement.
- 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~~Royalty Fee in the Franchise 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~~Franchise 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. CANCELATION.

- a. CANCELATION 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. CANCELATION 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~~ within thirty (30) days of the Effective Date.

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~~ Franchise 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 the Effective Date ~~of the Sylvan License Agreement 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 and continues until the end of the term of the Franchise Agreement, unless otherwise terminated by either party in writing upon 30 days written notice, subject to Section 4.d. above and the Franchise Agreement.~~

12. ~~INDEMNIFICATION~~ **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~~ **Franchise** Agreement(s) — and that if I violate this ~~Opt-In~~ Agreement, my ~~Sylvan License~~ **Franchise** Agreement(s) will be subject to default and termination. Likewise, I acknowledge that if I am declared in default under my ~~Sylvan License~~ **Franchise** Agreement, Sylvan will have the right to terminate my participation with Bright Horizons. All of Sylvan's rights under my ~~Sylvan License~~ **Franchise** 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. **COUNTERPARTS AND EXECUTION.** ~~This Agreement, if so desired, may be executed in counterparts, each of which, when so executed, shall be deemed to be an original and such counterparts together shall constitute one and the same instrument. Due to the differing schedules and/or locations of the Parties, it is further agreed the use of electronic signatures shall not diminish the enforceability of this Agreement or any of its terms and shall be considered as legally binding and enforceable as if they were handwritten signatures. This applies to all types of electronic signatures, regardless of the technology used to create or apply them.~~

15. ~~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 **FRANCHISEE:**

— [] [],

a []

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~~Franchisee 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~~Franchisee 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~~Franchisee 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.~~FOLLOWING PAGE.]

Exhibit C to the Contact Center [New] Licensee Participation Agreement Participation Agreement
Service Level Obligations

“Background Check” shall mean a background check using all known names/aliases consistent with the following requirements:

CATEGORY	REQUIREMENT
SOCIAL SECURITY NUMBER TRACE	Social Security Number trace which identifies all addresses and aliases
CRIMINAL RECORD BACKGROUND CHECKS	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.
LOCATION AND TIME PERIOD OF CHECKS	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.
OFAC CHECK	Search of U.S. Office of Foreign Assets Control Specially Designated National and export denial lists
SEX OFFENDER REGISTRIES	Check national sex offender registry, and all state sex offender registries in states in which the employee has resided or worked

“Verification” shall mean:

CATEGORY	REQUIREMENT
PERSONAL INFORMATION	Name, date of birth and Social Security Number verified
LICENSES AND CERTIFICATIONS	Professional licenses and certifications verified
LEGAL RIGHT TO WORK	Citizenship, most recent country of permanent residence and legal right to work verified through I-9 process
EDUCATION	Education verified in accordance with Provider’s requirements
EMPLOYMENT HISTORY	Work experience verified
REFERENCE CHECK	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.

[REMAINDER OF PAGE INTENTIONALLY BLANK.]

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 ~~L~~icenseesFranchisees 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~~ FRANCHISE AGREEMENT

ATTACHMENT ~~L~~ K

~~MYSYLVAN MARKETPLACE+SM~~
~~FRANCHISEE PARTICIPATION PILOT AGREEMENT~~

(Del)



mySylvan Marketplace+SM Agreement

~~Franchisee Participation Pilot Agreement~~

This mySylvan Marketplace+SM ~~Franchisee Participation Pilot~~ Agreement (this "Pilot Agreement") is entered into ~~_____~~, 20____ (the "Effective Date") by and between Sylvan Learning, LLC (together with its designated affiliates, "Sylvan") and ~~_____~~ ("Franchisee" ~~or "Licensee"~~) concerning certain operations within Sylvan Learning Territory # ~~_____~~ #____ (the "Territory"), ~~governed by that certain~~ located in _____ (the "Protected Area"), ~~supplements the~~ Sylvan Learning License Franchise Agreement # ~~_____~~ #____, dated ~~_____~~, 20____, ~~to which Franchisee and Sylvan are each a party (the "License~~ _____ (the "Franchise 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 or its affiliate facilitates scheduling of and payment for tutoring services offered by independent contractors to customers; and

~~**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~~ Franchisee desires to participate in the Marketplace Platform ~~to Franchisee's Territory on a pilot basis~~ program (the "Pilot"), a portion of which shall be conducted in Franchisee's Protected Area, subject to the terms and conditions of this Pilot Agreement.

NOW, THEREFORE, in consideration ~~for~~ 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 Recitals. 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 a 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~~Session s 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~~reserves rights under the Franchise Agreement, Sylvan is permitted (a) to operate businesses, and offer and sell services, programs, and products within the ~~Territory~~Protected Area which do not comprise a part of the Sylvan System and, in connection therewith, to exploit Sylvan's ~~Licensed~~Proprietary Marks (as defined in the ~~License~~Franchise Agreement), name, reputation, and know-how; (b) to use the ~~Licensed~~Proprietary 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~~Protected Area or outside the ~~Territory~~Protected Area. 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~~Protected Area 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~~Sylvan reserves the right to rebrand the Marketplace Platform ~~during the term of this Pilot Agreement, as needed, and to grant or revoke the rights to use such brand names, as applicable.~~
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, customer data, Session information, Tutor data, or any other data related to the Marketplace Platform, which shall all be considered part of the IP owned solely by Sylvan. 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~~Protected Area. Franchisee shall not obtain 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.~~Protected Area shall be determined by Sylvan at its sole discretion.
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"), determined by Sylvan at its sole discretion and published by Sylvan from time to time, 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~~Protected Area. 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~~ and all other fees owed by Franchisee to Sylvan under the Franchise Agreement in the past, now, or in the future 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.~~

pursuant to then-current reporting practices. 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>
<u>In Territory</u>	<u>\$25.00</u>	<u>\$15.00</u>	<u>\$10.00</u>

~~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~~ Protected Area.

8. Franchisee Obligations. Franchisee agrees to perform the following obligations.

- a) Providing Feedback. Franchisee agrees to routinely 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 Protected Area 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~~ Protected Area. 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.~~

~~9.~~ 10. Sylvan LicenseFranchise 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~~the Franchise Agreement. Franchisee acknowledges and agrees that the Marketplace Platform offering is separate from the ~~Sylvan System and the SylvanSync System~~Proprietary Services offered pursuant to the Franchise Agreement; however, this Pilot Agreement shall be governed by the terms and conditions of the ~~License~~Franchise Agreement, unless otherwise stated herein. Any breach of this Pilot Agreement by Franchisee shall constitute a material breach of the ~~License~~Franchise Agreement. Notwithstanding the foregoing, in the event of an express conflict between the ~~License~~Franchise Agreement and this Pilot Agreement concerning only the subject matter hereof, this Pilot Agreement shall govern.

~~10.~~ 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. Franchisee acknowledges and agrees that participation in the Pilot is voluntary. 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~~Protected Area may lose potential customers due to the introduction of the Marketplace Platform in the ~~Territory~~Protected Area 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.

~~11.~~ 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.

12. ~~13.~~ Limitations of Pilot Participation. The parties acknowledge and agree that the Marketplace Platform is available in the ~~Territory on a pilot~~ Protected Area on a potentially temporary 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.

13. ~~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~~ all information related to ~~technology and marketing~~ (the “Confidential Information”). ~~The terms of the Pilot, and any other information generated from~~ this Pilot Agreement ~~shall be considered Confidential Information and shall be~~ is 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.~~ and nondisclosure covenants in the Franchise Agreement.

14. ~~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; or (d) the ~~License~~ Franchise Agreement terminates for any reason; ~~or (e) December 31, 2025.~~ 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)~~ 30 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~~ Franchise 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~~ Protected Area such that the area surrounding the ~~Territory~~ Protected Area 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.

15. ~~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, 2025, 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.~~

16. ~~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~~Franchise Agreement or this Pilot Agreement.

17. ~~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.~~

18. ~~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.

19. ~~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:

SYLVAN LEARNING, LLC,
a Delaware limited liability company

By: _____
Susan Valverde, President

~~LICENSEE~~/FRANCHISEE:

_____[_____]_____,
a ~~limited liability company~~ [_____]_____

By: _____
_____[_____]_____, its ~~Member~~ [_____]_____

EXHIBIT ~~B~~F
TO THE FRANCHISE DISCLOSURE DOCUMENT

~~SYLVAN EDGE PACKAGE LICENSE~~DEVELOPMENT AGREEMENT, ATTACHMENTS,
AND STATE SPECIFIC AMENDMENTS

SYLVAN LEARNING®
DEVELOPMENT AGREEMENT

SUMMARY PAGE

EFFECTIVE DATE: [_____, 20____].

DEVELOPER: [_____].

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.

DEVELOPMENT AREA NAME: [_____, ____]; [_____, ____]; and [_____, ____].

NUMBER OF UNITS TO BE DEVELOPED: _____ Units.

DEVELOPMENT FEE: \$____.

Sylvan Edge Package License Agreement

_____.

This Sylvan Edge Package License Agreement (this “Agreement”) is entered into as of _____ [_____, 20____]. (the “Effective Date”) ~~by and between Sylvan Learning, LLC (“Sylvan”) and _____ (“Licensee”). This Agreement amends Sylvan License Agreement # _____ # [_____] dated _____ [_____, 20____]. (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.~~

SYLVAN LEARNING®
DEVELOPMENT AGREEMENT
TABLE OF CONTENTS

<u>1. GRANT</u>	<u>1</u>
<u>2. TERM OF DEVELOPMENT AGREEMENT</u>	<u>3</u>
<u>3. FEES</u>	<u>3</u>
<u>4. DEVELOPMENT SCHEDULE AND MANNER FOR EXERCISING DEVELOPMENT RIGHTS</u> .	<u>4</u>
<u>5. DUTIES OF THE PARTIES</u>	<u>7</u>
<u>6. COVENANTS</u>	<u>7</u>
<u>7. INDEPENDENT CONTRACTOR AND INDEMNIFICATION</u>	<u>9</u>
<u>8. TRANSFER OF INTEREST</u>	<u>10</u>
<u>9. DEFAULT AND TERMINATION</u>	<u>13</u>
<u>10. CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP</u>	<u>15</u>
<u>11. GOVERNING LAW; DISPUTE RESOLUTION</u>	<u>16</u>
<u>12. NOTICES</u>	<u>18</u>
<u>13. CONSTRUCTION</u>	<u>18</u>
<u>14. REPRESENTATIONS</u>	<u>20</u>

STATE SPECIFIC ADDENDA

ATTACHMENTS

<u>Attachment A</u>	<u>Glossary of Additional Terms</u>
<u>Attachment B</u>	<u>Development Schedule and Development Area</u>
<u>Attachment C</u>	<u>Developer's Owners and Key Personnel</u>
<u>Attachment D</u>	<u>Undertaking and Guaranty</u>

SYLVAN LEARNING® DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (“Agreement”) is made and entered into as of the Effective Date reflected in the Summary Page (“Effective Date”), by and between Sylvan Learning, LLC, a Delaware limited liability company (“Franchisor”), and the Developer identified on the Summary Page (“you” or “Developer”).

A. Franchisor, as the result of the expenditure of time, skill, effort, and money, has developed a distinctive business system relating to operation of 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 name SYLVAN®, SYLVAN LEARNING®, SYLVANSYNC®, and other related trademarks (the “Brand”), which are based on and include the Proprietary Services, Proprietary Marks, Indicia, and Standards (“System”).

B. The distinguishing characteristics of the System include, without limitation, our program curricula, in-person educational tutoring services in a variety of academic subjects, products, and merchandise, which incorporate Franchisor’s Proprietary Marks, trade secrets, and proprietary information (“Proprietary Services”); distinctive exterior and interior design, decor, color scheme, graphics, fixtures, and furnishings (“Indicia”); standards and specifications for products and supplies; service standards; uniform standards, specifications, and procedures for operations; procedures for inventory and management control; training and assistance; and advertising and promotional programs (“Standards”); all of which may be changed, improved, and further developed by Franchisor from time-to-time.

C. The System is identified and recognized by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including, but not limited, to the word mark “Sylvan,” “Sylvan Learning,” “SylvanSync,” and the list of trademarks set forth in Attachment A to this Agreement, and such other trade names, service marks, trademarks, logos, emblems, and indicia of origin as Franchisor may hereafter designate in writing for use regarding the System (“Proprietary Marks”).

D. Franchisor and its Affiliates continue to develop, establish, use, and control the use of the Proprietary Services, Proprietary Marks, Indicia, Standards, and System to identify for the public the source of services and products marketed under this Agreement and under the System, and to represent the System’s high standards of quality, appearance, and service.

E. You desire the right to develop multiple units under the System and Proprietary Marks (“Units” or “Franchised Locations”) and Franchisor desires to grant you such rights, all pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration ~~for~~of the mutual ~~promises~~premises contained ~~herein, and other good and valuable consideration~~in this Agreement, the receipt and sufficiency of which ~~is~~are 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: _____
Susan Valverde, President

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:~~

1. GRANT

1.1. Grant of Unit Development Rights

1.1.1. Franchisor hereby grants to you certain development rights, and you hereby accept the right and obligation to develop no less than the specified number of Units identified on the Summary Page in the Development Area identified in Attachment B within the timeframe set forth in the Development Schedule identified in Attachment B. Each Unit to be developed shall be developed and operated pursuant to a separate franchise agreement in accordance with Section 4.1.

1.1.2. This Agreement grants you no right or license to use any of the Proprietary Marks; your right to operate a Unit and license to use the Proprietary Marks derives solely from the Franchise Agreements that you will enter into under this Agreement.

1.1.3. The development rights granted under this Agreement belong solely to you; you may not share them, divide them, subfranchise, or sublicense them, or transfer them, except in accordance with the transfer provisions of this Agreement.

1.2. Development Area Protection. During the term of this Agreement, Franchisor shall not own or operate, or grant anyone else the right to operate, a Sylvan Learning business within the Development Area.

1.3. Franchisor's Reserved Rights. Notwithstanding anything to the contrary, Franchisor retains the following rights, among others, on any terms and conditions Franchisor deems advisable, and without granting Developer any rights therein:

(a) To own, acquire, establish, and/or operate and license others to establish and operate, Sylvan Learning businesses under the System at any location outside the Development Area notwithstanding their proximity to the Development Area or their actual or threatened impact on sales or development of any of the Developer's Units;

(b) To own, acquire, establish and/or operate, and license others to establish and operate, businesses under proprietary marks other than the Proprietary Marks, whether such businesses are similar or different from Sylvan Learning businesses, at any location within or outside the Development Area, notwithstanding their proximity to the Development Area or their actual or threatened impact on sales or development of any of the Developer's Units. Nothing in this Agreement prohibits or restricts Franchisor from owning, acquiring, establishing, operating, or granting franchise rights for one or more other businesses under a different trademark or service mark (i.e., a mark other than the Proprietary Marks), whether or not the business is the same as or

competitive with Sylvan Learning businesses;

(c) To sell and to distribute, directly or indirectly, or to license others to sell and to distribute, directly or indirectly, any products through wholesalers, distributors, catalogs, mail-order, toll-free numbers for delivery, or electronic means (e.g., the Internet), including products bearing the Proprietary Marks; and

(d) To acquire one or more retail businesses that are the same as, or similar to, Sylvan Learning businesses then operating under the System (each an “Acquired Business”), which may be at any location within or outside the Development Area notwithstanding their proximity to the Development Area or their actual or threatened impact on sales or development of any of Developer’s Units, and

(e) To operate and/or license others to operate any Acquired Business under its existing name or as a Sylvan Learning business under the System, subject to the following conditions that apply to each Acquired Business located within the Development Area:

i. Provided that Developer is in compliance with this Agreement and any other agreement with Franchisor, Franchisor may, in its sole discretion, offer to Developer the option to purchase and operate, as a Sylvan Learning business, an Acquired Business that is purchased by Franchisor for operation by Franchisor or its affiliates. If Franchisor in its sole discretion offers to Developer such an option, Franchisor shall provide Developer with written notice of Franchisor’s purchase of the Acquired Business(es), the terms and conditions applicable to the Developer’s option to purchase such Acquired Business(es), and such other information that Franchisor deems necessary to include in the notice. The terms and conditions offered to Developer shall include, without limitation, the following: (a) the purchase price which shall be determined by Franchisor in its sole discretion; and (b) the requirement that Developer enter into Franchisor’s then-current form of franchise agreement for the Acquired Business, provided that Developer shall not be required to pay an initial franchise fee for an Acquired Business.

ii. If Developer does not elect to purchase, or fails to complete the purchase of, an Acquired Business, Franchisor shall retain its right to operate itself, or through its affiliates or third-party franchisees or franchisees, the Acquired Business under any trade name or trademarks including the Proprietary Marks. If an Acquired Business is part of a system of retail businesses that Franchisor acquires (an “Acquired System”), franchised or otherwise, Franchisor may also license or franchise to third parties under the Acquired System additional units of the Acquired System so that such third parties have the right to develop and operate within the Development Area.

1.4. No Rights to Use the System. This Agreement is not a franchise agreement and does not grant to Developer any right to use the Proprietary Marks or the System or to sell or distribute any products or services. Developer’s rights to use the Proprietary Marks and System will be granted solely under the terms of the Franchise Agreement.

2. TERM OF DEVELOPMENT AGREEMENT

2.1. Term. Unless sooner terminated, the term (“Term”) of this Agreement begins on the Effective Date and, unless otherwise negotiated, terminated, or extended as provided in this Agreement, expires on the date on which you have completed your development obligations under this Agreement pursuant to Attachment B.

2.2. Effect of Termination or Expiration. Upon termination or expiration of this Agreement, all territorial protection afforded under this Agreement ends (particularly under Section 1.2. above), and you

have no further right to develop any Units for which a Franchise Agreement has not been signed. Termination or expiration of this Agreement does not affect any rights or obligations under any then-existing Franchise Agreements. For purposes of clarity, upon expiration or termination, Developer shall no longer have any rights to the Development Area other than the Protected Areas defined in each Unit's then-existing Franchise Agreement. This Agreement cannot be renewed upon termination or expiration.

