

FRANCHISE DISCLOSURE DOCUMENT



Class 101 Franchise, LLC,
a Delaware limited liability company
2350 Airport Freeway, Suite 505
Bedford, Texas 76022
866.501.2331
letstalk@class101.com
www.class101.com
www.class101franchise.com

As a franchisee of Class 101, you will operate a business providing advice, guidance and training to high school students and their parents in preparing for, selecting, applying to, and paying for college under the CLASS 101® trademarks and system (each a “Class 101 Business”). The franchises offered are for the operation of an individual Class 101 Business under a franchise agreement or for development of multiple Class 101 Businesses under the development agreement.

The total investment necessary to begin operation of a CLASS 101® franchise is ~~\$69,900~~75,287 to ~~\$108,900~~130,187. This includes ~~\$3949,900~~ to ~~\$4954,900~~ that must be paid to us or our affiliates.

We may offer to enter into a development agreement to establish and operate two to three Class 101 franchised businesses at specific locations under individual franchise agreements. The total investment necessary under the development agreement ranges from ~~\$77,400~~150,574 (for a minimum of ~~2~~two Class 101 Businesses) to ~~\$107,400~~390,561 (for the maximum commitment of ~~3~~three Class 101 Businesses). This includes ~~\$7494,400~~ to ~~\$8489,400~~ that must be paid to us (for a minimum of 2 Class 101 Businesses) to ~~\$102,105,400~~ to ~~\$112,147,400~~ that must be paid to us (for the maximum commitment of 3 Class 101 Businesses).

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Joshua Wall, Chief Growth Officer, Unleashed Services, LLC, 2350 Airport Freeway, Suite 505, Bedford, Texas 76022, 866.501.2331 or by email at josh.wallFranchising@unleashedbrands.com.

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

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

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

Issuance Date: April ~~28, 2023, as amended December 5, 2023~~30, 2024.

ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

This disclosure document describes CLASS 101[®] franchises. In this disclosure document, the terms “we,” “us,” “our” and “Franchisor” mean Class 101 Franchise, LLC, the franchisor. The terms “you,” “your” and “Franchisee” mean the individual(s) or business entity (limited liability company, corporation, or partnership) that signs a franchise agreement with us. If the Franchisee is a business entity, the term “Owners” means the person(s) identified in the Franchise Agreement as owners of the Franchisee and all other persons whom we may subsequently approve to acquire an interest in the franchise. Owners holding more than a ten percent equity interest will have certain personal obligations as described in this disclosure document. If any Owner is a business entity, then the term “Owner” also includes the owners of that business entity.

THE FRANCHISOR AND ITS PARENT, PREDECESSORS, AND AFFILIATES

Class 101 Franchise, LLC is a Delaware limited liability company formed on April 6, 2022. We do business only under our legal name and the “Class 101” name. We do not engage in any other type of business. Our principal business address is 2350 Airport Freeway, Suite 505, Bedford, Texas 76022. Our agents for service of process are identified in Exhibit C to this disclosure document.

Our predecessor is Class 101, Inc., which began offering franchises in June 2007 and had 50 Class 101 franchises as of December 31, 2021. Our predecessor did not franchise in any other lines of business. Tom Pabin operates an affiliate Class 101 franchised location at 2039 Regency Rd Suite #8, Lexington, KY 40503. We acquired the assets of Class 101, Inc. on April 11, 2022, and our affiliate, Class 101 Franchise IP, LLC, is the owner of certain trademarks and intellectual property associated with Class 101 franchises. Franchisor and Class 101 Franchise IP, LLC are wholly owned subsidiaries 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 we consider our parent company. UA Holdings Unleashed Brands 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 our principal business address.

We have been offering franchises for Class 101 since July 2022. We have never offered franchises in any other line of business. However, we have affiliates that offer franchises in other lines of business. We do not operate businesses of the type being offered. All of the affiliates listed below have the same business address as us:

- 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 ~~162~~179 franchises as of December 31, ~~2023~~2022. UATP Canada Franchising, Ltd., a British Columbia corporation, offers these franchises in Canada.
- 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 ~~86~~102 franchises as of December 31, ~~2023~~2022. 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 has 243213 franchises as of December 31, 20232022. Our affiliate PMA IP, LLC is the owner of certain trademarks and intellectual property associated with the PREMIER MARTIAL ARTS franchises.
- 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 174185 franchises as of December 31, 20232022.
- XP League Franchise, LLC (“XPL”) offers XP LEAGUE franchises which follow traditional youth sports formats delivering values and life skills learned in coach-led athletics in an esports format, for elementary and middle school aged children. On April 21, 2022, XPL acquired certain assets of XP League, LLC, which began offering franchises in August 2020, and had 3341 franchises as of December 31, 20232022. XP League Franchise, LLC is the owner of certain trademarks and intellectual property associated with XP League franchises.
- Our affiliate, Sylvan Learning, LLC (“Sylvan”) offers learning center franchises 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, and portable SylvanSync and Sylvan-branded learning environment individualized for children, using proprietary SylvanSync computer systems, under the trademarks SYLVAN, SYLVAN LEARNING, and SYLVANSYNC. Sylvan’s predecessors began offering variations of the Sylvan franchises since 1979, and Sylvan had 474 franchises as of December 31, 2023.
- Our affiliate, Unleashed Services, LLC (“Unleashed Services”), provides executive management services to us, UATP, Snapology, PMA, Class 101, XPL, and XPL,Sylvan but Unleashed Services does not offer franchises in any line of business.

You will not conduct business directly with UATP, Snapology, PMA, TLGI, XPL, or XPL,Sylvan (each an “Affiliated Brand”), unless you decide to co-brand with an Affiliated Brand. If you decide to co-brand the premises of your Class 101 franchise with an Affiliated Brand, you will be offered a separate franchise disclosure document of your desired Affiliated Brand and will be required to sign a separate franchise agreement for that 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 FRANCHISE OFFERED

We franchise a system for operation of a Class 101 Business that provides advice, guidance and training to high school students and their parents in preparing for, selecting, applying to, and paying for college using our proprietary System (defined below) that we designate using the “Class 101” and other Proprietary Marks, (as defined below) (the “Franchised Business”).

You will operate your Franchised Business according to the terms and conditions of our standard franchise agreement (“Franchise Agreement,” see Exhibit D) and our operational standards, specifications, policies, and procedures, which we will communicate to you through our confidential operations manual, high school manual, memos, 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 our or our affiliates’ trademarks and service marks (“Proprietary Marks”).

Our System includes distinctive programs, interior and exterior design, décor, color scheme, graphics, fixtures, and furnishings (“Indicia”); our proprietary products and proprietary technology solutions,

merchandise, and offerings which incorporate our trade secrets and proprietary information (“Proprietary Products”); 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 CLASS 101® businesses (“Standards”); all of which we may change, improve, and additionally develop from time-to-time.

DEVELOPMENT PROGRAM

Also, we may offer to enter into a development agreement (the “Development Agreement”) (Exhibit G to this disclosure document) with qualified legal entities (each, a “Developer”), which grants the right to establish and operate up to three Class 101 Franchises 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 Class 101 Franchises. Developers must open each location 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 subsequent franchise agreements signed under the Development Agreement may be in a form that is different from the Franchise Agreement in this disclosure document.

MARKET AND COMPETITION

The market for advising high school students and their parents in preparing for, selecting, applying to, and paying for college is well established and highly competitive. Your Franchised Business will compete with other programs designed to help high school students and their parents in preparing for, selecting, applying to, and paying for college, such as national companies that provide test preparation services that compete with some of our services. There are also individuals that provide competitive counseling and training services in this market. We believe the market for college planning services is growing as college entrance becomes more competitive. Various factors can adversely affect the Franchised Business, including increased competition, increases in labor costs, availability, and cost of suitable sites, fluctuating insurance and interest rates, local, state, and federal regulations and licensing requirements, and the availability of an adequate number of hourly-paid employees and, in some cases, employees with specialized training.

INDUSTRY SPECIFIC LAWS

There are no industry-specific laws that apply to Class 101 franchises. We strongly encourage you to investigate the local, state, and federal laws that may apply to your Class 101 Business. You should check with your local attorney for advice on complying with applicable law before you purchase a Franchised Business and during the operation of your Franchised Business. You must investigate and satisfy and stay current on all local, state, and federal laws and regulations since they vary from geographical regions and can change over time.

ITEM 2 **BUSINESS EXPERIENCE**

CLASS 101

Carisa Findley – President: Carisa Findley serves as the President of Class 101 in ~~Charlotte, North Carolina~~Denver, Colorado, and has held that position since September 2023. From January 2023 to September 2023, she served as an independent operations and training consultant, working with Gym Bag Beauty and Class 101 in Charlotte, North Carolina. Previously, she served as the President for Freecoat Nails from May 2022 to January 2023 in Charlotte, North Carolina. She also served as the Vice President of Learning and Development for Title Boxing Club from February 2021 to May 2022 in Denver, Colorado. From May 2017 to February 2021, she served in many roles, including Senior Director of Operations and

Training, Director of Learning and Development, and Director of Operations, for Elements Massage in Denver, Colorado.

Jamie Clark – National Senior Marketing Director: Jamie Clark has been our National Senior Marketing Director since April 2022 and served in the same capacity for our predecessor from February 2022 to April 2022 in Lexington, Kentucky. From June 2016 to February 2022, Jamie was a Senior Graphic Designer, Marketing Manager and Marketing Director for ARCPoint Labs in Greenville, South Carolina.

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 ~~was a Member of UATP IP, LLC from October 2013 to March 2018 and~~ has been a Manager of UATP Holdings, LLC since 2015, ~~and served in both positions~~ in Bedford, Texas.

