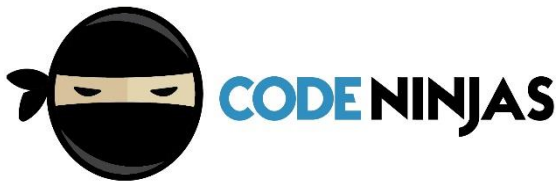


FRANCHISE DISCLOSURE DOCUMENT



Code Ninjas LLC

(a Texas limited liability company)
3500 Parkway Lane, Suite 400
Peachtree Corners, Georgia 30092
855.446.4652
info@codeninjas.com
www.codeninjas.com

A “Code Ninjas” franchisee will operate a learning center providing child focused educational programs, including subjects such as computer programming, coding, math, logic, and teamwork.

The total investment necessary to begin operation of a Code Ninjas Learning Center ranges from \$177,000 to \$385,500. This includes \$44,000 that must be paid to us or our affiliate. The total investment necessary to begin operation of a Code Ninjas Studio Center ranges from \$79,250 to \$116,500. This includes \$34,000 that must be paid to us or our affiliate.

If you wish to sign a development agreement, then the total investment needed to begin operation would be multiplied by the number of units that you agree to open, after applying a discounted initial franchise fee. (For example, for a 3-unit development agreement, the total investment would be \$227,000 to \$435,500, which includes \$10094,000 that must be paid to the franchisor or an affiliate.) The minimum number of units you will be required to develop under a development agreement is two.

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 Code Ninjas LLC, 3500 Parkway Lane, Suite 400, Peachtree Corners, GA 30092 (legal@codeninjas.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.

The issuance date of this Franchise Disclosure Document is July 17, 2024.

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 us by mediation and litigation in Georgia. Out of state mediation and litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate and litigate in Georgia than in your own state.
2. **Financial Condition.** The Franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the Franchisor's financial ability to provide services and support to you.
3. **Mandatory minimum payments.** You must make minimum royalty or advertising fund payments for each month if you have not yet opened after the Opening Deadline. Your inability to make payments may result in termination of your franchise and loss of your investment.
4. **Turnover rate.** During the last 3 years, 67 outlets were terminated, not renewed, reacquired, or ceased operations for other reasons. This franchise could be a higher risk investment than a franchise in a system with a lower turnover rate.
5. **Unopened Franchises.** The franchisor has signed a significant number of franchise agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you also may experience delays in opening your own outlet.

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

Development Fee

If you sign the Development Agreement, you must pay us a development fee of \$40,000 for the first Learning Center to be developed plus \$25,000 for each additional Learning Center that you agree to develop under the Development Agreement. The amount of the development fee will vary based on the number of Learning Centers you choose to develop under the Development Agreement (currently, we require you to develop at least 2 Learning Centers). The development fee must be paid in a lump sum and is non-refundable. In our fiscal year ended December 31, 2023, we did not sell any area development rights.

If you are in compliance with your obligations under the Development Agreement, then at the time you enter into the Franchise Agreement with us for the first Learning Center, we will credit to you \$40,000 as full payment of the initial franchise fee due under the Franchise Agreement for that Learning Center. If you continue to be in compliance with your obligations under the Development Agreement, then at the time you enter into the Franchise Agreement for each additional Learning Center that you develop under the Development Schedule, we will credit to you \$25,000, which credit we will apply to the initial franchise fee due under the Franchise Agreement for that Learning Center (provided, that the total amount of the credits that we grant to you will not exceed the total Development Fee that you have actually paid to us).

~~In addition, if~~ you sign a Development Agreement, we will discount the initial franchise fee for the franchises that you must open under the Development Agreement as follows:

Initial Franchise Fee	Explanation
\$40,000	For the 1st franchise under the Development Agreement
\$35,000	For the 2nd through 5th franchises under the Development Agreement
\$30,000	For the 6th and all additional franchises under the Development Agreement

Pre-Opening Minimum Royalty Fee

If you do not open your Learning Center by the agreed date in your Franchise Agreement (the "**Opening Deadline**"), then for each month (pro-rated) that you have not yet opened after the Opening Deadline, you must pay us a minimum royalty fee of \$500 per month until you open the Learning Center for business (however, we will retain all rights including the right to terminate the Franchise Agreement if you do not open on time).

Item 6 **Other Fees**

Type of Fee	Amount	Due Date	Remarks
Learning Center Royalty Fee (Note 1)	8.0% of Net Sales (Note 2)	At the time of the transaction (Note 3)	

Type of Fee	Amount	Due Date	Remarks
Studio Center Royalty Fee (Note 1)	12.0% of Net Sales (Note 2)	At the time of the transaction (Note 3)	
Marketing Contribution (Note 1)	2.25% of Net Sales	Same as royalties	<u>Marketing Contributions are contributed to the Brand Marketing Development Fund, as described in Item 11.</u> Also see Item 11 for your local marketing spend obligation.
Technology Fee (Note 1)	Our then-current fee; Currently \$350/ month	Monthly (Note 3)	The Technology Fee covers the administrative costs of the technology services and licenses we provide to you. We have the right to increase the Technology Fee annually by 10% and/or change the method of payment by providing notice to you. Any increase not taken in any year may be added to increases in later years. You will pay additional fees to third party technology vendors.
Supplier/Vendor or Supplies Approval (Note 4)	Cost of inspection of supplier's facilities and/or test of supplier's samples, plus our reasonable related expenses	On demand	Only due if you propose a new supplier or vendor (or particular suppliers) that we have not previously approved.
Product and Equipment Purchases	Will vary	On delivery or as agreed	We charge you for products and equipment you purchase from or through us.

reasonable accounting and attorneys' fees, resulting from this proceeding. You also must pay us all damages that we incur as a result of any default by you under this Agreement and any other agreement between the parties (and our respective affiliates).