3. FEES

3.1. Development Fee. Upon execution of this Agreement, you shall pay to Franchisor a Development Fee in the amount set forth on the Summary Page ("Development Fee") pursuant to the Development Fee Schedule below. The Development Fee is fully earned by Franchisor when paid and is not refundable, in whole or in part, under any circumstances.

<u>Number of Units</u>	<u>Development Fee For Each</u>	<u>Total Development Fee</u>
<u>1</u>	<u>\$36,900</u>	<u>\$36,900</u>
<u>2</u>	<u>\$31,400</u>	<u>\$68,300</u>
<u>3</u>	<u>\$27,000</u>	<u>\$95,300</u>

3.2. Credit Towards Franchise Fee. If the Developer has paid the respective Development Fee, Developer will not pay any additional initial franchise fees ("Franchise Fee") for any of the Units to be developed under this Agreement.

4. DEVELOPMENT SCHEDULE AND MANNER FOR EXERCISING DEVELOPMENT RIGHTS

4.1. Separate Franchise Agreements. The Franchise Agreement for the first Unit to be developed under this Agreement is the form attached to the current franchise disclosure document, and shall be executed at the same time as this Agreement. The Franchise Agreement for the second and each additional Unit to be developed is the form of Franchisor's then-current Franchise Agreement, the terms of which may be materially different from the terms of the first franchise agreement. At the time you are ready to develop your second and each subsequent Unit, you will be disclosed with the then-current Sylvan Learning franchise disclosure document with the then-current form of franchise agreement. Each Unit developed hereunder shall be at a specific location, which shall be designated in the respective franchise agreement that is within the Development Area.

4.2. Time is of the Essence. Recognizing that time is of the essence, Developer shall comply strictly with the Development Schedule. Developer acknowledges and agrees that the Development Schedule requires that Developer have executed and delivered to Franchisor Franchise Agreements for a cumulative number of Franchised Locations by the end of the time periods specified in Attachment B.

4.3. Manner for Exercising Development Rights.

4.3.1. Before exercising any development right granted hereunder, you shall apply to Franchisor for a franchise to operate a Unit. If Franchisor, in its sole discretion, determines that you have met each of the following operational, financial, and legal conditions, then Franchisor will grant you a franchise for each respective Unit:

(a) Operational Conditions: You are in compliance with the Development Schedule and this Agreement, and you or your Affiliates are in compliance with any other agreement between them and Franchisor or its Affiliates, including any other franchise agreement executed with Franchisor. You are conducting the operation of your existing Units, if any, and are capable of conducting the operation of the proposed Unit in accordance with the terms and conditions of this Agreement, the respective Franchise Agreements, and the standards, specifications, and procedures set forth and described in the Manuals (defined in the Franchise Agreement).

(b) Financial Conditions: You and your Owners satisfy Franchisor's then-current financial criteria for developers and Owners of Sylvan Learning businesses. You and your Owners have been and are faithfully performing all terms and conditions under each of the existing Franchise Agreements with Franchisor. You are not in default, and have not been in default during the 12-month period immediately preceding your request for financial approval, of any monetary obligations owed to Franchisor or its Affiliates under any Franchise Agreement or any other agreement between you or your Affiliates and Franchisor or its Affiliates. You acknowledge and agree that it is vital to Franchisor's interest that each of its franchisees must be financially sound to avoid failure of a restaurant and that such failure would adversely affect the reputation and good name of Sylvan Learning businesses and the System.

(c) Legal Conditions: You have submitted to Franchisor, in a timely manner, all information and documents requested by Franchisor as a basis for the issuance of individual franchises or pursuant to any right granted to you by this Agreement or by any Franchise Agreement. This includes, but is not limited to, certificates of formation or articles of incorporation (or its equivalent), EIN information, company or operation agreement (or its equivalent), contact information for all Owners, and any other information Franchisor may reasonably require from time to time.

4.3.2. Identifying and Securing Sites. Developer shall be solely responsible for identifying, submitting for Franchisor's approval, and securing specific sites for each Unit. The following terms and conditions shall apply to each Unit to be developed hereunder:

(a) Developer shall submit to Franchisor, in a form specified by Franchisor, a completed Site Application, as the term is defined in the corresponding franchise agreement. The parties shall comply with the site selection process in the corresponding franchise agreement or Franchisor's operations manual. No site shall be deemed approved unless it has been expressly approved in writing by Franchisor.

(b) Following Franchisor's approval of a proposed site, Developer shall use its best efforts to secure access to and use of such site. Developer shall secure a minimum of the remaining term of the respective franchise agreement executed for the Unit to be located at such site. Developer shall immediately notify Franchisor of the execution of a lease or other agreement granting it access to and use of the site. The site approved and secured pursuant to this Agreement shall be specified as the "Approved Location" (or equivalent) under the franchise agreement executed pursuant Section 4.3.3. below.

(c) Developer hereby acknowledges and agrees that approval by Franchisor of a site does not constitute an assurance, representation, or warranty of any kind, express or implied, as to the suitability of the site for the Unit or for any other purpose. Approval by Franchisor of the site indicates only that Franchisor believes the site complies with acceptable minimum criteria established by Franchisor solely for its purposes as of the time of the evaluation. Both Developer and Franchisor acknowledge that application of criteria that have been effective with respect to other sites and premises may not be predictive of potential for all sites and that, subsequent to approval by Franchisor of a site, demographic and/or economic factors, such as competition from other similar businesses, included in or excluded from criteria used by Franchisor could change, thereby altering the potential of a site. Such factors are unpredictable and are beyond the control of Franchisor. Franchisor shall not be responsible for the failure of a site approved by Franchisor to meet Developer's expectations as to revenue or operational criteria.

4.3.3. Lease or Agreement Terms. For each Unit to be developed hereunder, Developer will sign a lease or other agreement granting it access to and use of a space(s) in which to operate the Unit. Developer shall comply with the respective provisions within the Unit's franchise agreement.

4.4. Development Schedule. Acknowledging that time is of the essence, you agree to exercise your development rights according to Section 4.3. and the Development Schedule reflected Attachment B. You may, subject to the terms and conditions of this Agreement and with Franchisor's prior written consent, which may be withheld in its sole discretion, develop Units early, i.e., more than the total minimum number of Units which you are required to develop during any applicable Development Period. Any Unit developed

in excess of the minimum number of Units required to be developed during the applicable Development Period shall be applied to satisfy your development obligation during the next succeeding Development Period, if any. You shall not open or operate more than the cumulative total number of Units you are obligated to develop under the Development Schedule.

4.4.1. If during the term of this Agreement, you cease to operate any Unit developed under this Agreement for any reason, you must develop a replacement Unit. The replacement Unit shall be developed within a reasonable time (not to exceed 120 days) after you cease to operate the original Unit. If you desire to open the replacement Unit in an area outside of the original Protected Area of original Unit, you must obtain Franchisor's written consent before relocating. If, during the term of this Agreement, you transfer your interest in a Unit in accordance with the terms of the applicable Franchise Agreement for the Unit, the transferred Unit will continue to be counted in determining whether you have complied with the Development Schedule so long as it continues to be operated as a Sylvan Learning business. If the transferred Unit ceases to be operated as a Sylvan Learning business during the term of this Agreement, you shall develop a replacement Unit within a reasonable time (not to exceed 120 days) thereafter.

4.4.2. Your failure to adhere to the Development Schedule (including any extensions thereof, approved by Franchisor in writing) or to any time period for the development of replacement Units is a material default of this Agreement for which Franchisor may terminate this Development Agreement, in its sole discretion, in addition to any other remedies available to it under law. Franchisor, in its discretion, may elect, in lieu of terminating this Agreement, to use other remedial measures for Developer's breach of this Agreement, which include, but are not limited to: (a) loss of the limited exclusivity, or reduction in the scope of protections, granted to Developer under Article 1 herein for the Development Area; (b) reduction in the scope of the Development Area; or (c) reduction in the number of Units to be developed under the Development Schedule. If Franchisor exercises said right, Franchisor shall not have waived its right to, in the case of future defaults, exercise all other rights and invoke all other provisions that are provided in law and/or set out under this Agreement, including immediate termination of this Agreement.

4.4.3. You acknowledge and agree that you have conducted an independent investigation of the business contemplated under this Agreement, that you fully understand your obligations under this Agreement, and that you recognize and assume all associated risks. In addition, you acknowledge that Franchisor makes no representation: (a) that your Development Area contains a sufficient number of acceptable locations to meet the number of Units to be developed under the Development Schedule; or (b) that your Development Area is sufficient to economically support the number of Units to be developed under the Development Schedule. You acknowledge that you have performed all related and necessary due diligence before your execution of this Agreement and that, accordingly, you assume the risk of identifying a sufficient number of acceptable locations within the Development Area and the economic risk of developing the number of Units set forth in Exhibit B.

4.5. Projected Opening Dates. You must open each Unit by the projected opening date in Attachment B (the "Projected Opening Date"). You acknowledge that the Projected Opening Date for each Unit to be developed hereunder is reasonable. Subject to your compliance with Section 4.3., hereof, you shall execute a Franchise Agreement for each Unit at or prior to the applicable lease execution date set forth in Attachment B, which shall be a date no later than six months prior to the Projected Opening Date for the applicable Unit.

4.5.1. No sooner than 30 days prior to the respective the "Franchise Agreement Execution Date" identified in Attachment B, you shall request a Franchise Agreement for each Unit to be developed during the Development Period.

4.5.2. Upon receiving your request, Franchisor shall deliver to you its then-current form of its Sylvan Learning franchise disclosure document and execution copies of its then-current form of Franchise Agreement.

4.5.3. No later than the Franchise Agreement Execution Date identified in the Development Schedule (but no sooner than as permitted by law), you shall sign and return a signed copy of the Franchise Agreement due thereunder.

4.5.4. Franchisor shall approve and countersign the Franchise Agreement if:

(a) You are in compliance with this Agreement and all other agreements between you or your Affiliates and Franchisor including, without limitation, all Franchise Agreements signed under this Agreement. If this condition is not met, Franchisor may require you to cure any deficiencies before it approves and countersigns the Franchise Agreement.

(b) You have demonstrated to Franchisor, in Franchisor's sole discretion, your financial and other capacity to perform the obligations set forth in the proposed new Franchise Agreement.

(c) You, your Owners, each of your Affiliates, and their Owners who have a then-currently effective Franchise Agreement or Development Agreement with Franchisor has signed a general release, in a form prescribed by Franchisor, of any and all claims that the party has, had, or claims to have against Franchisor and/or its Affiliates and their respective officers, directors, agents and employees, whether the claims are known or unknown, arising out of or relating to this Agreement, any Franchise Agreement, the relationship created by this Agreement or any Franchise Agreement, and the offer and sale of Sylvan Learning franchise opportunity.

5. DUTIES OF THE PARTIES

5.1 Franchisor's Assistance. Franchisor shall furnish to Developer the following:

5.1.1. Site selection guidelines, including Franchisor's minimum standards for Sylvan sites and sources regarding demographic information, and such site selection counseling and assistance as Franchisor may deem advisable.

5.1.2. Such on-site evaluation as Franchisor deems advisable in its sole discretion in response to Developer's request for site approval for each proposed site; provided, however, that Franchisor shall not provide on site evaluation for any proposed site prior to the receipt of a site application for such site prepared by Developer.

5.2 Designated Principal. If Developer is other than an individual, Developer shall designate, subject to Franchisor's approval, one Owner, as identified in Attachment C, who is both an individual person and owns at least a ten percent (10%) of Developer, and who shall be responsible for general oversight and management of the development of the Franchised Locations under this Agreement pursuant to the Development Schedule (the "Designated Principal"). Once open, the Developer or Designated Principal may appoint a Designated Manager, pursuant to the respective Franchise Agreement, to operate the Unit. Developer acknowledges and agrees that Franchisor shall have the right to rely upon the Designated Principal to have been given, by Developer, the responsibility and decision-making authority regarding the Developer's business and operation. In the event the person designated as the Designated Principal becomes incapacitated, leaves the employ of Developer, transfers his/her interest in Developer, or otherwise ceases to supervise the development of the Franchised Locations, Developer shall promptly designate a new Designated Principal, subject to Franchisor's approval.

5.3 Records and Reports to Franchisor. Developer shall, at its expense, comply with the following requirements to prepare and submit to Franchisor upon request the following reports, financial statements and other data, which shall be prepared in the form and using the standard statements and chart of accounts as Franchisor may prescribe from time to time:

5.3.1. No later than the twentieth (20th) day of each calendar month, Developer shall have prepared a profit and loss statement reflecting all of Developer's operations during the last preceding calendar month, for each Franchised Location. Developer shall prepare profit and loss statements on an

accrual basis and in accordance with generally accepted accounting principles. Developer shall submit such statements to Franchisor at such times as Franchisor may designate or as Franchisor may otherwise request;

5.3.2. On April 15th of the year following the end of Developer's fiscal year, a complete annual financial statement (prepared according to generally accepted accounting principles), on a compilation basis, and if required by Franchisor, such statements shall be prepared by an independent certified public accountant; and

5.3.3. Such other forms, reports, records, information, and data as Franchisor may reasonably designate.

5.4 Maintaining Records. Developer shall maintain during the term of this Agreement, and shall preserve for at least seven (7) years from the dates of their preparation, and shall make available to Franchisor at Franchisor's request and at Developer's expense, full, complete, and accurate books, records, and accounts in accordance with generally accepted accounting principles.

5.3. Compliance with Laws. Developer shall fully comply with all federal, state, and local laws, rules, and regulations when exercising its rights and fulfilling your obligations under this Agreement and any franchise agreement.

6. COVENANTS

6.1. Confidential Information. Developer shall at all times preserve in confidence any and all materials and information furnished or disclosed to Developer by Franchisor, and shall disclose such information or materials only to such of Developer's employees or agents who must have access to it in connection with their employment. Developer shall not at any time, during the term of this Agreement or thereafter, without Franchisor's prior written consent, copy, duplicate, record, or otherwise reproduce such materials or information, in whole or in part, nor otherwise make the same available to any unauthorized person.

6.2. During the Term. Developer specifically acknowledges that, pursuant to this Agreement, Developer will receive valuable specialized training and confidential information, which may include, without limitation, information regarding the operational, sales, advertising and promotional methods and techniques of Franchisor and the System. Developer covenants that during the term of this Agreement, except as otherwise approved in writing by Franchisor, Developer shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation:

(a) Divert or attempt to divert any business or guest of any Sylvan Learning business or of any unit under the system to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the proprietary marks or the system.

(b) Own, maintain, operate, engage in, be employed by, provide any assistance to, or have any more than a one percent (1%) interest in (as owner or otherwise) any Competitive Business (as defined in Attachment A). Developer acknowledges and agrees that Developer shall be considered in default under this Agreement and that this agreement will be subject to immediate termination in sole discretion of Franchisor, in the event that a person in the immediate family (including spouse, domestic partner, parent or child) of Developer (or, if Developer is other than an individual, each Owner that is subject to these covenants) engages in a Competitive Business that would violate this Section 6.2. if such person was subject to the covenants of this Section 6.2.

6.3. Post-Termination. Developer covenants that, except as otherwise approved in writing by Franchisor, for a continuous uninterrupted period of two (2) years from the date of (a) a transfer permitted under Article 8 below; (b) expiration of this Agreement; (c) termination of this Agreement (regardless of the cause for termination); (d) a final order of a duly authorized arbitrator, panel of arbitrators, or a court of

competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to enforcement of this Section 6.3; or (e) any or all of the foregoing, Developer shall not either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, partnership, corporation, or other entity, own, maintain, operate, engage in, be employed by, or have any interest in any Competitive Business, which is, or is intended to be, located (i) within the Development Area (other than those Units provided for in the Development Schedule), or (ii) within a radius of twenty-five (25) miles of any other Sylvan Learning business in operation or under construction on the effective date of termination or expiration located anywhere. Provided, however, that this provision shall not apply to the operation by Developer of any business under the System under a franchise agreement with Franchisor.

6.4. Exception for Ownership in Public Entities. Sections 6.2. and 6.3. hereof shall not apply to ownership by Developer of less than a five percent (5%) beneficial interest in the outstanding equity securities of any publicly held corporation. As used in this Agreement, the term “publicly held corporation” refers to a corporation which has outstanding securities that have been registered under the federal Securities Exchange Act of 1934.

6.5. Personal Covenants. At the request of Franchisor, Developer shall obtain and furnish to Franchisor executed covenants similar in substance to those set forth in this Article 6 (including covenants applicable upon the termination of a person’s relationship with Developer) from all managers and other personnel employed by Developer who have received or will receive training and/or other confidential information, or who are or may be involved in the operation or development of the Franchised Locations. Every covenant required by this Article 6 shall be in a form approved by Franchisor, including specific identification of Franchisor as a third-party beneficiary of such covenants with the independent right to enforce them.

6.6. Covenants as Independent Clauses. The parties 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 Article 6 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Developer expressly agrees 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 Article 6.

6.7. Covenants Survive Claims. Developer expressly agrees that the existence of any claims it may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Article 6. Developer agrees to pay all costs and expenses (including attorneys’ fees) incurred by Franchisor in connection with the enforcement of this Article 6.

6.8. Compliance with Laws. Developer represents and warrants to Franchisor that neither Developer (including, without limitation, any and all of its Principals, employees, directors, officers and other representatives) nor any of its affiliates or the funding sources for either is a person or entity designated with whom Franchisor, or any of its affiliates, are prohibited by law from transacting business.

6.9. Breach of Covenants Causes Irreparable Injury. You acknowledge that your violation of any covenant of this Article 6 would result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and you consent to the issuance of, and agree to pay all court costs and attorneys’ fees incurred by Franchisor in obtaining, without the posting of any bond, an *ex parte* or other order for injunctive or other legal or equitable relief with respect to such conduct or action.

7. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

7.1. Independent Contractor. The parties acknowledge and agree that you are operating the business contemplated under this Agreement as an independent contractor. Nothing contained in this Agreement

shall create or be construed to create a partnership, joint venture, joint employer, or agency relationship between the parties. Neither party has any fiduciary obligations to the other or will be liable for the debts or obligations of the other. Neither party has the right to bind the other, transact business in the other party's name or in any manner make any promises or representations on behalf of the other party, unless otherwise agreed in writing by the parties or shall conspicuously identify yourself and the business contemplated under this Agreement in all dealings with your customers, contractors, suppliers, public officials, and others, as an independent franchisee of Franchisor, and shall place a conspicuous notice, in the form and at such place as Franchisor prescribes, notifying the public of such independent ownership. During the term of this Agreement, Developer shall hold itself out to the public as an independent contractor operating the business pursuant to a Development Agreement with Franchisor. Developer agrees to take such action as may be necessary to do so, including, without limitation, exhibiting a notice of the fact in a conspicuous place in Developer's offices, the content of which Franchisor reserves the right to specify.

7.2. INDEMNIFICATION. YOU SHALL INDEMNIFY AND HOLD HARMLESS TO THE FULLEST EXTENT BY LAW, FRANCHISOR, ITS AFFILIATES AND THEIR RESPECTIVE DIRECTORS, OFFICERS, MANAGERS, EMPLOYEES, SHAREHOLDERS, AND AGENTS, (COLLECTIVELY, "INDEMNITEES") FROM ANY AND ALL "LOSSES AND EXPENSES" (AS HEREINAFTER DEFINED) INCURRED IN CONNECTION WITH ANY LITIGATION OR OTHER FORM OF ADJUDICATORY PROCEDURE, CLAIM, DEMAND, INVESTIGATION, OR FORMAL OR INFORMAL INQUIRY (REGARDLESS OF WHETHER SAME IS REDUCED TO JUDGMENT) OR ANY SETTLEMENT THEREOF ARISING OUT OF OR RELATED TO THE BUSINESS CONTEMPLATED UNDER THIS AGREEMENT ("EVENT"), AND REGARDLESS OF WHETHER SAME RESULTED FROM ANY STRICT OR VICARIOUS LIABILITY IMPOSED BY LAW ON THE INDEMNITEES; PROVIDED, HOWEVER, THAT THIS INDEMNITY SHALL NOT APPLY TO ANY LIABILITY ARISING FROM THE GROSS NEGLIGENCE OF INDEMNITEES (EXCEPT TO THE EXTENT THAT JOINT LIABILITY IS INVOLVED, IN WHICH EVENT THE INDEMNIFICATION PROVIDED IN THIS AGREEMENT SHALL EXTEND TO ANY FINDING OF COMPARATIVE NEGLIGENCE OR CONTRIBUTORY NEGLIGENCE ATTRIBUTABLE TO YOU). FOR THE PURPOSE OF THIS SECTION 7.2., THE TERM "LOSSES AND EXPENSES" INCLUDE COMPENSATORY, EXEMPLARY, OR PUNITIVE DAMAGES; FINES AND PENALTIES; ATTORNEYS' FEES; EXPERTS' FEES; COURT COSTS; COSTS ASSOCIATED WITH INVESTIGATING AND DEFENDING AGAINST CLAIMS; SETTLEMENT AMOUNTS; JUDGMENTS; COMPENSATION FOR DAMAGES TO FRANCHISOR'S REPUTATION AND GOODWILL; AND ALL OTHER COSTS ASSOCIATED WITH ANY OF THE FOREGOING LOSSES AND EXPENSES. YOU SHALL GIVE FRANCHISOR PROMPT NOTICE OF ANY EVENT OF WHICH YOU ARE AWARE, FOR WHICH INDEMNIFICATION IS REQUIRED, AND, AT YOUR EXPENSE AND RISK, FRANCHISOR MAY ELECT TO ASSUME (BUT UNDER NO CIRCUMSTANCE IS OBLIGATED TO UNDERTAKE) THE DEFENSE AND/OR SETTLEMENT THEREOF, PROVIDED THAT FRANCHISOR WILL SEEK YOUR ADVICE AND COUNSEL. ANY ASSUMPTION BY FRANCHISOR SHALL NOT MODIFY YOUR INDEMNIFICATION OBLIGATION. FRANCHISOR MAY, IN ITS SOLE AND ABSOLUTE DISCRETION, TAKE SUCH ACTIONS AS IT SEEMS NECESSARY AND APPROPRIATE TO INVESTIGATE, DEFEND, OR SETTLE ANY EVENT OR TAKE OTHER REMEDIAL OR CORRECTIVE ACTIONS WITH RESPECT THEREOF AS MAY BE, IN FRANCHISOR'S SOLE AND ABSOLUTE DISCRETION, NECESSARY FOR THE PROTECTION OF THE INDEMNITIES OR THE SYSTEM.

7.3. No Assumption of Liability. Nothing in this Agreement authorizes Developer to make any contract, agreement, warranty, or representation on Franchisor's or any of its Affiliates' behalf, or to incur any debt or other obligation in Franchisor's or its Affiliates' name; and that Franchisor and Affiliates shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action; nor shall Franchisor

be liable by reason of any act or omission of Developer in Developer's operations hereunder, or for any claim or judgment arising therefrom against Developer or Franchisor.

8. TRANSFER OF INTEREST

8.1. Transfer by Franchisor. Franchisor shall have the uninhibited right to transfer or assign all or any part of its rights or obligations under this Agreement to any person or legal entity without Developer's consent or prior notice. With respect to any assignment which results in the subsequent performance by the assignee of all of Franchisor's obligations under this Agreement, the assignee shall expressly assume and agree to perform such obligations, and shall become solely responsible for all of Franchisor's obligations under this Agreement from the date of assignment. In addition, and without limitation to the foregoing, you expressly affirm and agree that Franchisor and/or its Affiliates may sell their assets, the Proprietary Marks, Copyrighted Works or the System; may sell securities in a public offering or in a private placement; may merge, acquire other corporations, or be acquired by another corporation; and may undertake a refinancing, recapitalization, leveraged buy-out, or other economic or financial restructuring. With regard to any of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands, or damages arising from or relating to the loss of Franchisor's name, the Proprietary Marks (or any variation thereof), Copyrighted Works, and System and/or the loss of association with or identification of **Sylvan Learning, LLC** as the franchisor under this Agreement. You specifically waive any and all other claims, demands, or damages arising from or related to the foregoing merger, acquisition, and other business combination activities including, without limitation, any claim of divided loyalty, breach of fiduciary duty, fraud, breach of contract, or breach of the implied covenant of good faith and fair dealing. You agree that Franchisor has the right, now or in the future, to purchase, merge, acquire, or affiliate with an existing competitive or non-competitive franchise network, chain, or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities as Sylvan Learning businesses operating under the Proprietary Marks or any other marks following Franchisor's purchase, merger, acquisition or affiliation, regardless of the location of these facilities (which you acknowledge may be proximate to any Sylvan Learning business developed under this Agreement).

8.2. Transfer by Individual Developer to Business Entity for Convenience. If you are an individual, you may transfer your interest in this Agreement to a Business Entity for convenience of operation within the first 12 months of this Agreement by signing Franchisor's standard form of assignment and assumption agreement if: (a) the Business Entity is formed solely for purposes of continuing your development rights and obligations; (b) you provide to Franchisor a copy of the Business Entity's formation and governing documents (including disclosure of all owners of such entity) and a certificate of good standing from the jurisdiction under which the Business Entity was formed; (c) you sign a general release in favor of Franchisor and in the form Franchisor requires; (d) you pay to Franchisor a \$3,500 administrative fee; and (e) you and all other Owners who owns greater than 10% ownership interest in the Developer sign an Undertaking and Guaranty in the form of Attachment D.

8.3. Transfer Among Owners; Transfer of Non-Controlling Interest. If you are a Business Entity, your Owners may transfer their ownership interests in the Business Entity among each other, and may transfer up to a Non-Controlling Interest in the Business Entity to one or more third parties, if: (a) you have provided to Franchisor advance notice of the transfer and have obtained our prior written consent, which shall not be unreasonably withheld; (b) Attachment C to this Agreement has been amended to reflect the new ownership; (c) each new Owner who owns greater than 10% ownership interest in the Developer has signed a Undertaking and Guaranty in the form of Attachment D; (d) each previous and/or new Owner has signed a general release in favor of Franchisor and in the form Franchisor requires, (e) you pay to Franchisor a \$3,500 administrative fee; and (f) you must be in compliance with the Development Agreement. Transfers under this Section 8.3. are limited to once per rolling 12-month period; otherwise, transfers under this Section 8.3. shall be subject to an administrative fee of 25% of **the then-current initial franchise fee**. For purposes of this Section 8.3. only, "Non-Controlling Interest" shall mean 20% or less of the total outstanding units or assets in the Franchised Business.

8.4. Transfer of Agreement; Transfer of Controlling Interest. All other transfers (including any sale or transfer of your interest in this Agreement and the sale of a Controlling Interest in you if you are a Business Entity) require Franchisor's prior written consent. Franchisor will not unreasonably withhold its consent to a transfer, but may condition its consent on satisfaction of any or all of the following:

8.4.1. Your written request for consent and delivery of a copy of the proposed transfer agreements, including sale terms, at least 30 days prior to the proposed transfer, and Franchisor has determined, in its sole discretion, that the terms of the sale will not materially and adversely affect the post transfer viability of any Franchised Business in operation at the time of transfer;

8.4.2. The transferee has demonstrated to Franchisor's satisfaction that the transferee meets Franchisor's then-current educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to operate each Franchised Business; and has sufficient equity capital to operate each Franchised Business (which condition shall be presumed if the transferee's net worth is equal to or exceeds your net worth at the time of transfer, excluding the value of each Franchised Business);

8.4.3. All of your accrued monetary obligations and all other outstanding obligations to Franchisor, its Affiliates, and third-party suppliers shall be up to date, fully paid and satisfied, and you must be in full compliance with this Agreement and any other agreements between you and Franchisor, its Affiliates and your suppliers;

8.4.4. You and each Owner has executed a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its Affiliates and their respective officers, directors, managers, shareholders, agents and employees in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances; provided, however, that any release will not be inconsistent with any state law regulating franchising;

8.4.5. Payment of the transfer fee equal to \$25,000 plus \$1,500 for each Unit yet to be developed;

8.4.6. You and the transferee have executed a consent to transfer of this Agreement in the form prescribed by Franchisor;

8.4.7. If the transferee is a Business Entity, then the transferee's Owners each shall sign Franchisor's standard form of Undertaking and Guaranty;

8.4.8. The transferee has have complied with Franchisor's then-current initial training requirements for the operation of each then-existing Unit;

8.4.9. The transferee signs our then-current form of the Development Agreement for the remaining term of your Development Agreement; and

8.4.10. If Franchisor introduced the buyer to you, you have paid all fees due Franchisor under its then-current franchise resale policy or program.

8.5. Reserved.

8.6. Transfers Void. Developer understands and acknowledges that Franchisor has granted the rights hereunder in reliance on the business skill, financial capacity, and personal character of Developer or the Owners of Developer if Developer is not an individual. Accordingly, neither Developer nor any Owner shall sell, assign, transfer, pledge or otherwise encumber any direct or indirect interest in the Developer (including any direct or indirect interest in a corporate or partnership Developer), the rights or obligations of Developer under this Agreement, or any material asset of the Developer's business, without the prior written consent of Franchisor, which shall be subject to this Article 8, and to all of the conditions and requirements for transfers set forth in the franchise agreements executed simultaneously with this Agreement that Franchisor deems applicable to a proposed transfer under this Agreement. In addition, Developer's first Unit under its first Franchise Agreement must be open and operating, and Developer must

be in compliance with the Development Schedule (and all other terms of this Agreement and all Franchise Agreements and other agreements between the Developer and its affiliates, and Franchisor). Any purported transfer under this Article 8, by operation of law or otherwise, made without Franchisor's prior written consent will be considered null and void and will be considered a material breach of this Agreement, which shall provide Franchisor the right to terminate the agreement without an opportunity to cure.

8.7. Security Interest. You may grant a security interest in this Agreement or the franchise represented by this Agreement only to the limited extent permitted by Section 9-408 of the Uniform Commercial Code. Any such security interest may only attach to an interest in the proceeds of the operation of the Franchised Business and may not entitle or permit the secured party to take possession of or operate the Franchised Business or to transfer your interest in this Agreement or the franchise without Franchisor's consent.

8.8. Private or Public Offerings. If you are a Business Entity and you intend to issue equity interests pursuant to a private or public offering, you shall first obtain Franchisor's written consent, which consent shall not be unreasonably withheld. You must provide to Franchisor for its review a copy of all offering materials (whether or not such materials are required by applicable securities laws) at least 60 days prior to such documents being filed with any government agency or distributed to investors. No offering shall imply (by use of the Proprietary Marks or otherwise) that Franchisor is participating in an underwriting, issuance or offering of your securities, and Franchisor's review of any offering shall be limited to ensuring compliance with the terms of this Agreement. Franchisor may condition its approval on satisfaction of any or all of the conditions set forth in Section 8.4. and on execution of an indemnity agreement, in a form prescribed by Franchisor, by you and any other participants in the offering. For each proposed offering, you shall pay to Franchisor a retainer in an amount determined by Franchisor, which Franchisor shall use to reimburse itself for the costs and expenses it incurs (including, without limitation, attorneys' fees and accountants' fees) in connection with reviewing the proposed offering.

8.9. Transfer Upon Death or Incapacitation. Upon the death or permanent incapacity (mental or physical) of the Developer or any Owner, the executor, administrator, or personal representative of such person shall transfer such interest to a third party approved by Franchisor within six months after such death or mental incapacity. Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject to the same conditions as an inter vivos transfer, except that the transfer fee shall be waived. In the case of transfer by devise or inheritance, however, if the heirs or beneficiaries of any such person are unable to meet the conditions of this Article 8, the executor, administrator, or personal representative of the decedent shall transfer the decedent's interest to another party approved by Franchisor within six (6) months, which disposition shall be subject to all the terms and conditions for transfer contained in this Agreement. If the interest is not disposed of within such period, Franchisor may, at its option, terminate this Agreement, pursuant to Section 9.3.

8.10. Non-Waiver of Claims. Franchisor's consent to a transfer shall not constitute a waiver of any claims it may have against the transferring party, and it will not be deemed a waiver of Franchisor's right to demand strict compliance with any of the terms of this Agreement, or any other agreement to which Franchisor's and the transferee are parties, by the transferee.

9. DEFAULT AND TERMINATION

9.1. Automatic Termination In the Event of Bankruptcy or Insolvency. You shall be deemed to be in default under this Agreement, and all rights granted to you in this Agreement shall automatically terminate without notice, if you become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed against you and you do not oppose it; if you are adjudicated as bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver for you or other custodian for your business or assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law is instituted by or against you; if a final judgment remains unsatisfied or of record for 30 days

or longer (unless a supersedeas bond is filed); if you are dissolved; if execution is levied against your business or property; if judicial, non-judicial or administrative proceedings to foreclose any lien or mortgage against any Franchised Location premises or assets or equipment is instituted against you and not dismissed within 30 days; or if the real or personal property of the Franchised Business is sold after levy thereupon by any sheriff, marshal, or constable.

9.2. Termination with Notice and Without Opportunity to Cure. Franchisor has the right to terminate this Agreement, which termination will become effective upon delivery of notice without opportunity to cure if: (a) you fail to meet the Development Schedule; (b) you or any Owner is convicted of, or pleads no contest to, a felony, a crime involving moral turpitude, or any other crime or offense that Franchisor believes is reasonably likely to have an adverse effect on the System; (c) there is any transfer or attempted transfer in violation of Article 8 of this Agreement; (d) you or any Owner fails to comply with the confidentiality or non-compete covenants in Article 6 and Article 10 of this Agreement; (e) you or any Owner has made any material misrepresentations in connection with your developer application; or (f) Franchisor delivers to you three or more written notices of default pursuant to this Article 9 within any rolling 12-month period, whether or not the defaults described in such notices ultimately are cured.

9.3. Termination with 10-Day Cure Period. Franchisor has the right to terminate this Agreement, which termination will become effective upon delivery of written notice of termination, if you fail to cure the following defaults within 10 days after delivery of written notice: (a) failure to obtain or maintain required insurance coverage at the Units; (b) failure to pay any amounts due to Franchisor; (c) failure to pay any amounts due to your trade creditors (unless such amount is subject to a bona fide dispute); (d) failure to pay any amounts for which Franchisor has advanced funds for or on your behalf, or upon which Franchisor is acting as guarantor of your obligations; (e) misappropriate, misuse, or otherwise utilize the Proprietary Marks and Confidential Information in a way not authorized by Franchisor; and (f) if an approved transfer as required by Section 8.9. is not effected within the designated time frame following a death or permanent incapacity (mental or physical).

9.4. Termination with 30-Day Cure Period. Except as otherwise provided in this Article 9, Franchisor has the right to terminate this Agreement, which termination will become effective upon delivery of written notice of termination, if you fail to cure any curable default within 30 days after delivery of written notice.

9.5. Cross-Default. Any default under any agreement (including any franchise agreement) between you and Franchisor or its Affiliates, which your failure to cure within any applicable cure period, shall be considered a default under this Agreement and shall provide an independent basis for termination of this Agreement without an opportunity to cure.

9.6. Additional Remedies. If you are in Default of this Agreement, Franchisor may, in its sole discretion, elect to reduce the number of Units which you may establish pursuant to the Development Schedule. If Franchisor elects to exercise this remedy as set forth above, you agree to continue to develop Units in accordance with your rights and obligations under this Agreement, as modified. Franchisor's exercise of its remedy under this Section 9.6. shall not constitute a waiver by Franchisor to exercise Franchisor's option to terminate this Agreement at any time with respect to a subsequent event of default of a similar or different nature.

9.7. No Further Rights. Developer has no independent or unilateral right to terminate this Agreement. Upon termination or expiration of this Agreement, Developer shall have no right to establish or operate any Sylvan Learning business for which a Franchise Agreement has not been executed by Franchisor at the time of termination or expiration. Franchisor's remedies for Developer's breach of this Agreement shall include, without limitation, Developer's loss of its right to develop additional Franchised Locations under this Agreement, and Franchisor's retention of all area development fees paid or owed by Developer. Upon termination or expiration, Franchisor shall be entitled to establish, and to franchise others to establish Sylvan Learning businesses in the Development Area, except as may be otherwise provided under any Franchise Agreement which has been executed between Franchisor and Developer or Developer's affiliates.