Stephen Polozola – Chief Legal Officer: Stephen Polozola has served as the Chief Legal Officer of Unleashed Services since July 2021 in Bedford, Texas. Stephen is one of the co-founders and has served as the Executive Vice President and General Counsel of UATP since its inception in May 2013 to June 2021 in Bedford, Texas. He has served as a Manager of UATP Holdings, LLC since July 2015 and has served as a Vice President of UATP IP, LLC since October 2013 in Bedford, Texas. ~~He was licensed to practice law in the state of Texas in November 2000 and remains in good standing with the State Bar of Texas. Also, Stephen has served as President of Adventis Insurance, Inc. since March 2020. Prior to his affiliation with UATP, Stephen was a shareholder at Decker Jones, PC in Fort Worth, Texas, where he practiced law from April 2007 to June 2017.~~

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

Scott Perry – Chief Financial Officer: Scott Perry has served as the Chief Financial Officer at Unleashed Services since July 2021 in Bedford, Texas. Before this position, he served as the Chief Financial Officer and Executive Vice President of UATP from March 2019 to June 2021. Previously, he was a Member of Laguna Woods Consulting, LLC from September 2018 to March 2019 in Austin, Texas. ~~Scott was the Chief Financial Officer and Treasurer of Sport Clips, Inc. from November 2014 to July 2018 and Vice President of Finance and Treasurer from November 2006 to November 2014 in Georgetown, Texas.~~

Joshua 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 ~~responsible for the growth and development of the~~

~~brand and franchise relationships.~~ 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.

~~From July 2017 to November 2018, he served as the Vice President of Technology at Pei Wei in Phoenix, Arizona.~~

~~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.~~

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 ~~our~~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.

~~Danny Boruff – Senior Vice President of Supply Chain:~~ ~~Danny Boruff has served as the Senior Vice President of Supply Chain at Unleashed Services since January 2023 in Bedford, Texas. Previously, he served as the Senior Vice President of Supply Chain at UATP from April 2021 to December 2022. Prior to this position, he served as the Head of Supply Chain at Cotton Patch Café from June 2020 to March 2021 in Southlake, Texas. During his time at JMC Restaurant Distribution (Cicis Pizza) in Coppell, Texas, from January 2016 to October 2019, he served as the Vice President of Supply Chain.~~

Eric Schechterman, CFE – Vice President of Franchise Finance: Eric Schechterman has served as ~~our~~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.

~~Missy Wright – Senior Director of Franchise Recruitment:~~ ~~Missy Wright has served as Senior Director of Franchise Recruitment for Unleashed Services since September 2021 in Houston, Texas. Previously, At Christian Brothers Automotive Corporation in Houston, Texas, she served as the Director of Franchise~~

Development from November 2020 to September 2021 and Franchise Development Manager from January 2017 to November 2020.

ITEM 3 **LITIGATION**

TLGI:

~~*Joleyvie, LLC, Tiffany Cianci, and Ryan Cianci v. TLGI, LLC, Unleashed Brands, LLC, and Stephen Polozola, American Arbitration Association, Case No. 01-22-0002-1897. On May 20, 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 against Thomas Pabin (“Pabin”) requesting the issuance of a Declaratory Judgment to construe the terms of Mr. Pabin’s employment agreement and the rights, duties, status, and legal relations of Unleashed and Pabin under such employment agreement. On February 22, 2024, Pabin, in response to Unleashed’s Motion to Dismiss the claims asserted in Pabin’s Counterclaim and Third-Party Petition, filed his First Amended Counterclaim against Unleashed and Third-Party Petition against Josh Wall. Within this Counterclaim and Third-Party Petition, Pabin has alleged (1) Unleashed breached the employment agreement and Pabin is entitled to a severance payment; (2) breach of contract/promissory estoppel against Unleashed and Wall related to the subject asset purchase agreement (“APA”) and payment of a potential earnout; (3) fraud as against Unleashed and Wall related to the calculation of the earnout set forth in the APA; (4) indemnification as against Unleashed and (5) requested a declaratory judgment interpreting the rights, duties, status, and legal relations of the parties under the APA and employment agreement. Unleashed strongly denies all allegations asserted against it and Wall and believes no sums are due Pabin under the applicable agreements.*~~

~~2022, TLGI, LLC terminated Joleyvie, LLC’s franchise agreement (the “Joleyvie Franchise Agreement”) for failing to timely pay royalty and advertising fees. On May 23, 2022, claimants initiated an arbitration challenging the validity of the termination of the Joleyvie Franchise Agreement. On October 4, 2022, claimants filed an amended demand for arbitration against respondents for breach of contract, tortious interference, trespass, libel, defamation, invasion of privacy, and breach of fiduciary duty and duty of loyalty, and sought an unspecified amount of damages. On October 2022, respondents filed a counterclaim alleging trademark infringement, false designation of origin and unfair competition, copyright infringement, misappropriation of proprietary and confidential information and unfair competition, and breach of contract, and requested a permanent injunction and treble damages. On June 8, 2023, the arbitrator issued an Interim Award that ruled in favor of TLGI, LLC and the other respondents, rejected all of the claimants’ material allegations against the respondents, and awarded the claimants no monetary damages. In its ruling, the arbitrator concluded that (i) TLGI, LLC’s termination of the Joleyvie Franchise Agreement was valid and justified, (ii) the claimants in fact had breached their post-termination obligations and needed to return confidential and proprietary manuals and other relevant materials to TLGI, LLC, (iii) the post-term non-compete in the Joleyvie Franchise Agreement was enforceable and the claimants therefore needed to cease all competitive activities immediately, and (iv) TLGI, LLC and the other respondents were the prevailing parties and were entitled to recover their attorneys’ fees and the costs of arbitration.~~

Snapology:

In the Matter of Snapology Community Programs, L.P. and its successor Snapology, LLC, Administrative Proceeding Before the Securities Commissioner of Maryland, Case No. 2015-0429. As a result of an investigation into the franchise related activities of Snapology Community Programs, L.P. and its successor Snapology, LLC, the Maryland Securities Commissioner (“Commissioner”) concluded that grounds existed to allege that Snapology violated the registration and disclosure provisions of the Maryland Franchise Law in relation to the offer and sale of a Snapology franchise. In responding to inquiries from the Maryland

Securities Division, Snapology acknowledged that, during the time it was not registered to offer and sell franchises in Maryland, it entered into two separate License and Training Service Agreements in Maryland that the Commissioner concluded constituted the sale of two franchises. Snapology represented that it has offered rescission to one of those franchisees. On January 15, 2016, the Commissioner and Snapology entered into a consent order whereby Snapology, without admitting or denying any violations of the law, agreed to: immediately and permanently cease from the offer and sale of franchises in violation of the Maryland franchise law; complete registration of its franchise offering in Maryland; and, offer rescission to the remaining franchisee who was sold a franchise in Maryland while Snapology was not registered with the State.

UATP:

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

PMA:

The Commissioner of Financial Protection and Innovation v. Premier Franchising Group, LLC doing business as Premier Martial Arts International and/or Premier Martial Arts. On November 18, 2021, wePMA entered into a consent order with the California Commissioner of Financial Protection and Innovation related to four licensees of PMAI. The Commissioner found that PMAI offered and sold at least four franchises in California without being registered with the Commissioner or exempt, in violation of Section 31110 of the California Franchise Investment Law. The Commissioner further found that we and PMAI willfully omitted to state in subsequent franchise registration applications the material fact that PMAI had at least four California studios, in violation of Section 31200 of the California Franchise Investment Law. Pursuant to the consent order, we agreed to (1) refrain from violating Sections 31110 and 31200, (2) pay a \$10,000 administrative penalty, (3) file a post-effective Amendment updating ~~our~~PMA’s 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.

~~*William Anthony, et al. v. Van Over, et al.*, U.S. District Court for the Eastern District of Tennessee, Knoxville Division, Case No. 3:22cv416. On or about November 18, 2022, a number of franchisee groups, comprised of both individual owners and operating entities, filed this lawsuit (“Lawsuit”) against Barry Van Over (PMA’s Brand Ambassador), Myles Baker (PMA’s Vice President), Premier Franchising Group, LLC d/b/a Premier Martial Arts (“PFG”), and Unleashed Brands. FastLane, LLC and Brent Seebohm, who formerly acted as franchise sales brokers for PFG, were also named as defendants. The Lawsuit alleges that the defendants made misrepresentations in connection with the franchise sales process, including as to the profitability of studios, the number of employees needed to operate studios, PFG’s systems, and that franchises could be run “semi-absentee.” The Plaintiffs’ complaint asserts claims for violation of the Racketeering Influenced and Corrupt Organizations Act, fraud, misrepresentation, negligence, fraudulent inducement, breach of contract, breach of the duty of good faith and fair dealing, civil conspiracy, unjust enrichment, negligence, various statutory claims, and a claim for declaratory judgment. The Plaintiffs seek compensatory damages in excess of \$50 million, attorneys’ fees, treble, statutory and/or punitive damages as permitted by law, declaratory relief, injunctive relief, and interest. PFG has filed a motion to compel arbitration and intends to vigorously defend Plaintiffs’ claims.~~

~~*Lloyd Capanna et al vs. Premier Martial Arts International, LLC et al.*, pending before the American Arbitration Association, Case No. 01-22-0005-2895. On or about December 19, 2022, Claimants filed a demand for arbitration against the Respondents asserting misrepresentations were made in connection with the franchise sales process. The Claimants’ demand asserts claims for violation of the Racketeering Influenced and Corrupt Organizations Act, fraud, misrepresentation, breach of contract, breach of the duty of good faith and fair dealing, unjust enrichment, and various statutory claims. The Plaintiffs seek actual and compensatory damages, attorneys’ fees, special, enhanced, and exemplary damages as permitted by law, declaratory relief, injunctive relief, and interest. Premier Martial Arts International, LLC and the various Respondents intend to vigorously defend Claimants’ claims.~~

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

ITEM 4 **BANKRUPTCY**

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

ITEM 5 **INITIAL FEES**

FRANCHISE AGREEMENT

The initial franchise fee is \$39,900. The initial fee is non-refundable and payable in full when you sign the Franchise Agreement. Except for the differences described below, the initial franchise fee is uniform for all franchisees.