You also will be responsible for our costs of enforcement if your personnel do not comply with their confidentiality or non-competition obligations. This fee will only become due if: (i) you are in default under the Franchise Agreement, in which case you must reimburse us for our expenses (including reasonable attorneys' fees) in enforcing or terminating the agreement; (ii) we successfully defend claims from you regarding the Franchise Agreement; or (iii) we incur costs in your defense except where a court with competent jurisdiction determines the claim or expense was caused solely by our gross negligence or willful misconduct.

Item 7
Estimated Initial Investment

YOUR ESTIMATED INITIAL INVESTMENT

Table A: (A SINGLE LEARNING CENTER UNDER A FRANCHISE AGREEMENT)					
Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment Is Made
	From	To			
Initial Franchise Fee (Note 1)	\$40,000	\$40,000	Lump Sum	On signing Franchise Agreement	Us
<u>New Franchisee Training Fee</u>	<u>\$1,000</u>	<u>\$2,000</u>	<u>Lump Sum</u>	<u>Before Initial Management Training</u>	<u>Us</u>
<u>Pre-Opening Inspection Fee</u>	<u>\$3,000</u>	<u>\$3,000</u>	<u>Lump Sum</u>	<u>On completion of construction</u>	<u>Us</u>
Lease (Note 2)	\$7,500	\$17,500	As incurred	Before opening, as incurred	Landlord
Utility Deposit (Note 3)	\$250	\$500	As incurred	Before opening, as incurred	Utility Providers
Architect Fees (Note 4)	\$1,500	\$7,500	As incurred	Before opening, as incurred	Third Parties
Construction Costs (Note 4)	\$60,000	\$200,000	As incurred	Before opening, as incurred	Third Parties

Table A: (A SINGLE LEARNING CENTER UNDER A FRANCHISE AGREEMENT)					
Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment Is Made
	From	To			
Expenses for Initial Training (Note 5)	\$1, 000 <u>500</u>	\$1,500	As incurred	Before opening, as incurred	Third Parties
Business Licenses and Permits (Note 6)	\$250	\$1,000	As incurred	Before opening, as incurred	Licensing Authorities
Business Insurance (Note 7)	\$1,000	\$2,500	As incurred	Before opening, as incurred	Insurance Providers
Initial Inventory (Note 8)	\$2,500	\$5,000	As incurred	Before opening, as incurred	Approved Suppliers
Computer Hardware & Software (Note 9)	\$5,000	\$7,500	As incurred	Before opening, as incurred	Approved Vendor
Furniture, Fixtures, and Equipment (Note 10)	\$15,000	\$35,000	As incurred	Before opening, as incurred	Approved Suppliers
Signage (Note 10)	\$2,500	\$10,000	As incurred	Before opening, as incurred	Approved Suppliers
Grand Opening Marketing Program (Note 11)	\$5,000	\$5,000	As incurred	Before and during opening	Various
Professional Fees (Note 12)	\$500	\$2,500	As incurred	Before opening, as incurred	Accountants, Attorneys, and Consultants
Additional Funds (3 months) (Note 13)	\$35,000 <u>\$30,500</u>	\$50 <u>\$45</u> ,000	As incurred	After opening	Various
Total	\$177,000	\$385,500			

**Table B:
(A SINGLE STUDIO CENTER UNDER A FRANCHISE AGREEMENT
AND STUDIO CENTER RIDER)**

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment Is Made
	From	To			
Initial Franchise Fee (Note 1)	\$30,000	\$30,000	Lump Sum	On signing Franchise Agreement	Us
<u>New Franchisee Training Fee</u>	<u>\$1,000</u>	<u>\$2,000</u>	<u>Lump Sum</u>	<u>Before Initial Management Training</u>	<u>Us</u>
<u>Pre-Opening Inspection Fee</u>	<u>\$3,000</u>	<u>\$3,000</u>	<u>Lump Sum</u>	<u>On completion of construction</u>	<u>Us</u>
Lease (Note 2)	\$0	\$2,500	As incurred	Before opening, as incurred	Landlord
Construction Costs (Note 4)	\$0	\$5,000	As incurred	Before opening, as incurred	Third Parties
Expenses for Initial Training (Note 5)	\$1,000 <u>\$500</u>	\$1,500	As incurred	Before opening, as incurred	Third Parties
Business Licenses and Permits (Note 6)	\$250	\$1,000	As incurred	Before opening, as incurred	Licensing Authorities
Business Insurance (Note 7)	\$1,000	\$2,500	As incurred	Before opening, as incurred	Insurance Providers
Initial Inventory (Note 8)	\$2,500	\$5,000	As incurred	Before opening, as incurred	Approved Suppliers
Computer Hardware & Software (Note 9)	\$4,000	\$7,500	As incurred	Before opening, as incurred	Approved Vendor
Furniture, Fixtures, and Equipment (Note 10)	\$0	\$2,500	As incurred	Before opening, as incurred	Approved Suppliers

Table B: (A SINGLE STUDIO CENTER UNDER A FRANCHISE AGREEMENT AND STUDIO CENTER RIDER)					
Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment Is Made
	From	To			
Signage (Note 10)	\$0	\$1,500	As incurred	Before opening, as incurred	Approved Suppliers
Grand Opening Marketing Program (Note 11)	\$5,000	\$5,000	As incurred	Before and during opening	Various
Professional Fees (Note 12)	\$500	\$2,500	As incurred	Before opening, as incurred	Accountants, Attorneys, and Consultants
Additional Funds (3 months) (Note 13)	\$35,000 30,500	\$50 45,000	As incurred	After opening	Various
Total	\$79,250	\$116,500			

Table C: (FOR 3 LEARNING CENTERS UNDER A DEVELOPMENT AGREEMENT)					
Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment Is Made
	From	To			
Development Fee (Note 1)	\$70 50,000	\$70 50,000	Lump Sum	On signing Development Agreement	Us
Initial Investment for your first Learning Center	\$177,000	\$385,500	As incurred	Before opening, as incurred	Landlord
Totals	\$247 227,000	\$455 435,500			

We do not offer direct or indirect financing for any part of the initial investment. We do not guarantee your note, lease, or obligations. None of the fees payable to us or our affiliates is refundable. We cannot estimate whether and to what extent fees payable to third parties may be refunded.