9.8. Damages Upon Termination. In addition to the above, upon termination or expiration of this Agreement, Developer shall promptly pay all sums owing to Franchisor and its affiliates.

Developer acknowledges and confirms that Franchisor will suffer substantial damages as a result of the termination of this Agreement before the Term expires. Some of those damages include lost Royalty Fees, and NAF Contributions, as those terms are defined in the first unit's franchise agreement, and other fees, lost market penetration and goodwill, lost opportunity costs, and expenses that Franchisor will incur in developing or finding another Developer to develop another Sylvan Learning franchise in the Development Area (collectively, "Brand Damages"). Franchisor and Developer acknowledge that Brand Damages are difficult to estimate accurately and proof of Brand Damages would be burdensome and costly, although such damages are real and meaningful to Franchisor.

Therefore, upon termination of this Agreement before the Term expires for any reason (subject to this Article 9), Developer agrees to pay Franchisor, within fifteen (15) days after the date of such termination, the entire liquidated damages amount ("Liquidated Damages"), which is the lesser of i) \$100,000 and ii) the Minimum Royalty assessment (as the term is defined in the first unit's franchise agreement), multiplied by 36, multiplied by the number of units undeveloped under this Agreement.

Developer agrees that the Liquidated Damages calculated under this Section 9.8. represent the best estimate of Franchisor's Brand Damages arising from any termination of this Agreement before the Term expires. Developer's payment of the Liquidated Damages to Franchisor will not be considered a penalty but, rather, a reasonable estimate of fair compensation to Franchisor for the Brand Damages Franchisor will incur because this Agreement did not continue for the Term's full length.

Developer acknowledges that Developer's payment of Liquidated Damages is full compensation to Franchisor only for the Brand Damages resulting from the early termination of this Agreement and is in addition to.

10. CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP

10.1 List of Principals. If Developer is a corporation, limited liability company, or partnership, each Owner of Developer and the interest of each person holding an ownership interest in Developer, shall be identified in Attachment C to the Agreement. Developer shall maintain a list of all owners and immediately furnish Franchisor with an update to the information contained in Attachment C upon any change, which shall be made only in compliance with Article 7 above. Developer shall also appoint a Designated Principal, pursuant to Section 5.2. above.

10.2 Guaranty and Undertaking. Each Owner who owns greater than 10% ownership interest in the Developer shall execute a guaranty and undertaking, and acknowledgment of Developer's covenants and obligations under this Agreement in the form attached hereto as Attachment D.

10.3 Corporations and Limited Liability Companies. If Developer is a corporation or limited liability company, Developer shall comply with the following requirements:

10.3.1. Developer shall be newly organized and its governing documents shall at all times provide that its activities are confined exclusively to developing and operating the Franchised Locations.

10.3.2. Developer shall promptly furnish to Franchisor copies of Developer's articles of incorporation, bylaws, articles of organization, operating agreement and/or other governing documents, and any amendments thereto, including the resolution of the Board of Directors or members authorizing entry into this Agreement.

10.3.3. Developer shall maintain stop transfer instructions against the transfer on its records of any equity securities; and each stock certificate or issued securities of Developer shall conspicuously include upon its face a statement, in a form satisfactory to Franchisor, which references the transfer restrictions imposed by this Agreement; provided, however, that the requirements of this Section 10.3.3. shall not apply to a publicly held corporation.

10.4 Partnerships and Limited Liability Partnerships. If Developer or any successor to or assignee of Developer is a partnership or limited liability partnership, Developer shall comply with the following requirements:

10.4.1. Developer shall be newly organized and its company or operating agreement (or its equivalent) shall at all times provide that its activities are confined exclusively to developing and operating the Franchised Locations.

10.4.2. Developer shall furnish Franchisor with a copy of its company or operating agreement (or its equivalent) as well as such other documents as Franchisor may reasonably request, and any amendments thereto.

10.4.3. Developer shall promptly furnish to Franchisor copies of Developer's certificate of formation (or equivalent), and any other documents filed with the respective state secretary of state or other equivalent agency for formation of such limited liability company or partnership.

10.4.4. The partners of the partnership shall not, without the prior written consent of Franchisor, admit additional general partners, remove a general partner, or otherwise materially alter the powers of any general partner.

11. GOVERNING LAW; DISPUTE RESOLUTION

11.1. Choice of Law. This Agreement and all claims arising out of or related to this Agreement or the parties' relationship created hereby shall be construed under and governed by the laws of the State of Texas (without giving effect to any conflict of laws).

11.2. Mediation.

11.2.1. The parties acknowledge that during the term and any extensions of this Agreement certain disputes may arise that the parties are unable to resolve, but that may be resolvable through mediation. To facilitate such resolution, Franchisor, you, and each Owner agree to submit any claim, controversy, or dispute between Franchisor or its Affiliates (and Franchisor's and its Affiliate's respective owners, officers, directors, managers, agents, representatives, and/or employees) and you or your Affiliates (and your Owners, agents, representatives, and/or employees) arising out of or relating to: (a) this Agreement or any other agreement between Franchisor and you, (b) Franchisor's relationship with you, or (c) the validity of this Agreement or any other agreement between Franchisor and you, to mediation before bringing such claim, controversy, or dispute in a court or before any other tribunal.

11.2.2. The mediation shall be conducted by a mediator agreed upon by Franchisor and you and, failing such agreement within not more than 15 days after either party has notified the other of its desire to seek mediation, by the American Arbitration Association or any successor organization ("AAA") in accordance with its rules governing mediation. Mediation shall be held at the offices of the AAA in the city in which Franchisor maintains its principal place of business at the time mediation is initiated. The costs and expenses of mediation, including the compensation and expenses of the mediator (but excluding attorneys' fees incurred by either party), shall be borne by the parties equally.

11.2.3. If the parties are unable to resolve the claim, controversy, or dispute within 90 days after the mediator has been chosen, then, unless such time period is extended by written agreement of the parties, either party may bring a legal proceeding pursuant to Section 11.3. below. The parties agree that statements made during such mediation proceeding will not be admissible for any purpose in any subsequent legal proceeding.

11.2.4. Notwithstanding the foregoing provisions of this Section 11.2., the parties' agreement to mediate shall not apply to controversies, disputes, or claims related to or based on amounts owed to Franchisor pursuant to this Agreement, the Proprietary Marks, or Franchisor's Confidential Information. Moreover, regardless of this mediation agreement, Franchisor and you each have the right in a proper case

to seek temporary restraining orders and temporary or preliminary injunctive relief in any court of competent jurisdiction.

11.3. Arbitration. Franchisor and Developer agree that, except for controversies, disputes, or claims related to or based on improper use of the Proprietary Marks or confidential information, all controversies, disputes, or claims between Franchisor and Developer's affiliates, and Franchisor's and their respective shareholders, members, officers, directors, agents, and/or employees, and Developer (and/or Developer's owners, guarantors, affiliates, and/or employees) arising out of or related to (a) this Agreement or any other agreement between Developer and Franchisor; (b) Franchisor's relationship with Developer; (c) the validity, arbitrability, or enforceability of this arbitration provision, Agreement, or any other agreement between Developer and Franchisor; or (d) any System standard must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association ("AAA"). The arbitration proceedings will be conducted by one arbitrator and, except as this Section otherwise provides, according to the AAA's then current commercial arbitration rules. All proceedings will be conducted at a suitable location chosen by the arbitrator which is within a five (5) mile radius of Franchisor's principal headquarters at the time arbitration is initiated. The arbitrator shall have no authority to select a different hearing locale. All matters relating to arbitration will be governed by the United States Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction.

(a) The arbitrator has the right to award or include in his or her award any relief which he or she deems proper, including, without limitation, money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys' fees and costs (as allowable under this Agreement or governing law), provided that the arbitrator may not declare any Proprietary Mark generic or otherwise invalid and Franchisor and Developer 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.

(b) Franchisor and Developer agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under governing law or this Agreement, whichever expires earlier. Franchisor and Developer further agrees that, in any arbitration proceeding, each must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the United States Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any claim which is not submitted or filed as required is forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either Developer or Franchisor.

(c) Franchisor and Developer agree that arbitration will be conducted on an individual, not a class-wide, basis and that an arbitration proceeding between Franchisor and Franchisor's affiliates, their respective shareholders, officers, directors, agents, and employees, and Developer (including owners, guarantors, affiliates, and employees) may not be consolidated with any other arbitration proceeding between Franchisor and any other person.

(d) Despite Franchisor's and Developer's agreement to arbitrate, Franchisor and Developer each have the right in a proper case to seek temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction; provided, however, that Franchisor and Developer must contemporaneously submit Franchisor's dispute for arbitration on the merits as provided in this Section.

(e) The provisions of this Section are intended to benefit and bind certain third-party non-signatories and will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination.

11.4. Venue. With respect to any controversies, disputes, or claims which are not finally resolved through mediation or arbitration, as provided in Sections 11.2. and 11.3., the parties agree that any action brought by either party against the other in any court, whether federal or state, shall be brought and maintained exclusively and within the state and federal judicial district court serving the district in which we maintain our principal headquarters at the time litigation is initiated or Tarrant County, Texas (if there is a dispute), and the parties hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision. Nothing contained in this Agreement bars Franchisor's right to seek injunctive relief from any court of competent jurisdiction; and you agree to pay all costs and attorneys' fees incurred by Franchisor in obtaining such relief.

11.5. Non-exclusivity of Remedy. No right or remedy conferred upon or reserved to Franchisor or you by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy in this Agreement or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

11.6. WAIVER OF JURY TRIAL. FRANCHISOR AND YOU IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.

11.7. WAIVER OF PUNITIVE DAMAGES. THE PARTIES HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY PUNITIVE 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.

11.8. Limitation to Bring a Claim. Any and all claims and actions arising out of or relating to this Agreement and/or the relationship of Developer and Franchisor, brought by either party hereto against the other, whether in mediation, in arbitration or in court, shall be commenced within one (1) year from the occurrence of the facts giving rise to such claim or action, or such claim or action shall be forever barred.

11.9. Attorneys' Fees. If either party commences a legal action against the other party arising out of or in connection with this Agreement, the prevailing party shall be entitled to have and recover from the other party its reasonable attorneys' fees and costs of suit.

11.10. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one agreement.

12. NOTICES

12.1. Notices. All notices or demands shall be in writing and shall be served in person, by Express Mail, by certified mail; by private overnight delivery; by email, DocuSign or other electronic signature system, or other electronic delivery system; or by or by facsimile or other electronic system. Service shall be deemed conclusively made: **(a)** at the time of service, if personally served; **(b)** 24 hours (exclusive of weekends and national holidays) after deposit in the United States mail, properly addressed and postage prepaid, if served by Express Mail; **(c)** upon the earlier of actual receipt or three calendar days after deposit in the United States mail, properly addressed and postage prepaid, return receipt requested, if served by certified mail; **(d)** 24 hours after delivery by the party giving the notice, statement or demand if by private overnight delivery; **(e)** at the time of transmission by facsimile, if such transmission occurs prior to 5:00 p.m. on a Business Day and a copy of such notice is mailed within 24 hours after the transmission; and **(f)** upon delivery of electronic notices, including email. Notices and demands shall be given to the respective parties at the addresses set forth on the Summary Pages, unless and until a different address has been designated by written notice to the other party. Either party may change its address for the purpose of receiving notices, demands and other communications as in this Agreement by providing a written notice given in the manner aforesaid to the other party.

12.2. Notice of Actions. Developer shall notify Franchisor in writing within five (5) days of the receipt of any demand letter, commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency or other governmental instrumentality, which may adversely affect the operation or financial condition of Developer and/or any Unit established under this Agreement.

13. CONSTRUCTION

13.1. Entire Agreement. This Agreement and its attachments represent the entire fully integrated agreement between the parties concerning the subject matter hereof, and supersedes all other negotiations, agreements, representations, and covenants, oral or written. Recognizing the costs on both Franchisor and Developer which are uncertain, Franchisor and Developer, each confirm that neither wishes to enter into a business relationship with the other in which any terms or obligations are the subject of alleged oral statements or in which oral statements or non-contract writings which have been or may in the future be, exchanged between them, serve as the basis for creating rights or obligations different than or supplementary to the rights and obligations set forth herein. Accordingly, Franchisor and Developer agree and promise each other that this Agreement supersedes and cancels any prior and/or contemporaneous discussions or writings (whether described as representations, inducements, promises, agreements or any other term), between Franchisor or anyone acting on its behalf and Developer or anyone acting on its behalf, which might be taken to constitute agreements, representations, inducements, promises or understandings (or any equivalent to such term) with respect to the rights and obligations of Franchisor and Developer or the relationship between them. Franchisor and Developer agree and promise each other that they have placed, and will place, no reliance on any such discussions or writings. In accordance with the foregoing, it is understood and acknowledged that this Agreement, the attachments hereto, and the documents referred to herein constitute the entire Agreement between Franchisor and Developer concerning the subject matter hereof, and supersede any prior agreements, no other representations having induced Developer to execute this Agreement. Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. Notwithstanding the foregoing, nothing in this or any related agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments. Any representations, warranties, inducements, promises, understandings or agreements between the parties, that are not in the franchise disclosure document which you acknowledge receiving at least 14 days before signing this Agreement or paying any money, or in writing and signed by us and you, are void and not enforceable.

13.2. No Waiver. No waiver or modification of this Agreement or of any covenant, condition, or limitation herein contained shall be valid unless the same is made in writing and duly executed by the party to be charged therewith. No evidence of any waiver or modification shall be offered or received in evidence in any proceeding, arbitration, or litigation between the parties arising out of or affecting this Agreement, or the rights or obligations of any party hereunder, unless such waiver or modification is in writing, duly executed as aforesaid. No failure of Franchisor to exercise any power reserved to it hereunder, or to insist upon strict compliance by Developer with any obligation or condition hereunder, and no custom or practice of the parties in variance with the terms hereof, shall constitute a waiver of Franchisor's right to demand exact compliance with the terms hereof. Waiver by Franchisor of any particular default by Developer shall not be binding unless in writing and executed by the party sought to be charged and shall not affect or impair Franchisor's right with respect to any subsequent default of the same or of a different nature; nor shall any delay, waiver, forbearance, or omission of Franchisor to exercise any power or rights arising out of any breach or default by Developer of any of the terms, provisions, or covenants hereof, affect or impair Franchisor's rights nor shall such constitute a waiver by Franchisor of any right hereunder or of the right to declare any subsequent breach or default. Subsequent acceptance by Franchisor of any payment(s) due to it hereunder shall not be deemed to be a waiver by Franchisor of any preceding breach by Developer of any terms, covenants or conditions of this Agreement.

13.3. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

13.4. Survival of Terms. Any provision or covenant of this Agreement which expressly or by its nature imposes obligations beyond the expiration or termination of this Agreement shall survive such expiration or termination.

13.5. Definitions and Captions. Unless otherwise defined in this body of this Agreement, capitalized terms have the meaning ascribed to them in Attachment A ("Glossary of Additional Terms"). All captions in this Agreement are intended for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision of this Agreement.

13.6. Persons Bound. This Agreement shall be binding on the parties and their respective successors and assigns. As applicable, each Owner who owns greater than 10% ownership interest in the Developer shall execute the Undertaking and Guaranty attached as Attachment D. Failure or refusal to do so shall constitute a breach of this Agreement. You and each Owner shall be joint and severally liable for each person's obligations hereunder and under the applicable Undertaking and Guaranty.

13.7. Rules of Construction. Neither this Agreement nor any uncertainty or ambiguity in this Agreement shall be construed or resolved against the drafter of this Agreement, whether under any rule of construction or otherwise. Terms used in this Agreement shall be construed and interpreted according to their ordinary meaning. If any provision of this Agreement is susceptible to two or more meanings, one of which would render the provision enforceable and the other(s) which would render the provision unenforceable, the provision shall be given the meaning that renders it enforceable.

13.8. Timing. Time is of the essence with respect to all provisions in this Agreement. Notwithstanding the foregoing, if performance of either party is delayed on account of a Force Majeure, the applicable deadline for performance shall be extended for a period commensurate with the Force Majeure, but not to exceed 12 months.

13.9. Full Scope of Terms. Developer expressly agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court or agency having valid jurisdiction may hold to be unreasonable and unenforceable in an unappealed final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court or agency order.

13.10. Headings Only for Convenience. All headings in this Agreement are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

13.11. No Waiver or Disclaimer of Reliance in Certain States. The following provision applies only to developers 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 ~~acknowledgment~~acknowledgement signed or agreed to by a ~~franchisee~~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 ~~franchisor~~, franchise seller, or ~~any~~ other person acting on ~~our~~ behalf ~~of the franchisor~~. This provision supersedes any other term of any document executed in connection with the franchise.

14. REPRESENTATIONS

14.1. Representations of Franchisor. Franchisor represents and warrants that (a) Franchisor is duly organized and validly existing under the law of the state of its formation; (b) Franchisor is duly qualified and authorized to do business in each jurisdiction in which its business activities or the nature of the properties it owns requires such qualification; and (c) the execution of this Agreement and the performance of the transactions contemplated by this Agreement are within Franchisor's corporate power and have been duly authorized.

14.2. Representations of Developer. (Initial each subsection)

[] 14.2.1. You represent and warrant that the information set forth in Attachment C, incorporated by reference hereto, is accurate and complete in all material respects. You shall notify Franchisor in writing within 10 days of any change in the information set forth in Attachment C. You further represent to Franchisor that (a) you are duly organized and validly existing under the law of the state of your formation; (b) you are duly qualified and authorized to do business in each jurisdiction in which your business activities or the nature of the properties you own require such qualification; (c) your corporate charter or written partnership or limited liability company agreement, as applicable, will at all times provide that your activities are confined exclusively to the development and operation of the Franchised Business. You warrant and represent that neither you nor any of your Affiliates or Owners own, operate, or have any financial or beneficial interest in any business that is the same as or similar to a Sylvan Learning business; and (d) The execution of this Agreement and the performance of the transactions contemplated by this Agreement are within your corporate power, or if you are a partnership or a limited liability company, are permitted under its written partnership or limited liability company agreement and have been duly authorized.