DEVELOPMENT AGREEMENT

If we offer and you sign our Development Agreement, you must pay us a development fee based on the number of Franchised Businesses you commit to open (“Development Fee”), as follows:

Number of Locations	Franchise Fee For Each	Total Development Fee
1	\$39,900	\$39,900
2	\$34,500	\$74,400
3	\$28,000	\$102,400

The minimum commitment is two Class 101 Businesses, and the maximum commitment is three Class 101 Businesses. However, on a very limited basis, and only if you meet our then-current requirements for Developers who may develop more than three Franchised Businesses, for 36 months from the effective date of the Development Agreement, any additional Franchised Business you develop will have an additional fee of \$28,000. Starting with the 37th month after the effective date of the Development Agreement, you must pay the then-current initial franchise fee for development of any additional Franchised Business.

The full Development Fee is due when you sign the Development Agreement and is fully earned when paid in consideration of our reserving the Development Area for you. The Development Fee is non-refundable even if you do not sign any Franchise Agreements or open any Class 101 Franchised Businesses in the Development Area. If and when you sign a Franchise Agreement for each location required by the Development Agreement, you will not have to pay an additional initial franchise fee for that location.

GRAND OPENING

You must spend a ~~minimum of~~between \$10,000 and \$15,000 in connection with your grand opening of the Franchised Business. We will consult with you in planning your grand opening campaign, and we may require that you pay all or a portion of your grand opening obligation to us, which we will then submit to our Designated Supplier no later than six weeks before your scheduled business launch or once the grand opening media plan is submitted to you.

VETERAN'S INCENTIVE

INCENTIVES

We offer a 5% ~~discount off~~reduction of the initial franchise fee and the Development Fee for active-duty United States military and United States veterans who were honorably discharged. The Franchised Business must be operated under a business entity, and the active-duty personnel or veteran participant must maintain at least a 51% ownership interest in ~~the~~such entity throughout the initial term of the Franchise Agreement. A copy of either the active military ID or the form DD-214, evidencing the status of a participating veteran and discharge type, must be submitted with the Franchise Agreement to receive this discount. ~~We reserve the right to cancel or modify any incentive program or discount at any time.~~ If the veteran who was the basis of the veteran's incentive is no longer an Owner for any reason, other than death or disability, at the fifth anniversary of the effective date of your franchise agreement, then you must reimburse us for the veteran's incentive discount applied to your initial franchise fee.

We offer a 5% discount off the initial franchise fee and the Development Fee for existing Class 101 and Affiliated Brands franchisees in good standing who wish to purchase additional units. We require you to develop two to three Class 101 franchised businesses under the Development Agreement. The discounted initial franchise fee is payable in full upon execution of the Franchise Agreement or Development Agreement. In 2023, we charged initial franchise fees ranging from \$37,905 to \$39,900 for a single Class 101 franchise.

~~We reserve the right to cancel or modify any incentive program or discount at any time.~~ Except as described in this Item 5, all fees are uniformly imposed on new franchisees receiving this offering. All fees are fully earned when paid to us and are non-refundable upon payment.

ITEM 6 **OTHER FEES**

Type of Fee ¹	Amount	Due Date	Remarks
Royalty Fee	Greater of 8% of monthly Gross Sales ² or \$500 per month (“ <u>Minimum Royalty</u> ”)	Monthly on the 15 th of the month	See <u>Note 2</u> for definition of “Gross Sales.” The Minimum Royalty fee assessment shall begin on the first day of the seventh month following the opening of the Franchised Business.
NAF Contribution ³	Up to 5% of monthly Gross Sales; currently 2% of monthly Gross Sales	Monthly on the 15 th of the month beginning on the established Opening Date	Your total obligation between NAF Contribution, Local Marketing Expenditure, and Advertising Cooperative shall not exceed 6% of Gross Sales.
Local Marketing Expenditure ⁴	Up to 6% of monthly Gross Sales, minus the portion we designate for NAF Contribution; currently 4% of Gross Sales	Monthly upon invoice	We may modify the Local Marketing Expenditure periodically by providing you at least 30 days’ notice.
Advertising Cooperative Cooperative ⁵ (if established) ⁵	Determined by majority vote of cooperative members	Monthly	Contributions to the Advertising Cooperative will be credited toward your Local Marketing Expenditure.
Technology Fee	Currently up to \$149 per month; the greater of \$300 per month and 1% of Gross Sales, 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.	Drafted automatically on the 15 th day of each month	We have the right to add technology systems and/or adjust the Technology Fee on 30 days’ notice to franchisees. This fee includes licenses to the point of sale system and other software programs that we designate as well as other technology solutions (e.g., franchise management system). See Item 11 for more information.
Call Center Fee ⁶	The sum of the Service Fee and your pro-rata share of E-Commerce Variable Cost, as defined in Note 6.	Monthly on the 15 th of the month	We have established a call center that you must use for various functions; see Note 6 for details.
Initial Training	None for first 2 individuals; then-current <u>training fee</u>	Upon Invoice	See Item 11 for more information about our initial training program and training requirements.

Type of Fee ¹	Amount	Due Date	Remarks
	(currently, \$500 per day) for each additional person		
Additional Training	Currently <u>Then-current additional training fee (currently \$500 per day;</u> plus reimbursement of our out-of-pocket costs	Upon invoice	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
Conference Fee	Currently \$500 per attendee; up to \$1,000 per attendee <u>Currently \$1,000 per attendee; 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 billing	We require that you attend our annual conference. If you cannot attend and we excuse your absence, you must 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 addition to payment of the Conference Fee, you are responsible for wages, travel, lodging, and other fees and costs for you, your Designated Manager, or other personnel to attend such conferences.
Additional On-Site Assistance ⁷	\$500-\$2,500 per day; plus our expenses for travel and accommodations	Upon billing	Payable if you request us to send a representative to your site for training or other assistance.
Compliance Review Fee (if implemented)	Actual cost of program, including purchases made as part of the mystery shop or audit	Upon invoice	Payable if we implement a mystery shop, audit, customer satisfaction, or similar program.
Supplier Review Fee	Reimbursement of our costs incurred in product testing and evaluating suppliers. Based on our past experience, this fee typically ranges from \$250 to \$1,000.	Upon invoice	Payable only if you request to purchase products from an alternative supplier or request to use an alternative product. See Item 8.

Type of Fee ¹	Amount	Due Date	Remarks
On-site evaluation	Reimbursement of our out-of-pocket costs incurred with evaluation of your proposed site	Upon invoice	Payable only if you request us to conduct an on-site evaluation of your proposed site for the Franchised Business.
DISC Profiles	Currently \$15 per profile	Upon invoice	Payable to us. The number of DISC profiles you purchase from us depends on the number of students you advise in your Class 101 Business.
OPA Fee	\$100 per OPA Customer	Upon invoice	If you identify customers who reside or are zoned to high school outside of your Protected Area but not within the protected area of another Class 101 franchisee (“OPA Customer”), and you want to provide them services, you must pay us the out of Protected Area fee (“OPA Fee”). You are limited to five OPA customers at any given time, which do not count towards your minimum customers required under your Franchise Agreement.
Renewal Fee	25% of our then-current initial franchise fee plus reimbursement of our legal and professional expenses and our other costs incurred in connection with the renewal	Upon invoice	Payable only if you exercise your successor term option and satisfy conditions for a successor term.
Relocation Fee	25% of our then-current initial franchise fee	Upon invoice	Payable prior to relocation only if you request and we approve your relocation.
Transfer Fee	<p>1) 50% of our then-current initial franchise fee if <u>controllingControlling</u> interest (over 50%) is transferred to a new approved franchisee;</p> <p>2) 25% of our then-current initial franchise fee if <u>controllingControlling</u> interest is transferred to an approved existing franchisee <u>who has already undergone our initial training and any other required training and has at least one open and operating Class 101 franchised business</u>, plus</p>	Upon invoice	Payable before transfer of your Franchised Business if you request and we consent to transfer. <u>For purposes of the Transfer Fee, a “Controlling interest” means more than 20% the outstanding shares, interest, or assets in the Franchised Business and “Non-Controlling interest” means 20% or less than the outstanding shares, interest, or assets in the Franchised Business.</u>

Type of Fee ¹	Amount	Due Date	Remarks
	reimbursement of our <u>actual</u> legal and professional expenses and our other costs incurred in connection with the transfer; or 3) \$3,500 but only if 20% or less of the total outstanding units in the Franchised Business are being <u>Non-Controlling interest is</u> transferred to an approved Owner and limited to one time per rolling twelve-month period. Otherwise, such transfers are subject to the fee in #2 above.		
Resale Program Fee	Currently, the greater of 4% of the purchase price paid for your Franchised Business (in any form, including cash, credit, debt or stock) or our then-current initial franchise fee (currently \$39,900).	Prior to closing	Payable only if you elect to participate in our Resale Program in connection with the sale of your Franchised Business to an approved transferee of the Franchise Agreement.
Interest	Lesser of 18% per year or maximum lawful rate in your state	Upon demand	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.
Nonsufficient Funds Fee	\$100 per occurrence, not to exceed maximum allowed by applicable law.	Upon demand	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.
Audit Costs	Reasonable <u>Actual</u> cost of audit	Upon invoice	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%
Indemnification	Varies depending upon claim and resolution of claim	Upon demand	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

Type of Fee ¹	Amount	Due Date	Remarks
			to indemnify us under the Franchise Agreement.
Liquidated Damages	The product of (i) eight percent (8%) times the monthly revenue or the Minimum Royalty, whichever is greater by month, for the previous twelve (12) full calendar months, multiplied by (ii) the years remaining in the Initial Term	On demand	Payable only if you default and we terminate your Franchise Agreement. If at the time your Franchise Agreement is terminated, you have been operating your Class 101 Business 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.
Public offering or private placement of your securities	Reimbursement of our actual costs and expenses incurred in having our legal and professional counsel review offering materials	Upon demand	Payable only if you offer your securities in a public or private offering.
Payment Processing Fee ⁸	Varies depending upon the volume of payments made by credit card	Monthly	Payable to us.