Table A provides the estimates applicable if you were to open one franchised Learning Center under a Franchise Agreement.

in the total estimate for construction and is shown as a separate entry in the above chart. The estimate is based on space in the range of 1,100 to 1,700 square feet at a build-out cost of about \$85 to \$150 per square foot depending on your location. If you incur higher build-out costs, then your total expenditure will be higher as well.

- 5 **Initial Training Expenses.** You are responsible for making arrangements and paying the expenses for any persons attending the training program, including transportation, lodging, meals, and wages. The amount spent will depend, in part, on the distance you must travel and the type of accommodation you choose. The estimate provided contemplates the training of 1 person (the Designated Principal or Center Director) for about 4 days in accordance with the training schedule in Item 11. The estimate assumes a per diem cost and travel allowance of \$375 ~~to \$1,250~~ per person.
- 6 **Business Licenses and Permits.** This estimate includes costs relating to business license requirements, health, and safety regulations (including occupancy), employment regulations, music, and entertainment (including license fees to copyright and other intellectual property owners and vending licenses). You should not consider this list as comprehensive. The laws in your state, county or municipality may be more or less stringent. You are advised to examine these laws before purchasing a franchise from us. You may need to hire accountants and/or legal counsel to assist you in obtaining required licenses and permits and other legal compliance, which is shown as a separate entry in the above chart.
- 7 **Business Insurance.** The estimate is to pay for 12 months' insurance coverage under the required minimums under your Franchise Agreement, both before and after you open your Learning Center. The cost of insurance will vary based on the type of policies procured, nature and value of physical assets, gross revenues, number of employees, square footage, geographical location, size, and contents of the business, and other factors bearing on risk exposure.
- 8 **Initial Inventory.** These amounts represent your initial inventory of certain items, including rank stickers and patches, laptop bags, pencils, pens, notepads, presentation folders, binders, among other items.
- 9 **Computer Hardware and Software.** The estimated initial investment includes costs related to the purchase of required POS System hardware and software as well as security cameras for the Learning Center. We reserve the right to implement as a part of our standards and specifications in the Brand Manual the requirement that you obtain approved accounting, reporting and operational software. This estimate includes student laptops and an android tablet. We do not currently anticipate that any required software will be customized and proprietary, thus the terms of any software license or other agreement that you must sign for the software are not currently known to us.
- 10 **Furniture, Fixtures, Equipment, and Signage.** You must furnish your Learning Center in accordance with our standards. This will include certain required equipment, furniture, and fixtures. These costs will vary depending on the size and condition of the Learning Center. Your required equipment will include desks, working stations, chairs, storage systems, coffee systems, lounge furniture, and various trade dress and décor items and all other equipment required to properly operate the Learning Center. Signage must be

obtained from our approved or your pre-approved supplier and conform to our standards, including standards related to the use of our trademarks as stated in the Brand Manual.

- 11 **Grand Opening Marketing Program.** You must spend the amount stated in your Franchise Agreement for grand opening marketing and promotional programs for the initial launch of your Learning Center, that we estimate will be \$5,000. These programs include marketing spanning from 60 days before opening to no later than 60 days post-opening, and may include giveaways, and related direct labor.
- 12 **Professional Fees.** The estimate is for legal, accounting, administrative, traffic studies, demographic studies, and miscellaneous other professional fees that you may incur before you open for business, including (among other things) to assist you in reviewing the Franchise Agreement. Your actual costs may vary, for example, depending on the degree to which you rely on your advisors, type of financing, lease negotiations, and the permitting process in your city. The hourly rates for advisors, accountants, and legal professionals will also vary.
- 13 **Additional Funds.** You will need capital to support on-going expenses, such as payroll utilities and marketing, to the extent that these costs are not covered by sales revenue. New businesses often generate a negative cash flow. We estimate that the amount given will be sufficient to cover ongoing expenses for the start-up phase of the business, which we calculate to be 3 months. This is only an estimate, ~~however, and there is no assurance that additional working capital will not be necessary during this start-up phase or after.~~ Our estimate is based on our own business experience and information and that of our affiliates.

Your credit history could impact the amount (and cost) of funds needed during the start-up phase. If you have no credit history or a weak credit history, suppliers may give you less favorable lending and payment terms, which might increase the amount of funds you will need during this period.

You will need to have staff on-hand before opening to prepare the Learning Center for opening, training, orientation, and related purposes. We estimate that you will need about 35 hours of staff time to get ready for your opening. Your staffing costs will depend on the prevailing wage rates in your area.

The figures in the chart and the explanatory notes are only estimates.

~~You should review these figures carefully with a business advisor before making any decision to purchase the franchise.~~ You should take into account the cash outlays and probable losses that you may incur while you are getting established. Extensive start-up costs may be involved, depending on your circumstances.

Item 8

Restrictions on Sources of Services and Products

Required Purchases of Goods and Services

You must operate the Learning Center in conformity with the methods, standards, and specifications that we require (whether issued in the Brand Manual or otherwise). Among other things, these standards require that you must:

marketing expenses, computer hardware and software upgrades, renovations, improvements, and repair/maintenance expenses, legal and professional fees, insurance, income and other non-real estate taxes, as well as royalty fees, marketing contributions, and various other expenses. You should determine and account for yourself the costs that you will incur in the operation of your Learning Center.