[] 14.2.2. You represent and warrant that to your actual knowledge: (i) neither Developer nor its officers, directors, managers, members, partners, shareholders, or other individual who own or manage the affairs of Developer, nor any Developer affiliate or related party, or any funding source for any Unit, 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 Developer nor any Developer 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 Developer nor any Developer 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 Developer nor any Developer 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 Developer nor any Developer 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 Developer nor any Developer 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. Developer agrees to notify Franchisor in writing immediately upon the occurrence of any act or event that would render any of these representations incorrect.

[] 14.2.3. You represent and warrant to Franchisor that there are no other agreements, court orders, or any other legal obligations that would preclude or in any manner restrict you from: (a) negotiating and entering into this Agreement; (b) exercising its rights under this Agreement; and/or (c) fulfilling its responsibilities under this Agreement.

[] 14.2.4. You represent to Franchisor, as an inducement to entry into this Agreement, that Developer has made no misrepresentations in obtaining the franchise.

The acknowledgments in Sections 14.2.5 through 14.2.8 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.

[] 14.2.5. You represent to Franchisor that neither Franchisor nor its agents or representatives have made any representations, and you have not relied on representations made by Franchisor or its agents or representatives, concerning actual or potential sales, expenses, or profit of a Sylvan Unit, except for information that may have been contained in Item 19 of the franchise disclosure document delivered to you in connection with your purchase of a Sylvan Learning franchise.

[] 14.2.6. You acknowledge that you have received a complete copy of Franchisor's franchise disclosure document at least 14 calendar days before you signed this Agreement or paid any consideration to Franchisor for your franchise rights.

[] 14.2.7. You acknowledge that you have read and that you understand the terms of this Agreement and its attachments, and that you have had ample time and opportunity to consult with an attorney or business advisor of your choice about the potential risks and benefits of entering into this Agreement.

[] 14.2.8. INVESTIGATION OF THE BUSINESS POSSIBILITIES. DEVELOPER ACKNOWLEDGES THAT IT HAS CONDUCTED AN INDEPENDENT INVESTIGATION OF THE BUSINESS OF DEVELOPING AND OPERATING A SYLVAN, AND RECOGNIZES THAT THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT INVOLVES BUSINESS RISKS AND THAT ITS SUCCESS WILL BE LARGELY DEPENDENT UPON THE ABILITY OF DEVELOPER (OR, IF DEVELOPER IS A CORPORATION, PARTNERSHIP OR LIMITED LIABILITY COMPANY, THE ABILITY OF ITS PRINCIPALS) AS (AN) INDEPENDENT BUSINESSPERSON(S). FRANCHISOR EXPRESSLY DISCLAIMS THE MAKING OF, AND DEVELOPER ACKNOWLEDGES THAT IT HAS NOT RECEIVED, ANY WARRANTY OR GUARANTEE, EXPRESS OR IMPLIED, AS TO THE POTENTIAL VOLUME, PROFITS, OR SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT. DEVELOPER ACKNOWLEDGES THAT THIS AGREEMENT CONTAINS ALL ORAL AND WRITTEN AGREEMENTS, REPRESENTATIONS AND ARRANGEMENTS BETWEEN THE PARTIES, AND ANY RIGHTS WHICH THE RESPECTIVE PARTIES HERETO MAY HAVE HAD UNDER ANY OTHER PREVIOUS CONTRACT (WHETHER ORAL OR WRITTEN) ARE HEREBY CANCELLED AND TERMINATED, AND NO REPRESENTATIONS OR WARRANTIES ARE MADE OR IMPLIED, EXCEPT AS SPECIFICALLY SET FORTH HEREIN. DEVELOPER FURTHER ACKNOWLEDGES THAT IT HAS NOT RECEIVED OR RELIED ON ANY REPRESENTATIONS ABOUT THE FRANCHISE BY THE FRANCHISOR, OR ITS OFFICERS, DIRECTORS, EMPLOYEES OR AGENTS, THAT ARE CONTRARY TO THE STATEMENTS MADE IN THE FRANCHISOR'S FRANCHISE DISCLOSURE DOCUMENT OR TO THE TERMS AND CONDITIONS CONTAINED HEREIN.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective on the Effective Date set forth above.

FRANCHISOR:

SYLVAN LEARNING, LLC,
a Delaware limited liability company

~~LICENSEE~~ DEVELOPER:

By: _____
Susan Valverde, President

_____[] [],
a []
~~a~~ ~~limited liability company~~ []

By: _____ its
~~Member~~ [] []

EXHIBIT C CALIFORNIA RIDER

**TO ~~THE FRANCHISE DISCLOSURE DOCUMENT~~ SYLVAN DEVELOPMENT AGREEMENT
ACE-IT! TUTORING SYSTEM LICENSE AGREEMENT**

This Rider is entered into on _____, 20____, by and between Sylvan Learning, LLC (“we,” “us,” or “our”),
and _____ (“Developer,” “you,” or “your”).

The California Department of Financial Protection and Innovation requires that certain provisions contained in franchise documents be amended to be consistent with California law, including the California Franchise Investment Law, CAL. CORPORATIONS CODE Section 31000 et seq., and the California Franchise Relations Act, CAL. BUS. & PROF. CODE Section 20000 et seq. To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

8. California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer, or non-renewal of the Agreement. The Federal Bankruptcy Code also provides rights to you concerning termination of the Agreement upon certain bankruptcy-related events. To the extent the Agreement contains a provision that is inconsistent with these laws, these laws will control.

9. You are required in the Agreement to execute a general release of claims, such general release shall exclude claims arising under the California Franchise Investment Law and the California Franchise Relations Act.

10. The Agreement requires payment of liquidated damages that is inconsistent with California Civil Code Section 1671, the liquidated damage clause may be unenforceable.

11. The Agreement contains covenants not to compete which extends beyond the termination of the Agreement. A contract that restrains a former franchisee from engaging in a lawful trade or business is to that extent void under California Business and Professions Code Section 16600.

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

13. 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.

14. Both the governing law and choice of law for franchisees operating outlets located in California will be the California Franchise Investment law and the California Franchise Relations Act regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the franchise agreement or amendment to or any agreement to the contrary is superseded by this condition.



ACE IT! Tutoring System License Agreement

This ACE IT! Tutoring System License Agreement (this “Agreement”) is entered into as of , 20 , (the “Effective Date”) by and between Sylvan Learning, LLC (“Sylvan”) and LicenseeName (“Licensee”). This Agreement amends Sylvan License Agreement # # dated , 20 , (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~~ this Rider to the Development Agreement on the date stated on the first ~~set forth above~~ page.

~~LICENSOR~~ FRANCHISOR:

SYLVAN LEARNING, LLC,
a Delaware limited liability company

By: _____
Susan Valverde, President

~~LICENSEE~~ DEVELOPER:

_____[] [],
a []
~~a~~ ~~limited liability company~~ []

By: _____ its
_____[] [],
~~Member~~ [] []

ILLINOIS RIDER

TO ~~THE ACE IT! TUTORING SYSTEM LICENSE~~ SYLVAN DEVELOPMENT 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.~~

This Rider is entered into this _____ day of _____, 20____, by and between Sylvan Learning, LLC (“we,” “us,” or “our”), and _____ (“Developer,” “you,” or “your”).

This Rider relates to franchises sold in Illinois and is intended to comply with Illinois statutes and regulations. The parties agree to modify the Development Agreement as follows:

1. Governing Law. Section 11.1 of the Development Agreement is deleted. The Illinois Franchise Regulations, Section 200.608, require that Illinois law govern franchise agreements entered into in Illinois.

2. Jurisdiction. The following language is added to the end of Section 11.4 of the Development Agreement:

~~2.~~ In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a ~~franchise agreement~~ this Agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a ~~franchise agreement~~ this Agreement may provide for arbitration to take place outside of Illinois.

3. Termination. The following language is added at the beginning of Section 9 of the Development Agreement:

~~3. Your rights upon Termination and Non-Renewal are set forth in sections~~ If anything in this Section concerning termination is inconsistent with Section 19 and 20 of the Illinois Franchise Disclosure Act of 1987, then the Act shall apply.

4. Waiver of Jury Trial. The following language is added to the end of Section 11.6 of the Development Agreement:

However, this waiver shall not apply to the extent prohibited by Section 705/41 of the Illinois Franchise Disclosure Act of 1987 or Illinois Regulations at Section 260.609.

5. ~~4. In conformance with section~~ Section 41 of the Illinois Franchise Disclosure Act, of 1987 states that any condition, stipulation, or provision purporting to bind any person acquiring ~~any~~ a franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of Illinois is void. Section 41 will control over any inconsistent provisions in the Development Agreement.

6. This Rider will have effect only if the Franchise Agreement and/or the relationship between Franchisor and you satisfy all of the jurisdictional requirements of the Illinois Franchise Disclosure Act of 1987. Except as expressly modified by this Rider, the Franchise Agreement remains unmodified and in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Rider to the Development Agreement on the date stated on the first page.

FRANCHISOR:

SYLVAN LEARNING, LLC,
a Delaware limited liability company

By:

Susan Valverde, President

DEVELOPER:

[_____],
a [_____]

By:

[_____] , its [_____]

INDIANA RIDER
TO SYLVAN DEVELOPMENT AGREEMENT

This Rider is entered into this ____ day of _____, 20____, by and between Sylvan Learning, LLC (“we,” “us,” or “our”), and _____ (“Developer,” “you,” or “your”).

This Rider relates to franchises sold in Indiana and is intended to comply with the Indiana statutes and regulations. The parties agree to supplement the Development Agreement as follows:

1. Pursuant to Section 23.2-2.7-1 of the Indiana Code, it is unlawful for any franchise agreement entered into between any franchisor and a franchisee who is either a resident of Indiana or a nonresident who will be operating a franchise in Indiana to contain any of the following provisions:

(1) Requiring goods, supplies, inventories, or services to be purchased exclusively from the franchisor or sources designated by the franchisor where such goods, supplies, inventories, or services of comparable quality are available from sources other than those designated by the franchisor. However, the publication by the franchisor of a list of approved suppliers of goods, supplies, inventories, or service or the requirement that such goods, supplies, inventories, or services comply with specifications and standards prescribed by the franchisor does not constitute designation of a source nor does a reasonable right of the franchisor to disapprove a supplier constitute a designation. This subdivision does not apply to the principal goods, supplies, inventories, or services manufactured or trademarked by the franchisor.

(2) Allowing the franchisor to establish a franchisor-owned outlet engaged in a substantially identical business to that of the franchisee within the exclusive territory granted the franchisee by the Development Agreement; or, if no exclusive territory is designated, permitting the franchisor to compete unfairly with the franchisee within a reasonable area.

(3) Allowing substantial modification of the Development Agreement by the franchisor without the consent in writing of the franchisee.

(4) Allowing the franchisor to obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee.

(5) Requiring the franchisee to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability to be imposed by this chapter or requiring any controversy between the franchisee and the franchisor to be referred to any person, if referral would be binding on the franchisee. This subdivision does not apply to arbitration before an independent arbitrator.

(6) Allowing for an increase in prices of goods provided by the franchisor which the franchisee had ordered for private retail consumers prior to the franchisee’s receipt of an official price increase notification. A sales contract signed by a private retail consumer shall constitute evidence of each order. Price changes applicable to new models of a product at the time of introduction of such new models shall not be considered a price increase. Price increases caused by conformity to a state or federal law, or the revaluation of the United States dollar in the case of foreign-made goods, are not subject to this subdivision.

(7) Permitting unilateral termination of the franchise if such termination is without good cause or in bad faith. Good cause within the meaning of this subdivision includes any material violation of the Development Agreement.

(8) Permitting the franchisor to fail to renew a franchise without good cause or in bad faith. This chapter shall not prohibit a Development Agreement from providing that the agreement is not renewable upon expiration or that the agreement is renewable if the franchisee meets certain conditions specified in the agreement.

(9) Requiring a franchisee to covenant not to compete with the franchisor for a period longer than three (3) years or in an area greater than the exclusive area granted by the Development Agreement or, in absence of such a provision in the agreement, an area of reasonable size, upon termination of or failure to renew the franchise.

(10) Limiting litigation brought for breach of the agreement in any manner whatsoever.

(11) Requiring the franchisee to participate in any:

(A) advertising campaign or contest;

(B) promotional campaign;

(C) promotional materials; or

(D) display decorations or materials;

at an expense to the franchisee that is indeterminate, determined by a third party, or determined by a formula, unless the Development Agreement specifies the maximum percentage of gross monthly sales or the maximum absolute sum that the franchisee may be required to pay.

2. If the Development Agreement contains a provision that is inconsistent with the Indiana Code, the provisions of the Indiana Code will supersede the Development Agreement.

3. This Rider will have effect only if the Development Agreement and/or the relationship between you and Franchisor satisfy all of the jurisdictional requirements of the Indiana Code, without considering this Rider. Except as expressly modified by this Rider, the Development Agreement remains unmodified and in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Rider to the Development Agreement on the date stated on the first page.

FRANCHISOR:

SYLVAN LEARNING, LLC,
a Delaware limited liability company

DEVELOPER:

[],
a []

By: _____
Susan Valverde, President

By: _____
[], its []

MARYLAND RIDER
TO SYLVAN DEVELOPMENT AGREEMENT

This Rider is entered into this _____ day of _____, 20____, by and between Sylvan Learning, LLC (“we,” “us,” or “our”), and _____ (“Developer,” “you,” or “your”).

In recognition of the Maryland Franchise Registration and Disclosure Law, Maryland Stat. §§ 14-201 to 14-233, and the Rules and Regulations promulgated thereunder, the parties agree to modify the Development Agreement as follows:

1. Releases. Section 4.5.4(c) and Section 8 are each amended to add the following:

This release will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

- ~~53. The following statement shall be deemed to amend the License~~Entire Agreement. Section 13.1 is amended by adding the following:

Notwithstanding anything to the contrary in this Agreement, you are not required to waive any of your rights under the Maryland Franchise Registration and Disclosure Law with regard to our prior representations.

4. Time Limit on Filing. Section 11.8 is amended by adding the following:

The foregoing limitation on the period of time arbitration and/or litigation claims must be brought shall not act to reduce the 3-year statute of limitations afforded a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

5. Representations. Section 14.2.5 through 14.2.8 of the Development Agreement are hereby deleted.

6. This Rider will have effect only if the Development Agreement and/or the relationship between Franchisor and you satisfy all of the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, without considering this Rider. Except as expressly modified by this Rider, the Development Agreement remains unmodified and in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Rider to the Development Agreement on the date stated on the first page.

FRANCHISOR:

SYLVAN LEARNING, LLC,
a Delaware limited liability company

By: _____

Susan Valverde, President

DEVELOPER:

_____],
a [_____]

By: _____

_____, its [_____]

MINNESOTA RIDER
TO SYLVAN DEVELOPMENT AGREEMENT

This Rider is entered into this _____ day of _____, 20____, by and between Sylvan Learning, LLC (“we,” “us,” or “our”), and _____ (“Developer,” “you,” or “your”).

In recognition of the Minnesota Franchises Law, Minn. Stat. §§ 80C.01-80C.22, and the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, the parties agree to modify the Development Agreement as follows:

1. Releases. The following sentence is added to Section 4.5.4(3) and Section 8:

Notwithstanding the foregoing, Developer will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22, provided that the foregoing shall not bar the voluntary settlement of disputes.

2. Term and Successor Development Agreement; Default and Termination. Sections 2 and 9 are each amended by adding the following:

Notwithstanding anything to the contrary in Sections 2 and 9, Franchisor will comply with Minnesota Statutes Clause 80C.14, Subdivision 3, 4, and 5, which require, except in certain cases, that Minnesota franchisees be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Development Agreement.

3. Time Limit on Filing. Section 11.8 is amended to add the following:

Notwithstanding anything to the contrary in this Section, any claim or action arising out of or relating to the Minnesota Franchises Law must be commenced within three (3) years from the occurrence of the facts giving rise to the claim or action, or the claim or action is barred.

4. Jurisdiction and Venue. Section 11 is amended to add the following:

Under Minnesota Statutes Section 80C.21, this section will not in any way abrogate or reduce any rights of the Developer as provided for in Minnesota Statutes, Chapter 80C, including the right to submit matters to the jurisdiction of the courts in Minnesota. Minnesota Statutes Section 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota.

5. Entire Agreement. Section 13.1 is amended by adding the following:

Pursuant to Minn. Stat. § 80C.21 and Minn. Rule Part 2860.4400J, nothing in the Agreement shall in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80

6. This Rider will have effect only if the Development Agreement and/or the relationship between you and Franchisor satisfy all of the jurisdictional requirements of Minnesota Statutes §§ 80C.01 - 80C.22. Except as expressly modified by this Rider, the Development Agreement remains unmodified and in full force and effect.

The Minnesota Franchise Act prohibits a franchisor from imposing upon a franchisee by contract or rule, whether written or oral, any standard of conduct that is unreasonable. This addendum does not act as a release or waiver by the franchisee of an otherwise application provision of the Minnesota Franchise Act that is omitted, misstated, or whose legal effect is misconstrued.

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

IN WITNESS WHEREOF, the parties have executed this Rider to the Development Agreement on the date stated on the first page.

LICENSEE~~FRANCHISOR~~:

~~_____~~ _____.SYLVAN LEARNING, LLC,
a Delaware limited liability company
~~a _____ limited liability company~~ _____

By: _____
~~_____~~ _____, its ~~Member~~ _____
Susan Valverde, President

DEVELOPER:

_____,
a _____

By: _____
_____, its _____

EXHIBIT D
TO THE FRANCHISE DISCLOSURE DOCUMENT
MULTI-TERRITORY INCENTIVE PLAN AMENDMENT

NEW YORK RIDER
TO SYLVAN DEVELOPMENT AGREEMENT

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 76022, 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:

Sylvan License Agreement/Territory	Required Opening Date
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.