DEVELOPMENT AGREEMENT

Type of Fee ¹	Amount	Due Date	Remarks
Transfer Fee (Controlling Interest)	\$25,000 plus \$1,500 for each Class 101 Franchised Business yet to be developed	Upon demand	Payable only if you transfer your obligations under the Development Agreement to an approved third-party
Transfer Administrative Fee (Convenience of Operation or Non-Controlling Interest)	\$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) .	Upon demand	Payable only if you transfer your rights under this agreement to a business entity under your common control
Liquidated Damages	The lesser of i) \$100,000 and ii) the Minimum Royalty fee, multiplied by 36, multiplied by the	Upon demand	Payable only if you default and we terminate your Development Agreement.

	number of units undeveloped under the Development Agreement.		
DISC Profiles	Currently \$15 per profile	Upon invoice	Payable to us.
Site Evaluation Visit	Reimbursement of our actual costs and expenses incurred in visiting and evaluating your proposed site.	Upon demand	Payable only if you request, and we agree, to conduct an on-site evaluation of your proposed site.

Notes:

Note 1. Unless otherwise noted, all fees in this Item 6 are uniformly imposed 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 collected, and the collected 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. 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; (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; and (9) tips and gratuities. 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. The NAF Contribution combined with the Local Marketing Expenditure and any Advertising Cooperative contribution will not exceed 6% of Gross Sales (as allocated by us between the NAF Contribution, Local Marketing Expenditure, and Advertising Cooperative contribution) during any 12-month period. If established, the NAF will contribute up to 5% of its monthly balance to a separate fund (the “Unleashed Fund”) utilized for marketing all ~~brands associated with Unleashed Services~~ the Affiliated Brands. See Item 11 for details on the Unleashed Fund.

Note 4. 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. 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

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

Type of Expenditure ¹	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Initial Franchise Fee ¹	\$39,900	\$39,900	Lump Sum	On signing Franchise Agreement	Us
Exterior signage Lease Payments (one month rent and security deposit) ²	\$2,000	\$7,000	As requested by suppliers arranged	Requested by Contractors and Others Signing of Lease	Landlord Designated Suppliers & Tradesmen
Leasehold and Tenant Improvements ² Improvements ³	\$1,500	\$10,000	As requested by suppliers	Requested by Contractors and Others	Designated Suppliers & Tradesmen Contractors, landlord, and third-party suppliers
Rent ³	\$1,000	\$3,000	Monthly	As Arranged	Landlord
Furnishings, Computer Systems, Security Surveillance System, Other Equipment & Supplies ⁴ Signage (Exterior and Interior) ⁴	\$500 2,000	\$3,500 12,000	As requested by suppliers arranged	Before Opening	Designated Suppliers Third-party suppliers, Us
Grand Opening Marketing ⁵ Furniture, Fixtures and Equipment ⁵	\$10 2,000	\$15 10,000	As Incurred arranged	Before Opening As incurred	Us and, our Affiliate, or Designated Suppliers

Type of Expenditure ¹	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
<u>Computer Systems, A/V, Security Deposits and Other Prepaid Expenses</u> ⁶	<u>\$5003,000</u>	<u>\$35,000</u>	<u>As requested by suppliers arranged</u>	<u>Before Opening</u>	<u>Us, Designated Suppliers or third parties, Landlord and Utility Companies</u>
<u>Training Related Expenses</u> ⁷	<u>\$2,500</u>	<u>\$5,000</u>	<u>As Incurred arranged</u>	<u>Before Opening As arranged</u>	<u>Travel providers, Pre-Opening Payroll, Training, Airlines, Hotels & Restaurants</u>
<u>Legal, Accounting and other Professional Fees</u> ⁸	<u>\$1,500</u>	<u>\$7,000</u>	<u>As arranged</u>	<u>As incurred</u>	<u>Attorney, Accountant and other professionals</u>
<u>Technology Fees</u>	<u>\$447</u>	<u>\$447</u>	<u>As arranged</u>	<u>As incurred</u>	<u>Us</u>
<u>Insurance Premiums</u> ⁶ <u>Deposit</u> ⁹	<u>\$1,500440</u>	<u>\$3,5001,840</u>	<u>As requested by suppliers arranged</u>	<u>Before Opening As arranged</u>	<u>Insurance providers</u>
<u>Legal, Accounting and other Professional Fees Business Licenses and Permits</u> ¹⁰	<u>\$1,500</u>	<u>\$51,000</u>	<u>As arranged with providers</u>	<u>As Arranged incurred</u>	<u>Various service providers such as Attorney and CPA Government agencies, attorneys</u>
<u>Grand Opening Marketing</u> ¹¹	<u>\$10,000</u>	<u>\$15,000</u>	<u>As arranged</u>	<u>As arranged</u>	<u>Us or our Affiliate or Designated Suppliers</u>
<u>Initial Supplies</u>	<u>\$500</u>	<u>\$1,000</u>	<u>As arranged</u>	<u>As arranged</u>	<u>Us, our Affiliate or third parties</u>
<u>Additional Funds – 3 Months</u> ⁷ <u>Months</u> ¹²	<u>\$10,000</u>	<u>\$15,000</u>	<u>As Incurred arranged</u>	<u>As Needed incurred</u>	<u>Designated Us, employees, third-party suppliers, Approved Suppliers, Your employees and</u>

Type of Expenditure ¹	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
					other creditorsetc.
TOTAL	\$ 69,900 <u>75,287</u>	\$ 108,900 <u>130,187</u>			

Notes:

Note 1. ~~Note 1:~~ We compiled the costs reflected in Item 7 based on data collected from our franchisees. This initial franchise fee does not reflect any discounts. Except for security deposits, no amount in the table is refundable.

Note 2. ~~Note 2:~~ You are not required to execute a lease for your Class 101 Franchised Business until 30 days before your one-year anniversary of the effective date of your Franchise Agreement. However, you must open for business within 120 days of the effective date of your Franchise Agreement or within 7 days following your successful completion of the initial training program, whichever occurs earlier. The low end of this estimate assumes you are not choosing to sign a lease before the required lease execution deadline. The high end of the estimate reflects the cost for leasing the premises and includes one month of rent and security deposit. A typical Class 101 Business is approximately between 800 square feet but not more than 1,600 square feet, and may be located in strip centers, office and retail business parks, co-working spaces or other shared commercial office spaces, or other retail parks. Rent varies substantially based upon the site's size, visibility, condition, accessibility and location, local market conditions, demand for premises among prospective lessees, whether it is a co-working or shared office space or a traditional leased premises, and the arrangement you negotiate with the landlord. Your costs for commercial space will be higher in certain high-cost markets, if you choose to purchase real estate, or if you choose a commercial space with a higher square footage than our recommended range stated above.

~~Note 2, Note 3.~~ This estimate includes fees paid to a general contractor you engage to build out the Franchised Business to meet our standards, and for performing cosmetic improvements to an office space (as opposed to retail premises). Leasehold improvements include but are not limited to HVAC, minor electrical, carpentry, floor covering, and painting. The cost of a general contractor or trades people will vary widely depending on the size and condition of the premises, whether or not there are any existing and comparable leasehold improvements in the premises, the extent and quality of the improvements you desire over and above our minimum requirements, your landlord's cash contribution to the costs of improvements, and the local costs of materials and labor. ~~This estimate does not include improvements for free-standing buildings, as the costs for this format vary significantly.~~ You may be able to negotiate tenant improvement allowances from your landlord. The low end of this estimate assumes ~~the landlord provides you are going into a tenant improvement allowance to cover the basic build-out of the Franchised Business location that only needs minor cosmetic improvements.~~ The high end of this estimate assumes that ~~a tenant improvement allowance was the location is provided by landlord as a warm vanilla shell. This estimate does not available.~~ ~~include architectural plans and construction management, costs for construction permits, and other costs involved in a full tenant buildout. Architectural Plans may be required if the location you are considering premises that needs modifications to the layout that are common with needing a construction permit.~~

~~Note 3: This estimate includes the cost for leasing the premises and includes one month of rent. A typical Class 101 Business is approximately 600 sq. ft. but not more than 1,000 sq. ft. and may be located in strip centers, office and retail business parks, co-working spaces or other shared commercial office spaces, or~~

~~other retail parks. Rent varies substantially based upon the site's size, visibility, condition, accessibility and location, local market conditions, demand for premises among prospective lessees, and the arrangement you negotiate with the landlord. If you choose to purchase real estate, we are unable to estimate the total cost of purchasing suitable premises for your Franchise Business or the amount of any down payment that would be required.~~

~~Note 4. Note 4: The amount shown is for furnishings, computer systems, security surveillance system, other equipment and supplies, lobby and multi-purpose room. The low end of the estimate reflects a location that has only interior signage and graphics available to them and the high end reflects a location with exterior façade signage and interior signage and graphics.~~

~~Note 3. Note 5. These costs include, but are not limited to, lobby/reception furniture and supplies, and stationery and office supplies, fixtures, office furniture and fixtures, classroom furniture and fixtures, initial supplies, wall decals, and other materials required in line with brand standards. These costs are approximations and may vary.~~