~~7. We strongly advise you to perform an independent investigation of this opportunity to determine whether or not the franchise may be profitable, and to consult your attorney and other professional advisors before entering into a Franchise Agreement. You should construct your own pro forma cash flow statement and make your own financial projections regarding potential sales, operating cost factors, capital investment requirements and liquid cash requirements for your proposed Learning Center.~~

Some Code Ninjas Learning Centers and Studio Centers have earned these amounts. Your individual results may differ. There is no assurance you will earn as much.

Written substantiation of the data used in preparing the information in this Item 19 is on file at our offices and will be made available to you on reasonable request. The information in this Item 19 is a compilation of financial information that has not been audited.

Other than the preceding financial performance representation, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. 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 Navin Gurnaney at Code Ninjas LLC, 3500 Parkway Lane, Suite 400, Peachtree Corners, GA 30092 (phone: 855.446.4652), the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20 Outlets and Franchisee Information

Table No. 1:
Systemwide Outlet Summary for 2021 to 2023 (Notes 1 and 2)

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	244	283	+39
	2022	283	284	+1
	2023	284	263	-21
Company-Owned	2021	4	4	0
	2022	4	5	+1
	2023	5	7	+2
Total Outlets	2021	248	287	+39
	2022	287	289	+2
	2023	289	270	-19

Notes for Tables 1-5 in this Item 20:

- (1) All numbers are as of the fiscal year end. Our fiscal year end is December 31st.
- (2) States not listed had no activity.
- (3) The tables do not include outlets operated outside the United States.

Table No. 2:
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
for 2021 to 2023 (Note 1)

State (Note 2)	Year	Number of Transfers
Arizona	2021	0
	2022	3
	2023	0
California	2021	3
	2022	0
	2023	3
Colorado	2021	1
	2022	0
	2023	0
Florida	2021	1
	2022	3
	2023	1
Georgia	2021	1
	2022	2
	2023	3
Kansas	2021	0
	2022	0
	2023	3
Maryland	2021	0
	2022	0
	2023	1
Massachusetts	2021	0
	2022	1
	2023	1
Missouri	2021	1
	2022	0
	2023	0

Table No. 3:
Status of Franchised Outlets For 2021 to 2023 (Note 1)

State (Note 2)	Year	Outlets at Start of Year	Outlets Opened	Termina- tions	Non- Renewals	Re- acquired by Franchisor	Ceased Opera- tions Other Reasons	Outlets at End of the Year
Arizona	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
Arkansas	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
California	2021	33	7	0	0	1	0	39
	2022	39	7	0	0	0	1	45
	2023	45	5	1	0	0	0	49
Colorado	2021	8	3	0	0	0	1	10
	2022	10	0	0	0	0	0	10
	2023	10	0	0	0	0	0	10
Connecticut	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Delaware	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Florida	2021	14	6	0	0	0	0	20
	2022	20	2	0	0	0	0	22
	2023	22	2	0	1	0	2	21
Georgia	2021	10	2	0	0	0	0	12
	2022	12	0	1	0	0	0	11
	2023	11	1	0	0	0	0	12
Idaho	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Illinois	2021	18	0	0	0	0	1	17
	2022	17	0	2	0	0	0	15
	2023	15	0	0	2	0	0	13
Indiana	2021	2	1	0	0	0	0	3
	2022	3	1	0	0	0	0	4
	2023	4	0	0	0	0	0	4

Item 22
Contracts

Exhibit A	Franchise Agreement with Exhibits A. Data Sheet B. Guarantee, Indemnification, & Acknowledgements C. List of Principals D. ACH – Authorization Agreement for Direct Debit E. ADA Certification F. Site Selection Addendum G. Lease Rider H. Studio Center Rider
Exhibit B	Development Agreement with Exhibits A. Data Sheet B. Guarantee, Indemnification, & Acknowledgements C. List of Principals D. Form of Franchise Agreement
Exhibit E	Form of General Release
Exhibit H	State-Specific Addenda
Exhibit K	Pre-Closing Franchisee Questionnaire

Item 23
Receipts

The last two pages of this disclosure document (Exhibit M) are identical pages acknowledging receipt of this entire document (including the exhibits). Please sign and return to us one copy of the receipt page and please keep the other copy together with this disclosure document.

is not possible because the recipient moved and left no forwarding address will be deemed to have been given at the date and time of receipt, rejected, and/or attempted delivery.

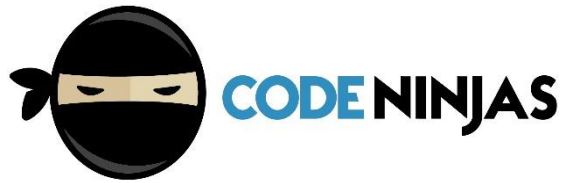
- 24.2 Notices must be sent to the address designated on the signature page of this Agreement (unless a party changes its address for those notices by giving prior written notice to the other party in the manner stated above). If the parties have designated a specific e-mail address, then notices sent to that e-mail address (which may be changed as noted above) will be considered as having been sent at the time they are delivered into that e-mail address.
- 24.3 The Brand Manual, any changes that we make to the Brand Manual, and/or any other written instructions that we provide relating to operational matters, are not considered to be “notices” for the purpose of the delivery requirements in this Section 24.

25 ENTIRE AGREEMENT AND AMENDMENT

- 25.1 *Entire Agreement.* This Agreement and the exhibits referred to in this Agreement constitute the entire, full, and complete Agreement between the parties to this Agreement concerning the subject matter hereof, and supersede all prior agreements, communications, statements, and representations (however, if this Agreement is to renew a previous franchise agreement, then the parties’ original agreement on the number of renewal terms apply during the term of this Agreement notwithstanding Section 2.2 above). ~~The parties confirm that: (a) they were not induced by any representations other than the words of this Agreement (and the FDD) before deciding whether to sign this Agreement; and (b) they relied only on the words printed in this Agreement in deciding whether to enter into this Agreement.~~ However, nothing in this Agreement or any other document is meant to (or has the effect of) disclaiming any representation that we made in our Franchise Disclosure Document (“**FDD**”) (including its exhibits).
- 25.2 *Amendment.* Except for those changes that we are permitted to make unilaterally under this Agreement, no amendment, change, or variance from this Agreement is binding on either party unless mutually agreed to by the parties and signed by their authorized officers or agents in writing.