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

Three Territories	\$76,900

4. Material Defaults:

This Rider is entered into this _____ day of _____, 20____, by and between Sylvan Learning, LLC (“we,” “us,” or “our”), and _____ (“Developer,” “you,” or “your”).

In recognition of the requirements of the New York General Business Law, Article 33, Sections 680 through 695, and of the regulations promulgated thereunder (N.Y. Comp. Code R. & Regs., tit. 13, §§ 200.1 through 201.16), the parties agree to modify the Development Agreement as follows:

1. Any provision in the Development Agreement that is inconsistent with the New York General Business Law, Article 33, Sections 680 – 695 may not be enforceable.

2. Releases. Sections 4.5.4(C) and 8 are each amended to add the following:

The foregoing release of claims against Franchisor does not release any claim you may have under New York General Business Law, Article 33, Sections 680-695.

3. Assignment by Franchisor. Section 8 is amended by adding the following:

Franchisor will not assign its rights under the Development Agreement except to an assignee who in Franchisor’s good faith judgment is willing and able to assume Franchisor’s obligations under the Development Agreement.

4. Termination by Developer. Section 9 is amended by adding the following:

You may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

5. 4.1. The Governing Law. Section 11.1 is amended by adding 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.

Notwithstanding the foregoing, the New York General Business Law shall govern any claim arising under that law.

6. This Rider will have effect only if the Development Agreement and/or the relationship between Franchisor and you satisfy all of the jurisdictional requirements of New York General Business Law, without considering this Rider. Except as expressly modified by this Rider, the Development Agreement remains unmodified and in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Rider to the Development Agreement on the date stated on the first page.

FRANCHISOR:

SYLVAN LEARNING, LLC,
a Delaware limited liability company

DEVELOPER:

[_____],
a [_____]

By: _____
Susan Valverde, President

By: _____
[_____], its [_____]

NORTH DAKOTA RIDER
TO SYLVAN DEVELOPMENT AGREEMENT

This Rider is entered into this _____ day of _____, 20____, by and between Sylvan Learning, LLC (“we,” “us,” or “our”), and _____ (“Developer,” “you,” or “your”).

In recognition of the requirements of the North Dakota Franchise Investment Law, the parties agree to modify the Development Agreement as follows:

1. In Sections 4.5.4(c) of the Development Agreement, any reference to a requirement to sign a general release is hereby deleted.

2. Article 6 of the Development Agreement is hereby amended by the addition of the following language to the original language that appears there:

“Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.”

3. Section 9.8. of the Development Agreement referring to liquidated damages is hereby deleted.

4. In Section 11.1, the word “Texas” is replaced with the words “North Dakota.”

5. ~~4.2. Each of~~ Sections 11.2 and 11.3 of the Development Agreement are hereby amended with 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.~~

“The site of the arbitration or mediation must be agreeable to all parties and not be remote from the franchisee’s (or Developer’s) place of business.”

~~4.3. Each material default above shall be governed by the default and termination provisions set forth within the License Agreements.~~

6. In Section 11.4 of the Development Agreement, in order to comply with Section 51-19-09 of the North Dakota Franchise Investment Law, any references to the consent to jurisdiction of courts in Texas are hereby deleted.

7. In Section 11.6 of the Development Agreement, all references to waiver of trial by jury in the Development Agreement are hereby deleted.

8. In Section 11.7 of the Development Agreement, all references to the consent to a waiver of exemplary and punitive damages are hereby deleted.

9. Section 11.8. of the Development Agreement is hereby amended by the addition of the following language to the original language that appears there:

“The statute of limitations under North Dakota Law will apply.”

(SIGNATURE PAGE FOLLOWS.)

IN WITNESS WHEREOF, the parties have executed this Rider to the Development Agreement on the date stated on the first page.

FRANCHISOR:

SYLVAN LEARNING, LLC,
a Delaware limited liability company

By: _____
Susan Valverde, President

DEVELOPER:

_____],
a _____]

By: _____
_____, its _____]

RHODE ISLAND RIDER
TO SYLVAN DEVELOPMENT AGREEMENT

This Rider is entered into this _____ day of _____, 20____, by and between Sylvan Learning, LLC (“we,” “us,” or “our”), and _____ (“Developer,” “you,” or “your”).

In recognition of the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34, the parties agree to modify the Development Agreement as follows:

1. Governing Law. Section 11.1 is amended by adding the following:
Notwithstanding the foregoing, Rhode Island law governs any claim arising under the Rhode Island Franchise Investment Act.
2. Jurisdiction and Venue. Section 11.4 is amended by adding the following:
Notwithstanding the foregoing, you have the right to file any arbitration action under the Rhode Island Franchise Investment Act in Rhode Island.
3. This Rider will have effect only if the Development Agreement and/or the relationship between you and Franchisor satisfy all of the jurisdictional requirements of the Rhode Island Franchise Investment Act, without considering this Rider. Except as expressly modified by this Rider, the Development Agreement remains unmodified and in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Rider to the Development Agreement on the date stated on the first page.

FRANCHISOR:

SYLVAN LEARNING, LLC,
a Delaware limited liability company

By: _____
Susan Valverde, President

DEVELOPER:

_____],
a [_____]

By: _____
_____, its [_____]

WASHINGTON RIDER
TO SYLVAN DEVELOPMENT AGREEMENT

This Rider is entered into this _____ day of _____, 20____, by and between Sylvan Learning, LLC (“Franchisor,” “we,” “us,” or “our”), and _____ (“Developer,” “Franchisee,” “you,” or “your”). The provisions of this Rider are an integral part of, are incorporated into, and modify the Sylvan Learning development agreement executed between the Franchisor and Developer, and all related agreements regardless of anything to the contrary contained therein. This Rider applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. 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 sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor’s reasonable estimated or actual costs in effecting a transfer.

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee’s business for any reason during the term of the franchise agreement without the franchisee’s consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related

agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** 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 provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. **Nonsolicitation Agreements.** 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.

16. **Questionnaires and Acknowledgments.** 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.

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects

to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

IN WITNESS WHEREOF, the parties ~~hereto have set their respective hands, as of the Effective Date~~have executed this Rider to the Development Agreement on the date stated on the first page.

~~LICENSOR~~FRANCHISOR:

SYLVAN LEARNING, LLC,
a Delaware limited liability company

By: _____
Susan Valverde, President

~~LICENSEE~~DEVELOPER:

~~_____~~ [_____] [_____] ,
a [_____] ~~a _____~~ ~~limited liability company~~ [_____]

By: _____ its
~~Member~~ [_____] [_____]

EXHIBIT E
TO THE FRANCHISE DISCLOSURE DOCUMENT
OPERATIONS MANUAL TABLE OF CONTENTS

SYLVAN LEARNING®
DEVELOPMENT AGREEMENT

~~Contents~~

ATTACHMENT A
GLOSSARY OF ADDITIONAL TERMS

“Affiliate” means, with respect to Franchisee or any Owner, any (i) direct or indirect parent, subsidiary, or affiliate, (ii) any Person, the management of which is, directly or indirectly, controlled by, or of which an aggregate of more than 10% of the voting Stock is, at the time, owned or controlled directly or indirectly by, such Person or one or more Affiliates of such Person, (iii) Person, including another franchisee of Franchisor, that shares common or partial, direct or indirect ownership, and (iv) any Person that has an ownership interest in another entity, or that controls, is controlled by, or is under common control, directly or indirectly.

“Business Entity” means a corporation, limited liability company, limited partnership, or other entity created pursuant to statutory authority.

“Competitive Business” means any business or enterprise that is the same or similar to Sylvan Learning businesses, including without limitation any business or enterprise, franchised and non-franchised, that operates or grants franchises or licenses for the operation of businesses specializing in supplemental education tutoring services, grades K-12 learning curriculum, personalized instruction and assessments, test preparation support, academic enrichment programs, and related services and products for children.

“Confidential Information” means all information, knowledge, elements, trade secrets, and know-how utilized or embraced by the System, or which otherwise concerns Franchisor’s systems of operation, programs, services, products, customers, practices, materials, books, records, financial information, manuals, computer files, databases, or software; including, but not limited to: the Standards and all elements of the System and all products, services, equipment, technologies, policies, standards, requirements, criteria, and procedures which now or in the future are a part of the System; all information contained in the Manual, including supplements to the Manual; Franchisor’s standards and specifications for product preparation, packaging, and service; all specifications, sources of supply, all procedures, systems, techniques and activities employed by Franchisor or by you in the offer and sale of products and/or services at or from the Franchised Business premises; all pricing paradigms established by Franchisor or by you; all of Franchisor’s and/or your sources, or prospective sources, of supply and all information pertaining to same, including wholesale pricing structures, the contents of sourcing agreements, and the identity of vendors and suppliers; Franchisor’s specifications, and your final plans, for the construction, buildout, design, renovation, décor, equipment, signage, furniture, fixtures and trade dress elements of your Franchised Business premises; the identify of, and all information relating to, the computer and POS hardware and software utilized by Franchisor and you; all information and data pertaining to Franchisor’s and/or your advertising, marketing, promotion, and merchandising campaigns, activities, materials, specifications and procedures; all customer lists and records generated and/or otherwise maintained by your Franchised Business; all internet/web protocols, procedures, and content related to the System and your Franchised Business; Franchisor’s training and other instructional programs and materials; all elements of Franchisor’s recommended staffing, staff training, and staff certification policies and procedures; all communications between you and Franchisor, including the financial and other reports you are required to submit to Franchisor under this Agreement; additions to, deletions from, and modifications and variations of the components of the System and the other systems and methods of operations which Franchisor employs now or in the future; all other knowledge, trade secrets, or know-how concerning the methods of operation of your Franchised Business which may be communicated to you, or of which you may be apprised, by virtue of operation under the terms of the Franchise Agreement; and all other information,

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knowledge, and know-how which either Franchisor or its Affiliates, now or in the future, designate as “Confidential Information.”

“Controlling Interest” means: (a) if you are a corporation or a limited liability company, that the Owners, either individually or cumulatively (i) directly or indirectly own more than 20% of the shares of each class of the developer entity’s issued and outstanding capital stock or membership units, as applicable; and (ii) are entitled, under its governing documents and under any agreements among the Owners, to cast a sufficient number of votes to require such entity to take or omit to take any action which such entity is required to take or omit to take under this Agreement; or (b) if you are a partnership, that the Owners (i) own more than 20% interest in the operating profits and operating losses of the partnership as well as more than 20% ownership interest in the partnership (and more than 20% interest in the shares of each class of capital stock of any corporate general partner); and (ii) are entitled under its partnership agreement or governing law to act on behalf of the partnership without the approval or consent of any other partner or be able to cast a sufficient number of votes to require the partnership to take or omit to take any action which the partnership is required to take or omit to take under this Agreement.

“Copyrighted Works” means works of authorship which are owned by Franchisor and fixed in a tangible medium of expression including, without limitation, the content of the Manual, the design elements of the Proprietary Marks, Franchisor’s product packaging and advertising and promotional materials, and the content and design of Franchisor’s Web site and advertising and promotional materials.

“Development Area Name,” as defined on the Summary Page, shall mean the general identifying name for the Developer’s Development Area, and does not endow any greater area than the Development Area map identified in Attachment B.

“Development Period” means each of the time periods indicated on Attachment B during which you shall have the right and obligation to construct, equip, open and thereafter continue to operate Sylvan Learning businesses.

“Force Majeure” means acts of God (such as tornadoes, earthquakes, hurricanes, floods, fire or other natural catastrophe); strikes, lockouts or other industrial disturbances; war, terrorist acts, riot, or other civil disturbance; epidemics; or other similar forces which you could not by the exercise of reasonable diligence have avoided; provided however, that neither an act or failure to act by a Governmental Authority, nor the performance, non-performance or exercise of rights under any agreement with you by any lender, landlord, or other person shall be an event of Force Majeure under this Agreement, except to the extent that such act, failure to act, performance, non-performance or exercise of rights results from an act which is otherwise an event of Force Majeure. Your financial inability to perform or your insolvency shall not be an event of Force Majeure under this Agreement.

“Franchise Agreement” means the form of agreement prescribed by Franchisor and used to grant to you the right to own and operate a single Sylvan Learning business, including all attachments, exhibits, riders, guarantees or other related instruments, all as amended from time to time. A current form of Franchise Agreement is attached to the current franchise disclosure document, which shall be used for the first Unit. Franchisor reserves the right to modify this form and issue then-current form of franchise agreement under its then-current franchise disclosure document at the time you are ready to develop the second and any subsequent Units.

“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.

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“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.

“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.

REGISTERED US MARKS:

~~Introduction~~ 9

~~Introduction to Sylvan~~	12
~~Company Background~~	12
~~Types of Centers and Territories~~	12
~~Mandatory and Recommended Operational and Educational Days/Hours~~	12
~~The Sylvan Brand~~	20
~~The Power of a Brand~~	20
~~Marketing Standards~~	20
~~Funding~~	21
~~Exclusive Use of Sylvan Approved Advertising~~	23
~~Customer Facing Center Created Forms~~	25
~~Territory Advertising Policy: Supporting Customer Choice~~	25
~~The Sylvan Learning Center Territory Advertising Policy~~	26
~~Policy Center and Co-op Website Guidelines~~	27
~~Online Marketing Policy~~	27
~~Territory Public Relations Policy~~	27
~~Territory Media Relations Policy~~	28
~~Privacy, Data Collection, and Customer Contact~~	28
~~National Media Relations~~	30
~~National Marketing Calendar~~	31
~~National Website~~	32
~~Appointment Requests~~	33
~~Receiving Web Form Data~~	33
~~Crisis Communication~~	33
~~Relationship Marketing~~	34
~~Events and Local Marketing~~	44
~~—Why Grand Openings Are So Important~~	47
~~Key Steps to Hosting a Great Event~~	47
~~Promoting your Event~~	50
~~Marketing Channels~~	51
~~Summary: Local Marketing Importance~~	52
~~Voice of the Customer~~	55
~~Enroll: Breakthrough Selling~~	56
~~Enroll: Breakthrough Selling—the Sylvan Sales Approach~~	56
~~The Enroll Sales Approach~~	57
~~Enroll: Breakthrough Selling Sales Process~~	57
~~Overcoming Common Objections~~	59
~~The Customer Experience~~	61

Confidential Sylvan Franchise Operations Manual

© 2024 Sylvan Learning, LLC

Customer Focus.....	61
Customer Response.....	61
Maintaining Quality Assurance.....	61
Instilling Quality Service.....	61
Sylvan Service Pledge.....	63
Answering Machine and/or Voicemail Greetings.....	63
Sylvan Customer Service Principles.....	64
The Customer Lifecycle.....	64
Education and Assessment.....	67
Assessment Practices.....	67
Information Release.....	67
STAR Assessment Delivery Area.....	67
Proctoring the Insight Assessments.....	68
Altering Standard Procedures.....	68

<u>Mark</u>	<u>Registration Number</u>	<u>Registration Date</u>
(Add) 	1410891	September 23, 1986
(Add) 	3732803	December 29, 2009
(Add) 	3735313	January 5, 2010
(Add) 	5329939	November 7, 2017
(Add) 	4227443	October 16, 2012
(Add) 	4467950	January 14, 2014
(Add) 	4732189	May 5, 2015

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<u>Mark</u>	<u>Registration Number</u>	<u>Registration Date</u>
	<u>4756178</u>	<u>June 16, 2015</u>
(Add) SYLVAN LEARNING CENTER	<u>5335718</u>	<u>November 14, 2017</u>
(Add) SYLVAN TUTORING	<u>4883227</u>	<u>January 5, 2016</u>
(Add) 	<u>5087116</u>	<u>November 22, 2016</u>
(Add) 	<u>5,142,208</u>	<u>February 14, 2017</u>
(Add) ACE IT!	<u>3392255</u>	<u>March 4, 2008</u>
(Add) ACE IT! TUTORING	<u>3402237</u>	<u>March 25, 2008</u>
(Add) SYLVAN EDGE	<u>5088525</u>	<u>November 22, 2016</u>
(Added) 	<u>5088526</u>	<u>November 22, 2016</u>

Student Files/Folders 68

Instruction 69

Confidential Sylvan Franchise Operations Manual

© 2024 Sylvan Learning, LLC

Scheduling Teachers and Students	70
Scheduling Frequency for Students	70
Student to Teacher Ratio	71
Tracking Attendance, Absences, and Make-Ups	71
Preparing for Daily Instruction	72
Preparing for a Student's First Hour of Instruction	73
Managing Student Notebooks	73
During Instruction	74
Instructional Management: Director Responsibilities	74
Instructional Floor Management	75
Instructional Management: Teacher Responsibilities	75
Learning Logs	77
Transition Time	78
Interaction with Students and Teachers	78
Recording the Tokens Earned	78
The Sylvan Motivation Program	79
Buying at the Sylvan Store	79
Monitoring/Supervising Students	80
Managing Instructional Materials	80
After Instruction	81
Paper Based Instruction: Updating Notebooks	81
Ongoing Conferences	82
Care Calls	87
Progress Assessment	87
Teacher Conference/Contact	89
Exit Conference	89
Application for Approval of New Materials or Programs	91
Staffing	93
Staff Management	93
Center Level Website Staff Bios	93
Sylvan Staffing Requirements	93
Dedicated Center Staff	95
Sylvan Staff Identification	95
Additional Requirements for SylvanSync Satellites	96
Individual Employee Meetings	96
Communication and Motivation	97
Sample Job Descriptions	100
Establishing Your Role as a Franchisee	108
Employer Recordkeeping	108
Employee Handbooks	109
Attracting Employment Candidates	110
Initial Screening of Employment Candidates	111
Interviewing Employment Candidates	112
Sample Acceptance Letters	123
Sample Rejection Letters	125
Performance Appraisals	126
Dealing with Employee Misconduct	128
Employee Termination	130
Employee Transfers from Center to Center	131
Center Level Website Employment Form	132