~~Note 6. Note 5: Initial sales promotion costs. The computer system, audio/visual, security system and other systems may include advertising, promotional and related expenses, but not limited to computers, iPads, printer, TVs, cameras and security/alarm system.~~

~~Note 4. Note 7. You must pay for transportation, lodging, meals, wages, and worker's compensation insurance (if you send any employees) and salary or compensation for your initial grand opening trainees. As to the amounts shown, the low end of the estimate assumes that you will be operating the Franchised Business and attend the training program yourself, and the high end assumes that you bring an employee, other travel will be needed, and includes travel expenses, although these may vary significantly depending upon factors such as the distance traveled and mode of transportation. Your costs will also vary depending on the nature and style of accommodations, and the number of persons who will attend training.~~

~~Note 8. Note 6: The estimate assumes that you will engage an attorney, accountant, and other consultants to help you evaluate our franchise offering as well as any lease documents. Your actual costs may vary substantially, for example, depending on the degree to which you rely upon your advisors and upon the requirements that may apply to your Franchised Business.~~

~~Note 5. Note 9. You must maintain insurance of the kinds and in the minimum amounts as we specify, including commercial general liability insurance for claims related to: premises and operations, auto, property, casualty, product, sexual harassment, abuse and molestation, employment practices (including unfair labor practices and joint employer), data breach, and errors and omissions, and in each case, under which Class 101 Franchise, LLC and its affiliates are named as additional named insureds. The amounts displayed are the initial deposit amounts (typically 20% of the annual premium) plus three months of premium payments. If you choose to pay the policies in full, these costs will be higher.~~

~~Note 10. Note 7: These are general estimates for permits and licensing that may be required by local and state governments, as well as forming and registering an entity to operate as the franchisee. Local, municipal, county and state regulations vary on the licenses and permits you will need to operate a Franchised Business. You are solely responsible for obtaining all appropriate licenses and permits.~~

~~Note 11. Grand Opening Marketing costs include advertising, promotional and related expenses for your initial grand opening program. You may choose to spend more or do other types of marketing as approved by us.~~

This estimates the additional funds you may need to cover expenses you will incur before your Franchised Business opens and in its first three (3) months of operation. These expenses may include, without limitation, employee salaries, wages and benefits, payroll taxes, Royalty Fees, NAF Contribution, Local Marketing Expenditure, Call Center Fees, additional inventory, miscellaneous suppliers, and equipment,

rent, bank charges, state tax and license fees, deposits, prepaid expenses, and other miscellaneous items. Such amounts are the minimum recommended levels and are only estimates. You should not plan to draw income from the operation during the start-up and developmental stage of your business, the actual duration of which will vary materially from location to location. We relied on our affiliate-owned operations in estimating these amounts. You should take into account the cash outlays that you may incur while you are trying to get established. You must have additional sums available, whether in cash or through a bank line of credit or have other assets which you may liquidate or against which you may borrow, to cover other expenses and any operating losses you may sustain.

~~Note 6. Note 12. We do not offer financing directly or indirectly for any part of the initial investment. Availability and terms of financing depend on many factors, including the availability of financing generally, your creditworthiness and collateral, and lending policies of financial institutions from which you request a loan.~~

YOUR ESTIMATED INITIAL INVESTMENT – DEVELOPMENT AGREEMENT

(Additional Costs to the Above Per Unit Initial Investment)

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is Made
	Low	High			
Development Fee ¹	\$74,400	\$102,400	Lump Sum	On signing the Development Agreement	Us
Legal, Accounting and Other Fees ²	\$3,000	\$5,000	Lump Sum	As Incurred	Third parties
TOTAL³	\$77,400	\$107,400			

Notes:

Note 1. You must develop two to three Class 101 Businesses under the Development Agreement. The Development Fee due under the Development Agreement is based on the additional initial franchise fees for the second and the third Class 101 Businesses.

Note 2. You may incur additional legal, accounting, and other fees for reviewing the Development Agreement.

Note 3. For each Class 101 Franchised Business you develop under the Development Agreement, you will also incur the expenses in the table above in this Item 7 (except for the initial franchise fee).

The 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

We have a right to require that products, supplies, furniture, fixtures, equipment and services that you purchase or lease for use in your Franchised Business: (1) meet specifications that we establish from time

to time; (2) be a specific brand, kind, or model; (3) be purchased or leased only from suppliers we designated (each a “Designated Supplier”); (4) be purchased or leased only from a single source that we designate (which may include us or our affiliates); and/or (5) be purchased as part of a purchasing program, arrangement, or contract we negotiate or specify. We may add or change Designated Suppliers at any time. We may designate one or more Designated Suppliers for any goods or services upon notice to you.

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, 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, to the extent permitted by law; (8) local and regional marketing services; (9) reputation management and customer service satisfaction evaluations, and other surveys, (10) real estate brokers, and (11) other products and services that we require. 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 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, (5) certain insurance policies, (6) DISC profiles, (7) certain workbooks and other certain other instructional material, and (8) certain support services related to the operation of your Franchised Business, including the accounting systems and third party accounting services that we prescribe. Adventis is the sole approved supplier for workers’ compensation coverage.

You must secure a site for the Franchised Business in the Protected Area that meets our site selection criteria (“Approved Location”), which are detailed in the Manual, and sign the lease for the premises no later than 30 days prior to the one year anniversary of the effective date of the Franchise Agreement (the “Lease Deadline”). You may not enter into a lease for a site for the Franchised Business until we approve that site.

We have certain exclusive supply, license, or merchandizing arrangements with suppliers, and they may pay us in connection with such agreements (see amounts of supplier payments below). These may become part of our required program or required retail sales. We may add other Designated Suppliers or discontinue such arrangements at our discretion.

We may in the future require you to buy from us advertising and promotional materials, direct mail flyers and related forms at prices that we determine. We may in the future provide media buying and placement services for local marketing and advertising. If we purchase media time or space or place advertising, then you will pay us our costs plus a reasonable fee not to exceed 15% of those costs. We do not currently require you to purchase these materials or services from us. We or affiliates may in the future offer or choose others to offer other goods or services and may become Designated Suppliers or the only Designated Supplier for other goods and services.

Except as set forth in this paragraph, neither we nor our affiliates are currently Designated Suppliers for any products or services that you are required to purchase or lease. Our affiliates or we are the only approved suppliers for certain purchases for the Franchised Business. You will be required to purchase the following through us or our affiliates: (1) licenses to the point of sale and other software programs that we designate (cost included in the Technology Fee; See Item 6), (4) technology solutions (e.g., franchise management system, computer equipment) identified by us (cost included in the Technology Fee), (5) DISC profiles, (6) certain workbooks and other certain other instructional material (cost included in Initial Franchise Fee), and (7) certain support services related to the operation of your Franchised Business, including the accounting systems and third party accounting services that we prescribe (e.g., Call Center and Membership Program).

servants, and employees, and must include a 30-day notice of cancellation directed to both you and to us or the person we designate.

REVENUE DERIVED FROM ~~REQUIRED~~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 Designated 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. During the fiscal year ending December 31, ~~2023~~2022, we received revenue from required purchases of \$29,50983,616, which was ~~58.5%~~ 58.5% of our total revenues of \$539,825. ~~Our predecessor received revenues from required purchases or leases by franchisees of \$13,709, which was 7.1% of our predecessor’s total revenues of \$192,750.978,058.~~ During the fiscal year ending December 31, ~~2023~~2022, we received rebates of \$23,858, which was 4.4% of our total revenues. ~~Our predecessor received rebates of \$15,660, which was 8.1% of our predecessor’s total revenues. Our affiliates did not receive revenue from required purchases or leases during the 64,563, which was 6.6% of our total revenues2022 fiscal year.~~

We estimate that the aggregate cost of required purchases and leases of products and services from us, Designated Suppliers, approved suppliers, and otherwise in compliance with our standards and specifications will constitute virtually 100% of your total cost of products and services in connection with establishing and then operating the Franchised Business.

Except through an interest in us or our affiliates, none of our officers owns any interest in any Designated Supplier.

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 franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.

Obligation	Sections in Franchise Agreement	Sections in Development Agreement	Disclosure Document Items
a. Site selection and acquisition/lease	Article 3 and Attachments G	Articles 1 and 4	Items 11 and 12
b. Pre-opening purchases/leases	Articles 4 and 5	Not Applicable	Items 7 and 8
c. Site development and other pre-opening requirements	Articles 4 and 5	Article 4	Item 7
d. Initial and ongoing training	Article 8 and Section 2.B.(4)	Section 6.2	Item 11
e. Opening	Article 5	Article 4	Item 11

TYPICAL TIME BETWEEN SIGNING AND OPENING FOR BUSINESS

The typical length of time between signing the Franchise Agreement and the opening of your Franchised Business is the earlier of 120 days from the effective date of the Franchise Agreement or within seven (7) days following your successful completion of the initial training program, whichever occurs earlier. You may begin operations in your home office while you identify a site and enter into a lease, which you must do within 12 months after the effective date of your 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. While you are securing a lease, you may operate the Franchised Business' administrative operations out of your home office. However, all of your services, classes, training sessions, and client meetings must take place at a classroom or other location outside of your home that meets our approval, such as the customer's home or public locations such as a coffee shop or library.

CONFIDENTIAL MANUALS

The table of contents of the current Manual, ~~titled the "Class 101 Brand Guide,"~~ is attached as Exhibit A to this disclosure document. The Manual currently contains 23164 pages. We will also disclose to you our periodically updated Manual ~~(total of 48 pages), the table of contents of which is included in Exhibit A.~~ We consider these materials to be proprietary and confidential, and you are bound by the Franchise Agreement to keep them confidential.

INITIAL TRAINING PROGRAM

The initial training program currently consists of both virtual and in-person training. The in-person portion takes place at an approved working Class 101 location that we choose and requires travel. Owners of the franchise, as well as a Designated Manager (if different than the Owner) must attend and complete our initial training program to our satisfaction.