26 SEVERABILITY AND CONSTRUCTION

- 26.1 *Introductory Paragraphs.* The parties agree that the introductory paragraphs of this Agreement, under the heading “Introduction,” are accurate, and the parties agree to incorporate those paragraphs into the text of this Agreement as if they were printed here in full.
- 26.2 *Severability.* Except as expressly provided to the contrary in this Agreement, each portion, section, part, term, and/or provision of this Agreement is considered severable; and if, for any reason, any portion, section, part, term, and/or provision in this Agreement 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, this will not impair the operation of, or have any other effect upon, any other portions, sections, parts, terms, and/or provisions of this Agreement as remain otherwise intelligible; and the latter will continue to be given full force and effect and bind the parties to this Agreement; and the invalid portions, sections, parts, terms, and/or provisions will be deemed not to be a part of this Agreement.



_____, 202__

Re: Area Development Agreement

Dear _____:

We are pleased to be entering into this Area Development Agreement (the “**Agreement**”) with you today. As used in this Agreement, the terms “**you**” or “**your**” mean _____, and the terms “**we**” and “**us**,” mean Code Ninjas LLC.

1. **Development.** This Agreement relates to the terms under which you will develop “Code Ninjas” learning center locations (“**Learning Centers**”) within the Development Area that is specified on the attached Data Sheet (Exhibit A). Each Learning Center will be established under the terms of a separate Franchise Agreement (the “**Franchise Agreement**”) for that Learning Center, which will specify, among other things, the approved location of that Learning Center.
2. **Development Schedule.** You agree to establish each of the Learning Centers in the Development Area according to the development schedule that is specified on the attached Data Sheet (Exhibit A). That schedule is referred to as the “**Development Schedule.**”
3. **Term.** The term of this Agreement starts on the Effective Date listed on the signature page to this Agreement and will end on the last date specified in the Development Schedule (the “**Term**”), unless this Agreement is sooner terminated.
4. **Fees and Credits.** In consideration of the development rights granted under this Agreement, you agree to pay us a development fee of \$40,000 for the first Learning Center to be developed plus \$~~20~~²⁵,000 for each additional Learning Center to be developed under this Agreement in order to comply with the Development Schedule, the aggregate amount of which is specified in Exhibit A to this Agreement (the “**Development Fee**”), which you agree to pay to us when you sign this Agreement.
 - 4.1 For each Franchise Agreement signed under this Agreement, you agree to pay to us an initial franchise fee in the following amounts:

- 4.1.1 \$40,000 under the first Franchise Agreement entered into under the Development Schedule;
 - 4.1.2 \$35,000 per Franchise Agreement for the second through fifth Franchise Agreements entered into under the Development Schedule; and
 - 4.1.3 \$30,000 per Franchise Agreement for the sixth and each additional Franchise Agreement entered into under the Development Schedule.
- 4.2 If you are in compliance with your obligations under this Agreement, then at the time you enter into the Franchise Agreement with us for the first Learning Center that you develop under the Development Schedule, we will credit to you \$40,000 as full payment of the initial franchise fee due under the Franchise Agreement for that Learning Center. If you continue to be in compliance with your obligations under this Agreement, then at the time you enter into the Franchise Agreement for each additional Learning Center that you develop under the Development Schedule, we will credit to you \$2025,000, which credit we will apply to the initial franchise fee due under the Franchise Agreement for that Learning Center (provided, that the total amount of the credits that we grant to you under this Section 4.2 will not exceed the total Development Fee that you have actually paid to us).
- 4.3 The Development Fee is fully earned when we receive it from you and is non-refundable in consideration of administrative and other expenses we incur and for the development opportunities lost or deferred as a result of the rights we have granted to you under this Agreement.
- 5. Protected Development Area. We will not establish, nor license anyone other than you to establish, a Learning Center in the Development Area during the Term of this Agreement (except as otherwise provided under Section 6 below) so long as you (and your affiliates) are in compliance with this Agreement and all of the Franchise Agreements between you (and your affiliates) and us (and our affiliates).
- 6. Reservation of Rights. Except as otherwise specifically provided above in Section 5, we retain all other rights, and therefore we have the sole right (among others), and on any terms we deem advisable, and without granting you any rights therein, to do any or all of the following (and, in each case, despite their proximity to the Development Area, and despite their actual or threatened impact on sales at any Learning Center):
 - 6.1 use, and to license others to use, the System and the Proprietary Marks (defined below) for the operation of Learning Centers at any location outside the Development Area;
 - 6.2 acquire and operate (or be acquired by) any business or program of any kind, whether located within or outside the Development Area (but we will not change those other businesses into “Code Ninjas” Learning Centers operated in the Development Area);