Confidential Sylvan Franchise Operations Manual

© 2024 Sylvan Learning, LLC

SYLVAN LEARNING®

Society of Human Resources Management.....	132
Troubleshooting Staffing.....	133
Training and Certification.....	134
Sylvan University.....	134
Initial Training and Sylvan 101.....	135
Director Training and Certification.....	136
Enroll: Breakthrough Selling Certification.....	137
GUIDE to Inquiry Excellence Certification.....	138
Math Center Certification.....	139
Teacher Training and Certification.....	139
Annual Conference.....	141
Maintaining Quality Service.....	142
Addressing Customer Concerns.....	142
Customer Complaints.....	143
Complaints to the Better Business Bureau.....	143
Measuring Customer Service.....	144
Parent Surveys.....	145
Inquiry Quality Check.....	146
Tracking Key Business Indicators.....	146
Quality Assurance Review (QAR)—Introduction.....	148
Student Test Record Storage.....	152
Franchise Business Consultants.....	153
Setting Up Your Financial and Legal Structure.....	155
Introduction.....	155
<u>DEVELOPMENT AGREEMENT</u>	
Structuring Your Business.....	155
Insurance.....	156
Occupational Safety and Health Administration Standards.....	157
Business Start Up Planning.....	158
Naming Your Business Entity; Assumed Business Name.....	158
Securing a Business License and/or Permit.....	158
Company Tax Obligations.....	159
Territory Development and New Center Growth.....	161
Site Selection.....	161
Site Requirements.....	161
SylvanSync Satellite Site Criteria.....	163
Center Layout and Design.....	173
Introduction.....	173
Center Floor Plans.....	173
Paint Colors and Schemes.....	174
Center Layout and Design Assistance.....	175
Parent/Welcome Lobby.....	175
Director's Office.....	176
Director of Education's Office.....	177
Administrator's Office.....	177
Instructional Area.....	177
Seminar and Testing Room.....	178
Staff Work Room and Storage Area.....	179
Vestibule (optional).....	179
Cleanliness.....	179
Sylvan Policy on Animals in the Center.....	179
Center Furniture.....	180
Center Restroom Requirements.....	181

Confidential Sylvan Franchise Operations Manual

© 2024 Sylvan Learning, LLC

Wall Graphics and Other Furniture	181
Additional Furniture to Be Ordered	181
Signage	181
Sylvan Center Setup and Ordering Procedures	182
Office Furniture and Office Equipment	182
Franchise Reporting and Accounting	184
Corporate Email Standards	184
Credit Card Payment Setup	184
Statement Billing	184
Licensee Monthly Report	185
Annual Financial Statement	185
Accounting Overview	185
Accounting Software	186
Financial Statement Glossary of Terms	186
Break-Even Analysis	187
Calculating the Break-Even Point	187
Business Planning and Analysis	191
Potential Business Transfer	191
Collection Procedures	191
Returned Checks	192
Refunds	193
Financial Planning	193
Developing a Financial Business Plan	193
Profit and Loss Projections	199
Twelve Month Profit and Loss Projection	199
Three Year Profit Projection (Optional)	199
Planning for Sylvan Seasonality	199
Planning for Technical Issues	200
Analysis	200
Document/File Retention	200
Sylvan Annual Plan	201
Key Personnel Profile	201
Staff Planning	201
SWOT Analysis	202
Planning Pro Forma Tool	202
Closing a Center	203
Center Closing Procedures	203
Forms/Files Currently Required (see SLCLink):	203
Disposal of Branded Materials	205

~~EXHIBIT F~~
~~TO THE FRANCHISE DISCLOSURE DOCUMENT~~

~~LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS~~

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, HA 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
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	Dept. of Financial Institutions Securities Division 150 Israel Road SW Tumwater, WA 98501 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

ATTACHMENT B **DEVELOPMENT SCHEDULE AND DEVELOPMENT AREA**

[SYLVAN LEARNING®](#)

[Development Agreement | 2025](#)

[Page 1](#)

[Attachment B](#)

SYLVAN LEARNING, LLC—
Franchise Disclosure Document | 2024

State Administrators, Agents for Service of Process
Exhibit F

Section 1.1.1.: The “Development Area” includes the following zip codes in the attached maps; if there is a conflict between the zip codes and the map below, the boundaries of the map control:

= Unit 1 (____,____): ____.

= Unit 2 (____,____): ____.

= Unit 3 (____,____): ____.

LIST OF AGENTS FOR SERVICE OF PROCESS

CALIFORNIA 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	MINNESOTA Commissioner of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 296-4026	VIRGINIA Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9733
HAWAII Commissioner of Securities of the State of Hawaii Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	NEW YORK New York State Department of State 99 Washington Avenue, 6 th Floor Albany, New York 12231 (518) 473-2492	WASHINGTON Director of Department of Financial Institutions Securities Division—3rd Floor 150 Israel Road, S.W. Tumwater, Washington 98501 (360) 902-8760
ILLINOIS Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	NORTH DAKOTA North Dakota Securities Commissioner 600 Boulevard Avenue, State Capitol Fifth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712	WISCONSIN Commissioner of Securities 4822 Madison Yards Way, North Tower Madison, WI 53705 (608) 261-9555
INDIANA Indiana Secretary of State 200 West Washington Street, Room 201 Indianapolis, IN 46204 (317) 232-6681	RHODE ISLAND 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	
MARYLAND Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	SOUTH DAKOTA Director of Division of Securities Division of Insurance—Securities Regulation 124 S. Euclid Avenue, Suite 104 Pierre, SD 57501-3185 (605) 773-3563	

MICHIGAN Dept. of Energy, Labor, & Economic Growth Corporations Division P.O. Box 30054 Lansing, Michigan 48909 7150 Harris Drive Lansing, Michigan 48909 (517) 373-7117	TEXAS: Registered Agents Inc. 5900 Balcones Drive, Suite 100 Austin, Texas 78731	

Unit 1:

[MAP 1]

Unit 2:

[MAP 2]

Unit 3:

[MAP 3]

Section 1.1.1.: The “Development Schedule” is as follows:

<u>Unit Number</u>	<u>Franchise Agreement Execution Date</u>	<u>Deadline to Execute Lease</u>	<u>Projected Opening Date</u>	<u>Cumulative Number of Units to be Open and Operating by Developer in the Development Area</u>
<u>1</u>	<u>Concurrently with this Development Agreement</u>	<u>Six (6) months from the Effective Date</u>	<u>Nine (9) months from the Effective Date</u>	<u>1</u>
<u>2</u>	<u>Six (6) months from the Effective Date</u>	<u>Nine (9) months from the Effective Date</u>	<u>12 months from the Effective Date</u>	<u>2</u>
<u>3</u>	<u>12 months from the Effective Date</u>	<u>18 months from the Effective Date</u>	<u>21 months from the Effective Date</u>	<u>3</u>

For the purposes of determining compliance with this Development Schedule, only the Units Developer actually opens and continuously operates in the Development Area for at least the first six (6) months after opening will be counted toward the number of Units required to be open and operated above.

IN WITNESS WHEREOF, the parties hereof have executed this Attachment B effective for all purposes as of the Effective Date.

FRANCHISOR:

DEVELOPER:

SYLVAN LEARNING®
Development Agreement | 2025

Page 3

Attachment B

SYLVAN LEARNING, LLC-
Franchise Disclosure Document | 2024

State Administrators, Agents for Service of Process
Exhibit F

Sylvan Learning, LLC,
a Delaware limited liability company

[_____],
a _____

By: _____
Susan Valverde, President

By: _____
[_____] its _____

~~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.

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 Lomae Street Montgomery, Alabama 36106	Phone: (334) 262-0043 Fax: (334) 262-7060 Email: ed@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

State	Center Number / Address	Contact Details	Licensee	Franchisee Name(s)
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@scottsdale-sylvan.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

State	Center Number / Address	Contact Details	Licensee	Franchisee Name(s)
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

State	Center Number / Address	Contact Details	Licensee	Franchisee Name(s)
California	Center #580 Westgate Mall 4701 Hamilton Avenue San Jose, California 95130	Phone: (408) 257-2740 Fax: (408) 257-2744 Email: sylvansanj@sbeglobal.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@sbeglobal.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@sylvanastrovalley.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@sylvanecerrito.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@sbeglobal.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

State	Center Number / Address	Contact Details	Licensee	Franchisee Name(s)
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

State	Center Number / Address	Contact Details	Licensee	Franchisee Name(s)
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: sylvanculvercity@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

State	Center Number / Address	Contact Details	Licensee	Franchisee Name(s)
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
Colorado	Center #1211 10143 West Chatfield Ave, Unit 13 Littleton, Colorado 80127	Phone: (303) 948-1870 Fax: (303) 948-1871 Email: littleton@sylvancolorado.com	mstedu, llc	Mishon Paul
Colorado	Center #1212 9552 Park Meadows Drive, Suite 300 Lone Tree, Colorado 80124	Phone: (303) 220-8607 Fax: (303) 770-8486 Email: learn@sylvancolorado.com	mstedu, llc	Mishon Paul
Colorado	Center #1221 12001 122 Tejon St Westminster, Colorado 80234	Phone: (303) 920-7424 Fax: (303) 920-7452 Email: broomfield@sylvancolorado.com	AJEXA Corporation	Amber Peoples Allen Peoples
Connecticut	Center #2408 220 Main Street South, Suite 201 Southbury, Connecticut 06488	Phone: (203) 262-6464 Fax: (203) 262-1481 Email: sby.teach@gmail.com	Bartoli Educational Solutions, LLC	Peter Bartoli
Connecticut	Center #2418 95 Fenn Road Newington, Connecticut 06111	Phone: (860) 231-2429 Fax: (860) 231-2431 Email: central.ct@sylvanlearning.com	Bartoli Educational Solutions, LLC	Peter Bartoli
Connecticut	Center #2426 243 Federal Road Brookfield, Connecticut 06804	Phone: (203) 775-9611 Email: brookfield.ct@sylvanlearning.com	AMG Ventures, LLC	Arlene Garcia

State	Center Number / Address	Contact Details	Licensee	Franchisee Name(s)
Delaware	Center #2900 258 Chapman Road, Suite 101 Newark, Delaware 19702	Phone: (302) 722-6445 Email: Newark.DE@sylvanlearning.com	Enwisen Consulting Services, LLC	Meenakshi Tayal
Delaware	Center #2901 260 Dove Run Center Drive Middletown, Delaware 19709	Phone: (302) 722-8455 Fax: (302) 722-8455 Email: Middletown.DE@sylvanlearning.com	Enwisen Consulting Services, LLC	Meenakshi Tayal
Delaware	Center #2902 19409 Plantations Road, Suite 2 Rehoboth Beach, Delaware 19971	Phone: (302) 841-9637 Email: Lewes.DE@sylvanlearning.com	Blanshine Party of 5 L.L.C.	Jason Blanshine
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Texas	Center #8363 6370 N. Eldridge Pkwy, Ste C Houston, Texas 77041	Phone: (346) 635-4102 Email: Addicks.TX@sylvanlearning.com	A Team Learning LLC	Arthur Fonteneaux Nina Fonteneaux
Utah	Center #4501 8184 S Highland Drive, Suite C8 Sandy, Utah 84093	Phone: (801) 233-1700 Fax: (801) 569-8200 Email: sandy@sylvan-utah.com	DH2 GROUP LLC	Doug Dingman Lynne Hudson
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

State	Center Number / Address	Contact Details	Licensee	Franchisee Name(s)
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

State	Center Number / Address	Contact Details	Licensee	Franchisee Name(s)
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 Pincy 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	Phone: (253) 838-0507 Fax: (253) 838-6711 Email: darey@fwsylvan.com	Darey Webb	Darey Webb

State	Center Number / Address	Contact Details	Licensee	Franchisee Name(s)
	Federal Way, Washington 98003			
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@tesylvan.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	Phone: (360) 794-5554 Email: sylvan241@sylvannw.com	A1 Education Services, Inc.	Mansi Garg Hemant Garg

State	Center Number / Address	Contact Details	Licensee	Franchisee Name(s)
	Monroe, Washington 98272			
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

SYLVAN LEARNING®
DEVELOPMENT AGREEMENT

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	Goeur 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@mehsi.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@mehsi.com / aprilsamp@gmail.com	FCH L.L.C.	Jeff Hohensee April Samp
3320	Saylorville	-Iowa	Phone: 515-988-9955 / 641-849-0912 Email: jeffhohensee@mehsi.com / aprilsamp@gmail.com	FCH L.L.C.	Jeff Hohensee April Samp

Territory Number	City	State	Contact Details	Licensee	Franchisee Name(s)
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 / ashok1sanjose@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: thomase01@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

Territory Number	City	State	Contact Details	Licensee	Franchisee Name(s)
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

ATTACHMENT C

**Franchisees Which Have Been Terminated, Canceled, Not Renewed,
or Otherwise Ceased to do Business or Which Have Not Communicated as of December 31,
2023**

DEVELOPER'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 Developer, and a description of the nature of their interest, and each Owner of whom shall execute the Undertaking and Guaranty substantially in the form set forth in Attachment D to the Development Agreement:

<u>NAME, ADDRESS, TELEPHONE NUMBER, AND EMAIL</u>	<u>OWNERSHIP INTEREST IN DEVELOPER</u>	<u>NATURE OF INTEREST</u>

Previous Owner	Home City	State	Last Phone No. Recorded
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 McAbey	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~~

Previous Owner	Home City	State	Last Phone No. Recorded
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.

B. Developer's Designated Principal is: ____.
Telephone Number: ____.
Email Address: ____.

C. Developer represents to Franchisor that the persons identified in this Attachment C reflect a true and correct listing of the shareholders, partners, members, or other persons/companies owning a direct or indirect interest in the Developer and a true and correct description of the nature of their interest.

~~LIST OF CORPORATE OR AFFILIATE OWNED OUTLETS~~
~~AS OF DECEMBER 31, 2023~~

FRANCHISOR:

SYLVAN LEARNING, LLC,
a Delaware limited liability company

DEVELOPER:

[],
a

By: _____
Susan Valverde, President

By: _____
[], its

SYLVAN LEARNING®
DEVELOPMENT AGREEMENT

ATTACHMENT D
UNDERTAKING AND GUARANTY

By virtue of executing a SYLVAN LEARNING® Development Agreement dated _____, 20__ (“Development Agreement”), [_____] (“Developer”) has acquired the right and franchise from Sylvan Learning, LLC (“Franchisor”) to establish and operate a Sylvan Learning franchised business (“Franchised Business”) and the right to use in the operation of the Franchised Business the Proprietary Marks and the System, as they may be changed, improved, and further developed from time-to-time in Franchisor’s sole discretion.

Pursuant to the terms and conditions of the Development Agreement, each of the undersigned Owners hereby acknowledges and agrees as follows:

1. I have read the terms and conditions of the Development Agreement and acknowledge that the execution of this Undertaking and Guaranty and the undertakings of the Owners in the Development Agreement are in partial consideration for, and a condition to, the granting of the rights under the Development Agreement. I understand and acknowledge that Franchisor would not have granted such rights without the execution of this Undertaking and Guaranty and the other undertakings of the Owners in the Development Agreement.
2. I own a beneficial interest in the Developer, and I am included within the term “Owner” as defined in the Development 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 Development Agreement, and agree that I am obligated to and will perform thereunder, including, without limitation, the provisions regarding compliance with the Development Agreement in Section 5.3., the use of confidential information in Section 6.1., the covenants in Article 6, the transfer provisions in Article 8, the choice of law and venue provisions in Article 11, and the indemnification obligations in Article 7.
4. I, individually and jointly and severally with the other Owners, unconditionally and irrevocably guarantee to Franchisor and its successors and assigns that all obligations of the Developer under the Development Agreement will be punctually paid and performed. Upon default by the Developer or upon notice from Franchisor, I will immediately make each payment and perform each obligation required of the Developer under the Development Agreement. Without affecting the obligations of any Owner under this or any other Undertaking and Guaranty, Franchisor may, without notice to any Owner, waive, renew, extend, modify, amend, or release any indebtedness or obligation of the Developer or settle, adjust, or compromise any claims that Franchisor may have against the Developer. 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 Developer, any default by the Developer or any guarantor, and any release of any guarantor or other security for this Undertaking and Guaranty or the obligations of the Developer. Franchisor may pursue its rights against me without first exhausting its remedies against the Developer and without joining any other guarantor and no delay on the part of Franchisor 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 Franchisor of any right or remedy will preclude the further exercise of that or any other right or remedy. Upon Franchisor’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 Development 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 Franchisor's rights or remedies shall in any way affect any of my obligations under this Undertaking and Guaranty. If the Developer has pledged other security or if one or more other persons have personally guaranteed performance of the Developer's obligations, I agree that Franchisor'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; 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 Franchisor written notice of the change.

7. I understand that Franchisor's rights under this Undertaking and Guaranty shall be in addition to, and not in lieu of, any other rights or remedies available to Franchisor under governing law.

8. I agree to be bound individually to the provisions of the Development Agreement including, without limitation, the litigation and dispute resolution provisions set forth in Article 11 and I irrevocably submit to the jurisdiction of the state and federal courts serving the judicial district in which Franchisor'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 FRANCHISOR, WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THE DEVELOPMENT AGREEMENT, THE PERFORMANCE OF ANY PARTY UNDER THE DEVELOPMENT 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 Franchisor. Any capitalized terms contained in but not defined by this Undertaking and Guaranty shall have the same meaning prescribed to that word in the Development 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.

12. DISPUTE RESOLUTION BY BINDING ARBITRATION.

12.1 Any dispute or claim between the Developer and Owners, and the Franchisor, including but not limited to any dispute or claim arising out of or relating in any way to

- (i) this undertaking and guaranty or any other agreement Developer and Owners, and the Franchisor,
- (ii) the offer and sale of the franchise opportunity.

- (iii) any representations made prior to the execution of this undertaking and guaranty,
- (iv) the validity, enforceability, or scope of this undertaking and guaranty and this arbitration agreement, and
- (v) 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 <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 Franchisor’s rights in and to intellectual property (including, but not limited to, the Proprietary 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.