You must complete the initial training program no later than 30 days before opening the Franchised Business. If you purchase a franchise from an existing Class 101 franchisee, you must attend the initial training program after signing a purchase and sale agreement with the transferor franchisee, but before closing. The purchase and sale agreement must be contingent on simultaneously signing a Franchise Agreement and successfully completing training. We plan to be flexible in scheduling training to accommodate both our personnel and your principals. We currently conduct training as often as necessary based on the number of new franchisees joining our system.

The initial training program consists of the following:

TRAINING PROGRAM

Subject	Hours of Classroom Training/Lab	Hours of on the job Training	Location
Orientation/Introduction and Orientation	1	0	As we determine (online, Bedford, Texas, or at our designated locations)
Sales/Recruiting	2	2	As we determine (online, Bedford, Texas, or at our designated locations)

Subject	Hours of Classroom Training/Lab	Hours of on the job Training	Location
Sales Presentations	2	2	As we determine (online, Bedford, Texas, or at our designated locations)
Marketing	3	2	As we determine (online, Bedford, Texas, or at our designated locations)
Student Meeting Curriculum	<u>15</u>	<u>48</u>	As we determine (online, Bedford, Texas, or at our designated locations)
ACT/SAT Preparation	2	2	As we determine (online, Bedford, Texas, or at our designated locations)
Colleges Business Performance	13	01	As we determine (online, Bedford, Texas, or at our designated locations)
College Trips/Visits	1	0	As we determine (online, Bedford, Texas, or at our designated locations)
Staffing/Growth	1	0	As we determine (online, Bedford, Texas, or at our designated locations)
Scholarships	1	0	As we determine (online, Bedford, Texas, or at our designated locations)
FAFSA Financial Aid	1	0	As we determine (online, Bedford, Texas, or at our designated locations)
Brand Standards Manual Marketing	3	03	As we determine (online, Bedford, Texas, or at our designated locations)
Business Performance	3	1	As we determine (online, Bedford, Texas, or at our designated locations)
Total	22	<u>12</u>	

The primary person in charge of training is ~~Carisa Findley~~Kacie Davis, our ~~President, who has over 10 years Manager of experience in training~~College Planning and operations. Since Training. Before joining us in January 2024, ~~Kacie served as President in September 2023, she has learned~~a college advisor at the

~~details of all operational high school level for over four years and other aspects of our business~~ has been a high school educator for seven years. She also served as an academic advisor at the college level for four years. The training instruction material includes the Manual and the forms you will use in operating the Franchised Business. Any other trainers will have appropriate knowledge to facilitate training in the areas they will teach based on their day-to-day involvement with our system or in the subject matters they will teach.

You are responsible for transportation to the training facilities, lodging, daily transportation between the hotel and the training facilities, wages, and all meals and personal expenses incurred during the initial training program.

We retain the absolute right to prescribe optional and mandatory continuing training programs without charge throughout the term of your Franchise Agreement. We currently require that you attend regional training each year at locations and on dates we determine. We may provide continuing training programs for you if you need specialized instruction and hands-on training with implementing newly developed operating procedures as we incorporate them into the Class 101 franchise system. We may also provide continuing training programs for those franchise owners who, as an identifiable group, have experienced the same or similar difficulties in managing their Franchised Businesses. We may hold these continuing training programs at the corporate training facilities or other locations as we designate for the convenience of the franchise owners in attendance and our training staff. We have structured all continuing training programs to build business-management skills, to develop expertise in technical matters related to the Franchised Business or to remedy specific problems commonly encountered throughout the franchise system. These continuing training programs may last from one to five days depending on the subject material and the specific needs of those attending. You must acknowledge this obligation to attend these mandatory continuing training programs and agree that you will be responsible for your own travel, lodging, meals and living expenses.

We may conduct, and require you to attend, periodic conferences to discuss System developments, including operational efficiency, personnel training, bookkeeping, account, inventory control, performance standards, advertising programs, and merchandising procedures. We may require your Designated Manager to attend the conferences, and the conference fee is currently ~~\$500~~1,000 per attendee. In addition, you are responsible for all conference-related costs and expenses, including compensation, travel, accommodations, wages, and meals for attendees. An estimate of these travel expenses is included in Item 7.

ADVERTISING

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.

We have established and maintain a URL website promoting the Class 101 system and identifying the location of Class 101 Franchised Businesses. You will participate in all system-wide promotions that we conduct.

NATIONAL ADVERTISING FUND

We 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”); currently the NAF Contribution is 2% of Gross Sales. We reserve the right to suspend or increase the NAF Contribution at any time upon 60 days’ prior notice to you; however, if we increase the NAF Contribution, the sum of the NAF Contribution, Advertising Cooperative contribution, and Local Marketing Expenditure will not exceed 6% of Gross Sales (as allocated by us between the NAF

NAF Contributions

We did not collect NAF contributions as of December 31, 2022. In our last fiscal year ended December 31, 2023, we spent approximately 1.3% of the NAF on production, 68.9% on media placement and 29.7% on platforms and administration. At the end of the year, we will carry over to the following year any advertising fees we have not spent and will use these monies for advertising and marketing.

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 ~~brands of the Affiliated Brands~~ under the Unleashed ~~Services Brands~~ umbrella; ~~these brands currently include Urban Air Adventure Park, Snapology, The Little Gym, Premier Martial Arts, Class 101, and XP League, but may include other brands in the future (collectively, the “Unleashed Brands”).~~ When the Unleashed Fund is established, the NAF may contribute up to 5% of its monthly balance to the Unleashed Fund. ~~All~~Each of the ~~Unleashed~~Affiliated Brands are expected to contribute to the Unleashed Fund, except the percentage contributed by each ~~Unleashed~~Affiliated Brand’s fund may vary. Only the ~~Unleashed~~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 (for example, Maryland), 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 ended December 31, 2023, we did not create or maintain an Unleashed Fund

LOCAL MARKETING EXPENDITURE

You must make the Local Marketing Expenditure, as may be amended by us periodically, but which, when combined with the NAF Contribution and Advertising Cooperative, will not exceed 6% of Gross Sales (as allocated by us between the NAF Contribution, the Advertising Cooperative, and the Local Marketing Expenditure) during any 12-month period. 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 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 web site advertising or 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 applicable law and conform to our standards and specifications related to advertising, marketing, and trademark use. You must submit to us samples of

or another distribution channel selling or leasing similar products or services (to a Class 101 Franchised Business) under a different trademark.

Certain products or services from our affiliate Sylvan, whether currently existing, in research and development, or developed in the future, may be distributed in your Protected Area 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. Sylvan, whose principal business address is the same as Class 101's principal business address, currently offers franchises for SYLVAN franchised businesses, which provide specialized assessment and teaching of individualized educational programs for children in the principal areas of reading, mathematics, writing, and test preparation, and portable SylvanSync and Sylvan-branded learning environment individualized for children, using proprietary SylvanSync computer systems. Sylvan may also provide certain college prep services, including SAT and ACT prep classes, under the Sylvan name and related trademarks. Sylvan may also offer other services and products that may overlap with Class 101's services and products. While the principal business addresses for Class 101 and Sylvan are the same, Sylvan maintains training facilities that are physically separate from Class 101. Sylvan franchisees may solicit or accept customers near your Franchised Business and in your Protected Area. We do not expect any material conflicts between Sylvan franchisees 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.

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.

You may relocate your Franchised Business only within the Protected Area and with our written consent. We will not unreasonably withhold 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.

Under the Franchise Agreement, you do not receive any options or rights of first refusal to acquire additional franchises. Upon termination of the Franchise Agreement for any reason, we can re-grant the territory to another franchise owner or establish a company-owned business offering the same or similar goods and services as those you offered.

DEVELOPMENT AGREEMENT

When you execute your Development Agreement, we will identify an exclusive Development Area in which you will open your Class 101 Franchised Businesses. During the term of the Development Agreement, we will not own or operate, or grant anyone else the right to operate, a Class 101 Business within the Development Area. When you are ready to open each Franchised Business, you will sign a franchise agreement which will contain the appropriate Protected Area. We will determine or approve the location of future Franchised Business and any protected territories for those Franchised Business based on our then-current standards for sites and protected territories. Upon expiration or termination of the Development Agreement, your rights to the Development Area also terminate, except for the Protected

Provision	Section in Franchise Agreement	Summary
		Franchise Agreement and all other agreements; you and each owner must sign our then-current form of general release; the transferee must meet 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 training requirements; the economic terms of the transfer may not, in our opinion, materially and adversely affect the post transfer viability of the Franchised Business. If you participate in our resale program, and we find a prospective buyer, you must pay the then-current resale program fee.
(n) Franchisor’s right of first refusal to acquire franchisee’s business	Section 17.G.	We may match any bona fide offer to purchase your business or the ownership interests in you, if you are an entity.
(o) Franchisor’s option to purchase franchisee’s business	<u>Section 19.CB.</u>	Upon the happening of a “Triggering Event” (meaning termination or expiration of the franchise, notice to you that we intend to purchase all or substantially all of the franchises in the System, or the date of an initial public offering), we may purchase the assets of the Franchised Business for a purchase price equal to “Fair Market Value” of the assets, excluding goodwill or going concern value. We may assume your lease and purchase the assets of your business upon expiration or termination of the Franchise Agreement.
(p) Death or disability of franchisee	Section 17.H.	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.
(q) Non-competition covenants during the term of the franchise	Article 14.B and C.	Neither you nor any Owner may be involved in any Competitive Business. A Competitive Business is any business or enterprise that is the same as or similar to Class 101 Franchised Businesses, including without limitation any business or enterprise, franchised and non-franchised, that operates or grants franchises or licenses for the operation of a business that provides advice, guidance and training to high school students and their parents in preparing for, selecting, applying to, and paying for college.