- 6.3 use and license the use of the Proprietary Marks and other marks in connection with the operation of businesses or programs at any location, which businesses and marks may be the same as, similar to, or different from the Learning Center and Proprietary Marks (but these will not be “Code Ninjas” Learning Centers located in the Development Area);
- 6.4 sell or market any products or services using the Proprietary Marks or other marks, to purchasers who live or operate businesses in the Development Area by electronic media (such as the Internet and mobile applications), phone sales, catalogs, and/or direct mail, but we will not do so from a “Code Ninjas” Learning Center located in the Development Area.
7. *No License to Use the Proprietary Marks or System.* This Agreement does not grant you any license to use, in any manner whatsoever, our proprietary marks and trade names (for example, the mark “Code Ninjas” or corresponding logo), service marks, trademarks, logos, emblems, and indicia of origin, as well as other trade names, service marks, and trademarks that we may periodically specify in writing for use in connection with our system (the “**Proprietary Marks**”) or system. To the extent that we are licensing those rights to you, that license is set out under each of the Franchise Agreements.
8. *Signing of the Franchise Agreement.* You must sign a Franchise Agreement for each Learning Center. Each Learning Center must be located at a site that we have approved, within the Development Area, as provided below (the “**Accepted Location**”). The Franchise Agreement for the first Learning Center developed under this Agreement is in the form of the Franchise Agreement that is attached as Exhibit D. The Franchise Agreement for each additional Learning Center that you develop will be the form of Franchise Agreement that we are then generally offering at the time each Franchise Agreement is signed-, which may differ materially from the version that is attached to this Development Agreement. You must sign the Franchise Agreement for each Learning Center and submit that Franchise Agreement to us for countersignature within 15 days after you sign the lease for that Learning Center, and in any case not more than 30 days before the Learning Center is reasonably expected to open for business.
9. *Provisions of the Franchise Agreement Incorporated By Reference.* The parties agree that the following sections of the Franchise Agreement are incorporated by reference into this Agreement as if they were printed in this Agreement (here, and in full text), except that reference to the “Franchisee” in those provisions refers to you, as the Area Developer, under this Agreement:
- 9.1 Section 11 – Confidential Information;
- 9.2 Section 15 – Insurance;
- 9.3 Section 16 – Transfer of Interest (and also see Section 10 below);
- 9.4 Section 17 – Default and Termination (and also see Section 11 below);
- 9.5 Section 18 - Obligations on Termination or Expiration;
- 9.6 Section 19 – Covenants;

agreements, representations, and other communications. ~~The parties agree that: (a) they were not induced by any representations other than the words of this Agreement (including the Exhibits to this Agreement, which in turn include the Franchise Agreement provisions that are incorporated by reference) before deciding whether to sign this Agreement; and (b) they relied only on the words printed in this Agreement (and the Exhibits and the provisions of the Franchise Agreement that are incorporated by reference) in deciding whether to enter into this Agreement (however, nothing in this Agreement is meant to disclaim any statement included in our Franchise Disclosure Document). Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.~~ Except for those changes permitted to be made unilaterally by us under this Agreement, no amendment, change, or variance from this Agreement is binding on either party unless mutually agreed to by the parties and signed by their authorized officers or agents in writing.

13. *Indemnity.* In addition to the provisions of Section 9.8 above, you agree to indemnify, defend, and hold harmless us, our owners and affiliates, and our (and our affiliates') officers, directors, members, managers, employees, and agents against all claims arising directly or indirectly from, as a result of, or in connection with your conduct and/or operation of the business contemplated under this Agreement, as well as the costs of defending against them (including, but not limited to, reasonable attorneys' fees, reasonable costs of investigation, court costs, and arbitration fees and expenses).
14. *Confirmation that You Read and Understand the Franchise Agreement.* You agree that you have read and understand the Franchise Agreement attached to this Agreement as Exhibit D (including but not limited to the provisions of the Franchise Agreement that are referenced (and/or incorporated by reference) into this Agreement in Section 9 above (including but not limited to the waiver of jury trial, the waiver of punitive damages, the mediation and venue clauses, and the provision waiving participation in a common or class action)).
15. *Captions.* The headings and captions in this Agreement are merely for the sake of convenience and are not meant (and will not be deemed) to change or have any effect on the meaning of this Agreement.

Exhibit A - Data Sheet

The Development Area under this Agreement is:

The present political boundaries of
(subject to Section 6 of this Agreement).

Initialed

Franchisor

Area Developer

The Development Fee under this Agreement is:

How Development Fee Calculated	Total Development Fee
\$40,000 for the first franchised Learning Center; plus \$2025,000 multiplied by the number of Learning Centers that you must develop under the Development Schedule	

Initialed

Franchisor

Area Developer

The Development Schedule under this Agreement is:

By this anniversary of the date of this Agreement	Cumulative Total Number of Learning Centers That You Agree To Have Open and in Operation in the Development Area
[number (#)] months	[number (#)]
[number (#)] months	[number (#)]
[number (#)] months	[number (#)]
[number (#)] months	[number (#)]
[number (#)] months	[number (#)]

Initialed

Franchisor

Area Developer

Hawaii Disclosure Addendum

The Disclosure Document for Code Ninjas LLC for use in the State of Hawaii is amended to include the following:

The following paragraphs are to be added in the state cover page:

THESE FRANCHISES WILL BE FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF SECURITIES, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE COMMISSIONER OF SECURITIES, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE 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, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, AND THIS ADDENDUM, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS ADDENDUM AND THE DISCLOSURE DOCUMENT CONTAIN A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND FRANCHISEE.

In recognition of the requirements of the Hawaii Franchise Investment Law, Hawaii Rev. Stat. Sections 482E, et seq., the Disclosure Document for Code Ninjas LLC in connection with the offer and sale of franchises for use in the State of Hawaii shall be amended to include the following:

1. ~~4.~~ Item 5 of the FDD is amended to include the following:

The Hawaii Business Registration Division's Securities Compliance Branch requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

~~4.2.~~ Item 20 "List of Outlets," shall be amended by the addition of the following paragraph:

This proposed registration is effective/exempt from registration or will shortly be on file in California, Hawaii, Illinois, Indiana, Kentucky, Maryland, Michigan, Minnesota, Nebraska, New York, North Dakota, Rhode Island, South Dakota, Texas, Utah, Virginia, and Wisconsin. No states have refused, by order or otherwise, to register these franchises. No states have revoked or suspended the right to offer these franchises. The proposed registration of these franchises has not been involuntarily withdrawn in any state.