- 12.2 Developer and Owners, and the Franchisor agree that arbitration will be conducted on an individual, not a class-wide or representative basis, that only Developer and Owners, and the Franchisor may be the parties to any arbitration proceeding described in this Section, and that no such arbitration proceeding may be consolidated or joined with another arbitration proceeding involving Developer and Owners, and the Franchisor 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 Section, if any court or arbitrator determines that **all or any part of this Section** is unenforceable with respect to a dispute that otherwise would be subject to arbitration, then the parties agree that this arbitration clause will not apply to that dispute, and such dispute will be resolved in a judicial proceeding in accordance with Section 12.11. below.
- 12.3 Developer and Owners, and the Franchisor are bound by any limitation under this Agreement or governing law, whichever expires first, on the timeframe in which claims must be brought. Developer and Owners, and the Franchisor Parties 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 made by Developer and Owners, and the Franchisor.
- 12.4 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.
- 12.5 Except as may be required by law, neither Developer and Owners, and the Franchisor, nor an arbitrator may disclose the existence, content, or results of any arbitration under this Section without the prior written consent of all parties.
- 12.6 The arbitrator must follow, and may not disregard, the governing law.
- 12.7 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 Section 12.12. below), provided that Developer and Owners, and the Franchisor 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 Section, and judgment upon the award may be entered in a court specified or permitted in Section 12.10. below.

- 12.8 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.
- 12.9 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 Franchisor posting bond or other security and any such bond or other security is hereby waived.
- 12.10 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 Franchisor's principal headquarters is located at the time litigation is commenced. Owners hereby irrevocably submit to the jurisdiction of the federal and state courts serving the judicial district in which Franchisor's principal headquarters is located at the time litigation is commenced and waive any objection you may have to the jurisdiction of or venue in such courts.
- 12.11 Subject to the arbitration obligations in this Article 12, 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, Franchisor 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 Developer and Owners reside or the Franchised Business is located.
- 12.12 If any party commences a legal action against the other party arising out of or in connection with this undertaking and guarantee, the prevailing party shall be entitled to have and recover from the other party its reasonable attorneys' fees and costs of suit.

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

EXHIBIT ~~I~~G
TO THE FRANCHISE DISCLOSURE DOCUMENT

SAMPLE FORM OF GENERAL RELEASE

GENERAL RELEASE

This general release (the “General Release”) is made and entered into on , 20 , 20 by and between Sylvan Learning, LLC (“~~Licensor~~”), , (“~~Licensee~~”), and ~~Error! Reference source not found.~~ (“~~Franchisor~~”), (“~~Franchisee~~”), and (each a “~~Guarantor~~,” together with the ~~Licensee~~Franchisee, the “~~Licensee~~Franchisee Parties”). For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the ~~Licensee~~Franchisee Parties agree as follows.

1. To the maximum extent permitted by applicable law, the ~~Licensee~~Franchisee 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~~Franchisee Parties, the “Releasing Parties”) do remise, release, waive, and forever discharge Sylvan Learning, LLC, Sylvan In-Home, LLC, Unleashed Brands, LLC, UA Holdings, 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~~Franchisor 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~~Franchisor 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~~ , 20 , Franchisor and Franchisee dated regarding the operation of a Sylvan franchise located at , as amended; (2) any other Franchise or License Agreement, license agreement, or any other contract between any Releasing Party and any ~~Licensor~~Franchisor 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~~Franchisor 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~~Franchisor Parties; (10) Sylvan Agreements and any other agreements related to the Center and the Franchised Business; and (11) any relationship between the releasing parties and the Franchisor 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~~Franchisor 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 or if the franchised business is located 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~~FRANCHISEE PARTIES:

_____,

a _____

By: _____

_____, its

_____, individually

[This General Release will be modified as necessary for consistency with any state law regulating franchising.]

EXHIBIT **JH**
TO THE FRANCHISE DISCLOSURE DOCUMENT

SAMPLE FORM ASSIGNMENT AND ASSUMPTION AGREEMENT

ASSIGNMENT AND ASSUMPTION OF FRANCHISE AGREEMENT
AND [] AMENDMENT TO FRANCHISE AGREEMENT
[], #

This Assignment and Assumption of Franchise Agreement and _____ Amendment to Franchise Agreement (“Agreement”) is effective on _____ (“Effective Date”) between Sylvan Learning, LLC, a Delaware limited liability company (“Franchisor”), [_____] a _____ (“Assignor”), and [_____] and [_____] (collectively, “Assignor Guarantors”), and [_____] a _____ (“Assignee”), and its undersigned guarantors (the “Assignee Guarantors”). Franchisor, Assignor, Assignor Guarantors, Assignee, and Assignee Guarantors may be referred to herein as a “Party” or collectively as the “Parties.”

WHEREAS, Franchisor and Assignor entered into that certain franchise agreement (also referred to as “license agreement”) dated _____ with Franchise # _____ (“Franchise Agreement”) where Assignor acquired the right and undertook the obligation to establish and operate a SYLVAN LEARNING franchised business (“Franchised Business”) located in _____, _____ (the “Center”).

WHEREAS, Assignor desires to assign to Assignee all of its interest, rights, duties, and obligations in the Franchise Agreement (collectively, the “Assignment”); and

WHEREAS, pursuant to the Franchise Agreement, the parties acknowledge that the Assignment require Franchisor’s consent, and Franchisor desires to provide its consent pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. ASSIGNMENT AND ASSUMPTION; CONSENT TO TRANSFER. Assignor assigns and transfers to Assignee all of its interest, rights, and duties under the Franchise Agreement. Assignee hereby accepts such rights, assumes all of Assignor’s obligations, and agrees to be bound by and observe and faithfully perform all duties as if the Franchise Agreement were originally written with Assignee as the “Franchisee.” Franchisor consents to such Assignment pursuant to the terms and conditions of this Agreement.

2. AMENDMENT TO FRANCHISE AGREEMENT. Attachments [] to the Franchise Agreement are superseded and replaced with the versions attached hereto.

3. WAIVER OF RIGHT OF FIRST REFUSAL AND FORMAL NOTICE REQUIREMENTS. Pursuant to the Franchise Agreement, Franchisor consents to the Assignment conditioned on the Parties’ satisfaction of all conditions set forth herein and the full and complete execution of this Agreement. The Parties acknowledge and agree that Franchisor’s consent applies only to the Assignment contemplated by this Agreement. Any and all future assignments or transfers are subject to the terms of the Franchise Agreement and remain subject to Franchisor’s further consent. Franchisor waives any obligations of the Assignor to comply with any formal notice requirements under the Franchise Agreement with respect to the Assignment contemplated by this Agreement.

4. INDEMNITY. EXCEPT FOR GRANTING ITS CONSENT TO THE ASSIGNMENT, THE ASSIGNOR, ASSIGNOR GUARANTORS, AND EACH OF THEIR PAST AND PRESENT PARENTS, SUBSIDIARIES, AFFILIATES, PREDECESSORS, SUCCESSORS, ASSIGNS, OFFICERS, DIRECTORS, SHAREHOLDERS, PARTNERS, OWNERS, MEMBERS, MANAGERS, AGENTS, ATTORNEYS, EMPLOYEES, REPRESENTATIVES, HEIRS, ADMINISTRATORS, EXECUTORS, AND ANCESTORS (“ASSIGNOR PARTIES”) AND ASSIGNEE, ASSIGNEE GUARANTORS, AND EACH OF THEIR PAST AND PRESENT PARENTS, SUBSIDIARIES, AFFILIATES, PREDECESSORS, SUCCESSORS, ASSIGNS, OFFICERS, DIRECTORS, SHAREHOLDERS, PARTNERS, OWNERS, MEMBERS, MANAGERS, AGENTS, ATTORNEYS, EMPLOYEES, REPRESENTATIVES, HEIRS, ADMINISTRATORS, EXECUTORS, AND ANCESTORS (“ASSIGNEE PARTIES”)

ACKNOWLEDGE AND AGREE 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 (“FRANCHISOR PARTIES”) HAVE EXERCISED NO INFLUENCE OVER AND HAVE TAKEN NO PART IN THE ASSIGNMENT AND THE TRANSFER, ACCORDINGLY AND TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE ASSIGNOR PARTIES AND THE ASSIGNEE PARTIES SHALL UNCONDITIONALLY INDEMNIFY, DEFEND, AND HOLD HARMLESS THE FRANCHISOR PARTIES FROM ALL CLAIMS AND LOSSES AND EXPENSES INCURRED IN CONNECTION WITH ANY THIRD-PARTY ACTION, SUIT, PROCEEDING, CLAIM, DEMAND, INVESTIGATION, OR INQUIRY (FORMAL OR INFORMAL), OR ANY SETTLEMENT THEREOF ENTERED INTO WITH THE WRITTEN APPROVAL OF ASSIGNOR, WHICH APPROVAL WILL NOT BE UNREASONABLY WITHHELD, CONDITIONED OR DELAYED (WHETHER OR NOT A FORMAL PROCEEDING OR ACTION HAS BEEN INSTITUTED), ARISING OUT OF OR RELATED TO THE ASSIGNMENT AND TRANSFER OTHER THAN ANY CLAIMS OR LOSSES AND EXPENSES ARISING FROM ANY ACTION, SUIT, PROCEEDING, CLAIM, DEMAND, INVESTIGATION, OR INQUIRY (FORMAL OR INFORMAL), OR ANY SETTLEMENT THEREOF (WHETHER OR NOT A FORMAL PROCEEDING OR ACTION HAS BEEN INSTITUTED), BY A GOVERNMENTAL AUTHORITY ARISING FROM FRANCHISOR’S ACTUAL OR ALLEGED NON-COMPLIANCE WITH APPLICABLE FRANCHISE LAWS.

5. GENERAL RELEASE. For all good and valuable consideration, to the maximum extent permitted by governing law, the Assignor Parties do remise, release, waive, and forever discharge Franchisor 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 or present, which the Assignor Parties have, have had, claim to have, or may have against the Franchisor Parties including, but not limited to, any and all claims and damages in any way arising out of or related to (1) that Franchise Agreement between Sylvan Learning, LLC and Assignor dated _____ regarding the operation of Sylvan Franchised Business to be develop at a Sylvan Learning Center in _____, _____; (2) any other license or franchise agreement or any other contract between any Assignor Party and any Franchisor 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 federal and state franchise law; (6) any alleged misrepresentations made by the Franchisor Parties in the sale of a franchise to the Assignor 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 Franchised Business to be located in _____, _____; (9) any assignment and assumption related to the Franchise Agreement, Center, and Franchise Business; (10) Sylvan Agreements, and any other agreements related to the Center and the Franchised Business; and (11) any relationship between the Assignor Parties and the Franchisor Parties.

6. COVENANT NOT TO SUE. The Assignor 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 Franchisor Parties concerning the claims released in Section 5 above.

7. MISCELLANEOUS PROVISIONS.

A. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement of the Parties concerning the subject matter hereof, supersede any prior agreement or representations made between the Parties, either written or oral, and may only be modified in writing. The Parties shall execute such further

documents and do any and all further things necessary to implement and carry out the intent of this Agreement. To the extent of a conflict between this Agreement and the Franchise Agreement, this Agreement shall control.

B. COUNTERPARTS. To facilitate execution, this Agreement may be executed in as many counterparts as may be convenient or required. It shall not be necessary that the signature or acknowledgment of, or on behalf of, each party, or that the signature of all persons required to bind any party, or the acknowledgment of such party, appear on each counterpart. All counterparts shall collectively constitute a single instrument. It shall not be necessary in making proof of this Agreement to produce or account for more than a single counterpart containing the respective signatures of, or on behalf of, and the respective acknowledgments of, each of the parties hereto. Any signature or acknowledgment page to any counterpart may be detached from such counterpart without impairing the legal effect of the signatures or acknowledgments thereon and thereafter attached to another counterpart identical thereto except having attached to it additional signature or acknowledgment pages.

C. SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, representatives, administrators, successors, and assigns.

D. GOVERNING LAW, VENUE, & ATTORNEYS' FEES. This Agreement and the performance of all the obligations set forth in this Agreement shall be governed, construed, and enforced by the laws of the State of Texas and this Agreement shall be performable and venue shall lie exclusively in the county in which the Franchisor is headquartered. If either party employs an attorney to enforce the terms of or defend a claim brought under this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, court costs and expenses incurred. Prevailing party shall mean the party who substantially prevails on the claims or defenses asserted without regard to whether such party recovered any relief, direct benefit, or monetary damages.

E. ENFORCEABILITY. If any one or more of the provisions contained in this Agreement are, for any reason, held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability will not affect any other provision thereof, and this Agreement will be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

E. WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

[SIGNATURES PAGE FOLLOWS.]

INTENDING TO BE LEGALLY BOUND, the parties have executed this Agreement to be effective on the Effective Date.

ASSIGNOR:

[_____] ,
a _____

By: _____
[_____] , its _____

FRANCHISOR:

SYLVAN LEARNING, LLC,
a Delaware limited liability company

By: _____
Susan Valverde, President

ASSIGNOR GUARANTORS:

[_____] , individually

[_____] , individually

ASSIGNEE:

[_____] ,
a _____

By: _____
[_____] , its _____

ASSIGNEE GUARANTORS:

[_____] , individually

[_____] , individually

REPLACEMENT ATTACHMENTS
TO ASSIGNMENT AND ASSUMPTION OF FRANCHISE AGREEMENT
AND [] AMENDMENT TO FRANCHISE AGREEMENT

(Please see Attachments B to J attached to Sylvan Learning Franchise Agreement in [Exhibit E to this disclosure document](#))

EXHIBIT I
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 [LicenseFranchise](#) 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 [LicenseFranchise](#) 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 by emailing Franchising@UnleashedBrands.com.

- Yes ____ No ____ 1. Have you received and personally reviewed SYLVAN [LicenseFranchise](#) 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 [LicenseFranchise](#) Agreement?
- Yes ____ No ____ 5. A) Have you had ample time and the opportunity to review SYLVAN disclosure document and SYLVAN [LicenseFranchise](#) 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 [LicenseFranchise](#) 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 [LicenseFranchise](#) Agreement provides you can only collect compensatory damages on any claim under or relating to SYLVAN [LicenseFranchise](#) 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~~Center to ~~unit~~Center 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:

(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).

Name of Entity

Title

EXHIBIT ~~K~~J
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:

State	Effective Date
California	~~March~~ <u>April</u> 14, 2024, as amended ~~May 10, 2024, and November 18, 2024~~ <u>2025</u> (Exempt)
Illinois	~~March~~ <u>April</u> 14, 2024, as amended ~~November 18, 2024~~ <u>2025</u> (Exempt)
Indiana	~~March 14, 2024, as amended November 18, 2024~~ <u>April 16, 2025</u>
~~Michigan~~ <u>Maryland</u>	~~March 14, 2024, as amended November 18, 2024~~ <u>Pending (Exempt)</u>
~~Minnesota~~ <u>Michigan</u>	~~April 18, 2024, as amended May 31, 2024, and January 24, 14, 2025~~
<u>Minnesota</u>	<u>Pending</u>
New York	~~March 14, 2024, as amended May 10, 2024, and November 18, 2024~~ <u>Pending</u> (Exempt)
North Dakota	~~March 20, 2024, as amended May 10, 2024, and November 18, 2024~~ <u>Pending</u> (Exempt)
Rhode Island	~~March 18, 2024, as amended May 10, 204, and November 18, 2024~~ <u>Pending</u> (Exempt)
South Dakota	~~March 15, 2024, as amended May 10, 2024, and November 18, 2024~~ <u>April 16, 2025</u>
Virginia	~~May 15, 2024, as amended June 11, 2024, and November 18, 2024~~ <u>Pending</u> (Exempt)
Washington	~~March 14, 2024, as amended May 10, 2024, and November 18, 2024~~ <u>Pending (Exempt)</u>
Wisconsin	~~March 14, 2024, as amended May 10, 2024, and November 18, 2024~~ <u>April 16, 2025</u>

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~~K
TO THE FRANCHISE DISCLOSURE DOCUMENT

RECEIPTS

RECEIPT

This disclosure document summarizes certain provisions of the [LicenseFranchise](#) 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 FB](#). Franchisor authorizes the respective state agencies identified on [Exhibit FB](#) 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~~ Josh Barker	2350 Airport Freeway, Suite 505, Bedford, TX 76022	~~877.958.9716~~ 877.203.2192

Issuance date: ~~March 8, 2024, as amended May 10, 2024, and November 18, 2024~~ [April 14, 2025](#).

I received a disclosure document dated ~~March 8, 2024, as amended May 10, 2024, and November 18, 2024~~ [April 14, 2025](#) (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 ~~EA~~	Operations Manual Table of Contents
Exhibit ~~FB~~	List of State Administrators and Agents for Service of Process
Exhibit ~~GC~~	Financial Statements
Exhibit ~~HD~~	Franchises in Operation, Franchisees Who Have Signed But Not Yet Opened, ~~and~~ Franchisees Who Have Left the System, and Affiliate-Owned Locations
Exhibit E	Franchise Agreement, Attachments, and State-Specific Amendments
Exhibit F	Development Agreement, Attachments, and State Specific Amendments
Exhibit ~~IG~~	Sample Form of General Release
Exhibit H	Sample Form Assignment and Assumption Agreement
Exhibit ~~J~~	Franchise Disclosure Questionnaire
Exhibit ~~K~~	State Effective Dates
Exhibit ~~L~~	Receipts

Print Name

Signature

Date

If signing on behalf of a company in addition to individually, please complete the following:

Company Name

Authorized Signatory and Signature

Keep this copy for your records.

RECEIPT

This disclosure document summarizes certain provisions of the [LicenseFranchise](#) Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

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Print Name

Signature

Date

If signing on behalf of a company in addition to individually, please complete the following:

Company Name

Authorized Signatory and Signature

Please sign this copy of the receipt, date your signature, and return it by mail or email to ~~Joshua Wall~~[Josh Barker](#), 2350 Airport Freeway, Suite 505, Bedford, ~~TX~~[Texas](#) 76022, ~~or~~
franchising@unleashedbrands.com.