AVERAGE GROSS SALES¹ OF FRANCHISED OUTLETS

Year		2022
Table 1	Top Quartile Range Revenue	Franchised# of Units
Average Gross Sales Per Outlet	1 \$164,362 <u>\$ 616,944</u>	10
Number Exceeding Average	1 \$ 267,311	
Percentage Exceeding Average	31% <u>\$392,938</u>	
Median	1 \$133,092 <u>\$349,906</u>	
Highest Gross Sales	1 \$451,435 <u>4</u>	
Avg.		

Lowest Gross Sales \$27,302

Table 2	2nd Quartile Range Revenue	# of Units
High	<u>\$246,589</u>	10
Low	<u>\$141,337</u>	
Avg.	<u>\$170,504</u>	
Median	<u>\$160,264</u>	
No Above Avg.	<u>4</u>	

[ITEM 19 CONTINUES ON THE NEXT PAGE.]

<u>Table 3</u>	<u>3rd Quartile Range Revenue</u>	<u># of Units</u>
<u>High</u>	<u>\$137,990</u>	<u>10</u>
<u>Low</u>	<u>\$75,546</u>	
<u>Avg.</u>	<u>\$101,890</u>	
<u>Median</u>	<u>\$100,559</u>	
<u>No Above Avg.</u>	<u>5</u>	

<u>Table 4</u>	<u>4th Quartile Range Revenue</u>	<u># of Units</u>
<u>High</u>	<u>\$69,615</u>	<u>10</u>
<u>Low</u>	<u>\$30,134</u>	
<u>Avg.</u>	<u>\$47,026</u>	
<u>Median</u>	<u>\$43,407</u>	
<u>No Above Avg.</u>	<u>4</u>	

Notes:

Note 1. “Gross Sales” means the dollar aggregate of: (1) the sales price of all products, services, membership fees, merchandise and other items sold and collected, and the collected 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. 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; (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; and (9) tips and gratuities.

Note 2. Out of the 4855 total franchised outlets at the end of calendar year 2022-42023, 8 were excluded because they were not open the entire year 2022-2023, and 97 were excluded because they operated on a part-time basis.

The information in the above table is taken from reports submitted to us by our franchisees. This information is not audited. The Gross Sales figures in the table above do not reflect the costs of sales, operating expenses or expenses that must be deducted from the Gross Sale figures to obtain your net income or profit.

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

Written substantiation for these financial performance representations will be made available to you upon reasonable request.

The financial performance representation figures do not reflect the costs of sales or operating expenses that must be deducted from the Gross Sales figures to obtain you net income or profit. The best source of cost and expense data may be from franchisees and former franchisees, some of whom may be listed in Exhibit I.

Other than the preceding financial performance representation, we do 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 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 Joshua Wall, 2350 Airport Freeway, Suite 505, Bedford, Texas, 76022, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1
SYSTEM-WIDE OUTLET SUMMARY
FOR YEARS ~~2020~~2021 TO ~~2022~~2023

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2020 2021	4344	4449	+15
	2022 2021	4449	4948	+51
	2023 2022	4948	4855	-17
Company-Owned	2020 2021	1	1	+0
	2021 2022	1	1	+0
	2023 2022	1	1	+0
Total Outlets	2021 2020	4445	4650	+15
	2022 2021	4550	5049	+51
	2023 2022	5049	4956	-17

NOTE 1: ~~As of September 15, 2023, this company-owned outlet converted to a franchised outlet.~~

TABLE NO. 2
TRANSFERS OF OUTLETS FROM FRANCHISEE TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)
FOR YEARS ~~2020~~2021 TO ~~2022~~2023

State	Year	Number of Transfers
	2021 2020	01

State	Year	Number of Transfers
Florida	2022 2021	+0
	2023 2022	0
Kentucky	2021 2020	0
	2022 2021	0 <u>1</u>
	2023 2022	+0
Tennessee	2021 2020	0 <u>1</u>
	2022 2021	+0
	2023 2022	0
Total	2021 2020	0 <u>2</u>
	2021 2022	2 <u>1</u>
	2023 2022	+0

TABLE NO. 3
STATUS OF FRANCHISED OUTLETS
FOR YEARS ~~2020~~~~2021~~ TO ~~2022~~~~2023~~

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Alabama	2021 2020	1	0	0	0	0	0	1
	2022 2021	1	0	0	0	0	0	1
	2023 2022	1	0	0	0	0	0	1
Arizona	2021 2020	1	0	0	0	0	0	1
	2022 2021	1	0	0	0	0	0	1
	2023 2022	1	0	0	0	0	0	1
Arkansas	2021 2020	1	0	0	0	0	0	1
	2021	+	0	0	0	0	0	+
	2022	1	0	0	0	0	1	0
	2023	0	0	0	0	0	0	0
California	2021 2020	2 <u>1</u>	0	0	0	0	+0	1
	2021	+	0	0	0	0	0	+
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Colorado	2021 2020	1	0 <u>1</u>	0	0	0	0	+2
	2022	2	0	0	0	0	0	2
	2023	2	1	0	0	0	0	3

Connecticut	2021	<u>+0</u>	<u>+0</u>	0	0	0	0	<u>20</u>
	2022	<u>20</u>	0	0	0	0	0	<u>20</u>
	<u>2023</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Florida	<u>2021</u> 2020	<u>45</u>	<u>+0</u>	0	0	0	0	5
	2021	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
	2022	5	0	1	0	0	0	4
	<u>2023</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
Georgia	<u>2021</u> 2020	1	0	0	0	0	0	1
	2021	<u>+</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>+</u>
	2022	1	0	0	0	0	0	1
	<u>2023</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
Idaho	<u>2021</u> 2020	1	0	0	0	0	0	1
	<u>2022</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>
Illinois	2021	<u>+0</u>	0	0	0	0	0	<u>+0</u>
	2022	<u>+0</u>	0	0	0	0	0	<u>+0</u>
	<u>2023</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Indiana	<u>2021</u> 2020	1	<u>0</u> 1	0	0	0	0	<u>+2</u>
	2021	<u>+</u>	<u>+</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	2022	2	0	0	0	0	0	2
	<u>2023</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
Kansas	<u>2021</u> 2020	0	0	0	0	0	0	0
	2021	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	2022	0	1	0	0	0	0	1
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Kentucky	<u>2021</u> 2020	<u>32</u>	<u>0</u> 1	0	0	0	<u>0</u> 1	<u>32</u>
	2021	<u>3</u>	<u>+</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>+</u>	<u>3</u>
	2022	<u>32</u>	0	0	0	0	0	<u>32</u>
	<u>2023</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
Louisiana	<u>2021</u> 2020	<u>+0</u>	0	0	0	0	<u>+0</u>	0
	2021	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	2022	0	0	0	0	0	0	0
	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Massachusetts	<u>2021</u> 2020	0	0	0	0	0	0	0
	2021	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

	2022	0	1	0	0	0	0	1
	2023	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Michigan	2021 2020	0	<u>0</u>	0	0	0	0	<u>0</u>
	2021	<u>0</u>	<u>+</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>+</u>
	2022	1	0	0	0	0	0	1
	2023	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Mississippi	2021 2020	1	0	0	0	0	0	1
	2021	<u>+</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>+</u>
	2022	1	0	0	0	0	0	1
	2023	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Missouri	2021 2020	2	0	0	0	0	0	2
	2021	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	2022	2	0	0	0	0	0	2
	2023	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
New Jersey	2021 2020	2	0	0	0	0	0	2
	2022	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	2023	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
New Mexico	2021	<u>2</u>	0	0	0	0	<u>2</u>	
	2022	<u>2</u>	0	0	0	0	<u>2</u>	
	2023	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	
New York	2021 2020	<u>2</u>	<u>1</u>	0	0	0	0	3
	2021	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
	2022	3	0	1	0	0	0	2
	2023	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>	
North Carolina	2021 2020	1	<u>0</u>	0	0	0	0	<u>1</u>
	2021	<u>+</u>	<u>+</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	2022	2	0	0	0	0	0	2
	2020 2023	<u>4</u>	0	0	0	0	0	<u>4</u>
Ohio	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
Oklahoma	2021 2020	1	0	0	0	0	0	1
	2021	<u>+</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>+</u>
	2022	1	0	0	0	0	0	1
	2023	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Pennsylvania	2021 2020	2	0	0	0	0	0	2

	<u>2022</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>1</u>
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
South Carolina	2021	20	0	0	0	0	0	20
	2022	20	0	0	0	0	10	10
	<u>2023</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Tennessee	2021 2020	5	0	0	0	0	0	5
	2021	5	0	1	0	0	0	4
	2022	4	1	0	0	0	1	4
	<u>2023</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
Texas	2021 2020	5	12	0	0	0	10	57
	2021	5	2	0	0	0	0	7
	2022	7	1	0	0	0	0	8
	<u>2023</u>	<u>8</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>11</u>
Virginia	2021 2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Wisconsin	2020 2021	0	10	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Totals	2020 2021	43	47	0	0	0	31	4448
	2021	44	7	1	0	0	1	49
	2022	4948	4	2	0	0	3	4847
	<u>2023</u>	<u>47</u>	<u>9</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>55</u>

TABLE NO. 4

**STATUS OF COMPANY OWNED OUTLETS
FOR YEARS ~~2020~~2021 TO ~~2022~~2023**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Kentucky	2020 2020	1	0	0	0	0	1
	2022 2020	1	0	0	0	0	1
	2022 2020	1	0	0	0	0	1
Total	2020 2020	1	0	0	0	0	1
	2022 2020	1	0	0	0	0	1
	2022 2020	1	0	0	0	0	1

~~NOTE 1: As of September 15, 2023, this company-owned outlet converted to a franchised outlet.~~

TABLE NO. 5
PROJECTED OPENINGS
AS OF DECEMBER 31, ~~2022~~2023

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In the Next Fiscal Year	Projected New Company-Owned Outlet in the Next Fiscal Year
Colorado	1	1	0
Georgia	1	1	0
Kentucky	0	1	0
Texas	1	1	0
Total	<u>3</u>	<u>4</u>	0

The name of each of our current franchisees and the address and telephone number of each of their outlets as of the end of our last fiscal year (unless another date is stated on the list) is in Exhibit I. Our fiscal year ends on December 31 of each year. Exhibit I also reflects franchisees, if any, who had a franchise agreement terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during ~~2022~~the last fiscal year, or who has failed to communicate with us within ten weeks of the date of this disclosure document.