Illinois Disclosure Addendum

In recognition of the requirements of the Illinois Franchise Disclosure Act, Ill. Comp. Stat. Sections 705/1 to 705/44 the Disclosure Document for Code Ninjas LLC for use in the State of Illinois is amended as follows:

1. ~~Item 17, "Renewal, Termination, Transfer and Dispute Resolution,"~~ 5. "Initial Fees," is amended by adding the following:

Based on our financial condition, the State of Illinois has required a financial assurance. Therefore, we have posted a surety bond with the State of Illinois guaranteeing our obligations under the Franchise Agreement and the Development Agreement. You may contact the state agency listed in Exhibit C of the FDD for more information.

Illinois law governs the ~~agreements between the parties to this franchise~~ Franchise Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act ~~provides that~~, any provision in ~~the~~ franchise agreement that designates jurisdiction ~~or~~ 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.

Section

Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with section 41 of the Illinois Franchise Disclosure Act ~~provides that~~, 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.

~~Your right upon termination and non-renewal of a franchise agreement are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.~~

2.

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

3. ~~This addendum will apply only if the Illinois Franchise Disclosure Act would apply on its own without referring to this addendum.~~

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

California Amendment to the Franchise Agreement

In recognition of the requirements of the California Franchise Investment Law, the parties to the attached Code Ninjas LLC Franchise Agreement (the “**Agreement**”) agree as follows:

1. Section 4.1 of the Agreement is amended by adding the following:

Based on our financial condition, the State of California has required a financial assurance. Therefore, we have posted a surety bond with the State of California guaranteeing our obligations under this Agreement.

- ~~2.~~ 2. For franchisees operating outlets 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 the condition.

- ~~3.~~ 3. The Franchise Agreement contains a covenant not to compete that 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.

- ~~2.4.~~ 2.4. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

- ~~3.5.~~ 3. This amendment will apply only if the California Franchise Investment Law would apply on its own without referring to this amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this California Amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

Code Ninjas LLC
Franchisor

By: _____
Name: _____
Title: _____

Franchisee Entity

By: _____
Name: _____
Title: _____

California Amendment to the Development Agreement

In recognition of the requirements of the California Franchise Investment Law, the parties to the attached Code Ninjas LLC Development Agreement (the "Agreement") agree as follows:

1. ~~1.~~ Section 4.1 of the Agreement is amended by adding the following:

Based on our financial condition, the State of California has required a financial assurance. Therefore, we have posted a surety bond with the State of California guaranteeing our obligations under this Agreement.

2. ~~2.~~ For franchisees operating outlets 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 Area Development Agreement or any amendment thereto or any agreement to the contrary is superseded by the condition.

3. The Area Development Agreement contains a covenant not to compete that 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.

- ~~2.4.~~ No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

- ~~3.5.~~ ~~3.~~ This amendment will apply only if the California Franchise Investment Law would apply on its own without referring to this amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this California Amendment to the Development Agreement on the same date as the Development Agreement was executed.

**Code Ninjas LLC
Franchisor**

By: _____
Name: _____
Title: _____

Developer Entity

By: _____
Name: _____
Title: _____

Illinois Amendment to the Franchise Agreement

In recognition of the requirements of the Illinois Franchise Disclosure Act, Ill. Comp. Stat. Sections 705/1 to 705/44, the parties to the attached Code Ninjas LLC Franchise Agreement (the "Agreement") for use in Illinois agree as follows:

1. ~~Section 2 of the Agreement, under the heading "Term and Renewal," is amended by adding the following new paragraph 2.3:~~
 1. ~~2.3~~ Based on our financial condition, the State of Illinois has required a financial assurance. Therefore, we have posted a surety bond with the State of Illinois guaranteeing our obligations under the Franchise Agreement and the Development Agreement. You may contact the state agency listed in Exhibit C of the FDD for more information.
2. Illinois law governs the Franchise Agreement.
3. 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.
- ~~4.4.~~ Your rights upon Termination and Non-Renewal of an agreement are inconsistent with Section 20 of the Illinois Franchise Disclosure Act, the provisions of the Act will apply. If we refuse to renew this Agreement, we will compensate you if (and to the extent) such compensation is required under Section set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.
2. ~~Section 17 of the Agreement, under the heading "Default and Termination," is amended by adding the following new paragraph 17.8:~~

17.8 If In conformance with section 41 of the Illinois Franchise Disclosure Act, any of the provisions of this Section 17 concerning termination are inconsistent with Section 19 of the Illinois Franchise Disclosure Act, then said Illinois law will apply.
3. ~~Section 27.7 of the Agreement, under the subheading "Must Bring Claims within One Year," is amended by adding the following at the end of the paragraph:~~

Notwithstanding the provisions of Section 27.7, any claims arising under the Illinois Franchise Disclosure Act (the "Act") must be brought before the earlier to occur of: the expiration of 3 years after the act or transaction constituting the violation upon which the claim is based; the expiration of one year after the you become aware of facts or circumstances reasonably indicating that you may have a claim for relief in respect to conduct governed by the Act; or 90 days after delivery to you of a written notice disclosing the violation. No cause of action barred under existing law on the effective date of the Act will be revived by the Act. Every cause of action under the Act survives the death of any person who might have been a plaintiff or defendant.
4. ~~Section 27 of the Agreement, under the heading "Applicable Law and Dispute Resolution," is amended by adding the following new Section 27.10:~~

2.5.27.10 Nothing contained in this Section 27 will constitute a condition, stipulation, or provision purporting to bind any Illinois Franchisee person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other Illinois

~~law (as long as the jurisdictional requirements of the Illinois Franchise Disclosure Act are met), including, without limiting the provisions of Section 705/41 of the Illinois Franchise Disclosure Act~~law of Illinois is void.

~~3.6.5.~~ No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

~~4.7.6.~~ This amendment will apply only if the Illinois Franchise Disclosure Act would apply on its own without referring to this amendment.

IN WITNESS WHEREOF, the parties have signed and delivered this Illinois Amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

Code Ninjas LLC
Franchisor

By: _____
Name: _____
Title: _____

Franchisee Entity

By: _____
Name: _____
Title: _____

Illinois Amendment to the Development Agreement

In recognition of the requirements of the Illinois Franchise Disclosure Act, Ill. Comp. Stat. Sections 705/1 to 705/44, the parties to the attached Code Ninjas LLC Development Agreement (the "Agreement") for use in Illinois agree as follows:

1. ~~Section 9.4 and Section 11 of the Agreement, under the heading "Default and Termination," is amended by adding the following new Section 11.4:~~

1. ~~11.4~~ If any of the provisions of Sections 9.4 and 11 of this Agreement are inconsistent with Section 19~~Based on our financial condition, the State of Illinois has required a financial assurance. Therefore, we have posted a surety bond with the State of Illinois guaranteeing our obligations under the Franchise Agreement and the Development Agreement. You may contact the state agency listed in Exhibit C of the FDD for more information.~~

2. Illinois law governs the Franchise Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, then said Illinois law will apply.

~~1.3.2. Section 9.14 of the Agreement, incorporating Section 27.7 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 the Franchise Agreement, under the subheading "Must Bring Claims within One Year," is amended by adding the following language at the end of the paragraph: Illinois.~~

~~Notwithstanding the provisions of this Section~~

4. Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with section 41 of the Illinois Franchise Disclosure Act, any claims arising under the Illinois Franchise Disclosure Act (the "Act") must be brought before the earlier to occur of: the expiration of 3 years after the act or transaction constituting the violation upon which the claim is based; the expiration of one year after the you become aware of facts or circumstances reasonably indicating that you may have a claim for relief in respect to conduct governed by the Act; or 90 days after delivery to you of a written notice disclosing the violation. No cause of action barred under existing law on the effective date of the Act will be revived by the Act. Every cause of action under the Act survives the death of any person who might have been a plaintiff or defendant.

3. ~~Sections 9.14 of the Agreement, incorporating Section 27 of the Franchise Agreement under the heading "Applicable Law and Dispute Resolution," is amended by adding the following at the end of Section 9.14:~~

~~2.5. Nothing contained in this Agreement will constitute a condition, stipulation, or provision purporting to bind any Illinois Franchisee person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other Illinois law (as long as the jurisdictional requirements of the Illinois Franchise Disclosure Act are met), including, without limiting the provisions of Section 705/41 of the Illinois Franchise Disclosure Act~~law of Illinois is void.

4.

~~3.6.~~ 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.

5. _____

7. This amendment will apply only if the Illinois Franchise Disclosure Act would apply on its own without referring to this amendment.

IN WITNESS WHEREOF, the parties have signed and delivered this Illinois Amendment to the Development Agreement on the same date as the Development Agreement was signed.

Code Ninjas LLC
Franchisor

Franchisee Entity

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Maryland Amendment to the Franchise Agreement

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the parties to the attached Code Ninjas LLC Franchise Agreement (the "Agreement") for use in Maryland agree as follows:

1. Section 4.1 of the Agreement is amended by adding the following:
Based on our financial condition, the State of Maryland has required a financial assurance. Therefore, we have posted a surety bond with the State of Maryland guaranteeing our obligations under the Franchise Agreement and the Development Agreement.
2. Sections 2.2.7 and 16.5.1 of the Agreement are amended by adding the following:
The general releases required as a condition of renewal or sale, and as a condition of assignment or transfer, will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
3. Section 27 of the Agreement is amended by adding the following:
You may bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
4. Sections 27.7 of the Agreement is amended by adding the following:
Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
5. Sections 25 and 28 of the Agreement are amended by adding the following:
All acknowledgments or representations requiring prospective Franchisees to assent to a release, estoppel or waiver of liability 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.
~~The Franchise Disclosure Certification is not intended to, and shall not act, as a release, estoppel or waiver of any liability under the Maryland Franchise Registration and Disclosure Law.~~
6. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
- ~~7.~~ The following provisions of Section 28 are deleted in their entirety: 28.2 (Your Investigation), 28.3 (No Warranties or Guarantees), 28.4 (Your Advisors), 28.6 (Your Responsibility for the Choice of the Accepted Location), 28.7 (Your Responsibility for Operation of the Franchised Business), 28.9 (Our Advice), 28.12 (Success Depends on You), and 28.13 (General Release).
8. This amendment will apply only if the Maryland Franchise Registration and Disclosure Law would apply on its own without referring to this amendment.

Maryland Amendment to the Development Agreement

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the parties to the attached Code Ninjas LLC Development Agreement (the "Agreement") for use in Maryland agree as follows:

1. Section 4 of the Agreement is amended by adding the following:

Based on our financial condition, the State of Maryland has required a financial assurance. Therefore, we have posted a surety bond with the State of Maryland guaranteeing our obligations under the Franchise Agreement and the Development Agreement. You may contact the state agency listed in Exhibit C for more information.

2. Section 9.3 of the Agreement is amended by adding the following:

The general releases required as a condition of assignment or transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. Section 9.14 of the Agreement is amended by adding the following:

You may bring an action 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 3 years after the grant of the franchise.

4. Sections 9.13 and 14 of the Agreement are amended by the following:

All acknowledgments or representations requiring prospective Franchisees to assent to a release, estoppel or waiver of liability 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.

5. 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.

- ~~6. The Franchise Disclosure Certification is not intended to, and shall not act, as a release, estoppel or waiver of any liability under the Maryland Franchise Registration and Disclosure Law.~~

STATE EFFECTIVE DATES

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

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

STATE	EFFECTIVE DATE
California	Pending
Hawaii	Pending August 9, 2024
Illinois	Pending
Indiana	Pending July 18, 2024
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending August 14, 2024
Rhode Island	Pending April 12, 2024
South Dakota	Pending July 19, 2024
Virginia	Pending July 25, 2024
Washington	Pending
Wisconsin	Pending July 19, 2024

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.