If you buy a Class 101 Franchised Business, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three years, we have entered into agreements with franchisees that contain confidentiality clauses. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with Class 101. You may wish to speak with current and former franchisees, but be aware that not all of those franchisees will be able to communicate with you.

We have not created, sponsored or endorsed a trademark-specific franchisee organization. No independent franchisee organization has asked to be included in this disclosure document.

ITEM 21
FINANCIAL STATEMENTS

Attached as Exhibit H to this disclosure document are ~~the financial statements of UA Holdings, LLC and subsidiaries, our parent company, as of December 31, 2022 and for the periods from December 28, 2022 through December 31, 2022 (successor) and January 1, 2022 through December 27, 2022 (predecessor) and~~ (i) the consolidated financial statements for the years ending December 31, 2023 and 2022 of Unleashed Brands, LLC, our parent company, and (ii) ~~2021, 2020 and 2019. Also included in Exhibit H is the~~ unaudited balance sheet of ~~UA Holdings~~Unleashed Brands, LLC as of ~~September 30, 2023,~~March 31, 2024 and its unaudited profit and loss statement ~~as of September 30, 2023 from January 1, 2024 to March 31, 2024.~~ A copy of the guaranty of ~~UA Holdings~~Unleashed Brands, LLC is attached in Exhibit H. Because we are a new company formed on April 6, 2022, we do not have available and cannot yet include three full years of audited financial statements as required by the FTC Franchise Rule. Our fiscal year end is December 31, 2023.



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03	Approvals and Compliance	6	1
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05	Color Palette and Fonts	8	1
06	Business Cards.....	9	1
07	Letterhead.....	10	1
08	Email Signature & Tagline.....	11	1
09	Collateral Materials	12	2
10	Office Furniture.....	14	6
11	Franchise Kit.....	20	2
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LIST OF AGENTS FOR SERVICE OF PROCESS

<p>CALIFORNIA Department of Financial Protection and Innovation Division of Corporations 320 W. 4th Street, Suite 750 Los Angeles, California 90013 (866) 275-2677</p> <p>HAWAII: Commissioner of Securities Hawaii Dept. of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Suite 203 Honolulu, HI 96813 (808) 586-2722</p> <p>ILLINOIS: Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4462</p> <p>INDIANA: Indiana Secretary of State <u>201 State House</u> 200 West Washington Street, <u>Room 201</u> Indianapolis, IN 46204 (317) 232-6531</p> <p>MARYLAND: Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360</p> <p>MICHIGAN: Corporations, Securities and Land Development Bureau Michigan Department of consumer and Industry Services 6546 Mercantile Way P.O. Box 30222 Lansing, MI 48909 (517) 241-6470</p>	<p>NORTH DAKOTA Securities Commissioner 600 East Boulevard Avenue State Capitol Fifth Floor Dept 414, Bismarck ND 58505-0510 (701) 328-4712</p> <p>RHODE ISLAND Securities Division Department of Business Regulations 1511 Pontiac Avenue John O. Pastore Complex-Building 69-1 Cranston, Rhode Island 02920 (401) 462-9527</p> <p>SOUTH DAKOTA Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (701) 328-2910</p> <p>TEXAS: <u>Stephen Polozola</u> <u>2350 Airport Freeway Registered Agents Inc.</u> <u>5900 Balcones Drive, Suite 505100 Bedford Austin, Texas 7602278731</u></p> <p>VIRGINIA Clerk, State Corporation Commission Tyler Building, 1st Floor 1300 Eat Main Street Richmond, Virginia 23219 (804) 371-9733</p> <p>WASHINGTON Department of Financial Institutions Securities Division 150 Israel Road, S.W. Tumwater, Washington 98501 (360) 903-8760</p> <p>WISCONSIN Administrator, Division of Securities Department of Financial Institutions 4822 Madison Yards Way Madison, Wisconsin 53705 (608) 261-7577</p>
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CLASS 101[®]
FRANCHISE AGREEMENT

SUMMARY PAGE

EFFECTIVE DATE:

FRANCHISEE(S):

ADDRESS FOR NOTICES:

TELEPHONE NUMBER:

E-MAIL ADDRESS:

FRANCHISOR: Class 101 Franchise, LLC, a Delaware limited liability company

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

PROTECTED AREA NAME:

INITIAL FRANCHISE FEE: \$39,900

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

MONTHLY ROYALTY FEE: 8% of Gross Sales, subject to minimum royalty of \$500 per month beginning on first day of the seventh month following the Opening Date

MARKETING EXPENDITURE: Up to 6% of monthly Gross Sales, with up to 5% allocated to NAF and remainder to be spent on local marketing

TECHNOLOGY FEE: The greater of 1% of Gross Sales and \$300 per month

RENEWAL FEE: 25% of the then-current initial franchise fee plus reimbursement of legal and professional fees and other costs incurred by Franchisor in connection with the renewal

2. TERM

A. Initial Term.

The initial term of this Agreement (“Initial Term”) shall begin on the Effective Date and shall expire at midnight on the ~~eighth~~tenth anniversary thereafter. Notwithstanding the foregoing, nothing contained in this Section 2.A will limit Franchisor’s termination rights set forth in Section 18 of this Agreement.

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 additional, consecutive five (5) year terms (each a “Successor Term”). 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 Initial Term or first Successor Term, as applicable. Failure to timely provide the required written notice constitutes a waiver of your option to remain a franchisee beyond the expiration of the expiring 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 expiring 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;

(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 Class 101 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, or have secured other premises acceptable to Franchisor, for 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 applicable 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

C. Commencement and Completion of Construction and Build Out.

Construction shall be performed that satisfies the Standards set forth in the Manual. You must obtain our approval of and open the Franchised Business at the Approved Location within twelve (12) months from the Effective Date, which is the maximum time permitted for commencing operations at the Approved Location. We may grant extensions at our discretion, but 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 date on which Franchisee is expected to transition operations from its home office to the Approved Location.

You agree, at your sole expense, to do or cause to be done the following before transitioning business operations to the Approved Location:

- (1) Obtain and maintain all required building, utility, sign, health, sanitation, business, and other permits and licenses applicable to the Franchised Business;
- (2) Make all required improvements to the Franchised Business location and decorate the exterior and interior in compliance with the Standards;
- (3) Purchase or lease and install all specified and required fixtures, equipment, furnishings, and interior and exterior signs required for the Franchised Business;
- (4) Purchase an opening inventory for the Franchised Business of only authorized and approved products and other materials and supplies; and
- (5) Deliver a copy of the lease and Lease Rider (if Franchisor requires) to Franchisor.

Franchisor reserves the right to delay Franchisee’s transition to the Approved Location until it meets Franchisor’s Standards. Further, upon Franchisor’s request, you agree to submit development costs of the Franchised Business to Franchisor in the format Franchisor requires.

5. OPENING

A. Opening Date.

Franchisee must open the Franchised Business by the “Opening Date”, which is the earlier of 120 days from the Effective Date or within seven (7) days following successful completion of the initial training program. Franchisee may operate the Franchised Business out of an approved home office, provided that all services delivered to customers and third-parties shall be conducted at a classroom or other location outside of the home office that meets Franchisor’s approval. Franchisee shall transition to and commence operations at the Approved Location within one year of the Effective Date.

Time is of the essence in performance under this Section 5.B. 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.

development agreement and which may be applied against the Initial Franchise Fee under the terms of such development agreement.

B. Royalty Fee.

You shall pay to Franchisor a nonrefundable and continuing 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. In each monthly period, the Royalty Fee will be the greater of: (a) 8% of Gross Sales, and (b) \$500 (the "Minimum Royalty"). The Minimum Royalty shall begin on first day of the seventh month following the Opening Date.

C. Administrative Fees.

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

(1) Call Center: If Franchisor establishes or designates a centralized call center for Class 101 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"). Both the services and the associated fee may be revised from time to time. The Call Center program may include commissions for scheduling customers for classes and soliciting prospective customers 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 Class 101 businesses operating in the United States.

(2) Membership Program. Franchisor has the right to establish a multi-tier membership program for Class 101 businesses (the "Membership Program"), as further described in Section 11.P. If established, 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.

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

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

~~(5) — Referral Fee. In the event one Class 101 franchisee (the "Referring Franchisee") refers a customer to another franchisee (the "Recipient Franchisee"), the Recipient Franchisee must pay the Referring Franchisee a referral fee of \$400.00 ("Referral Fee") for each student referred by the Referring Franchisee for whom the Recipient Franchisee enters into a contract to provide Class 101 services. See Section 11.I.~~

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 Class 101 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

increase the NAF Contribution at any time, provided that (i) the NAF Contribution will not exceed 5% of Gross Sales, and (ii) the sum of the NAF Contribution, Advertising Cooperative contribution, and required Local Marketing Expenditure will not exceed 6% of Gross Sales during any 12-month period.

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 such conferences by your Designated Manager or general manager may be made mandatory by Franchisor. 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,~~000~~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 Class 101 businesses. Franchisor and its affiliates reserve the right to refuse orders from or deny delivery of products and services to any Class 101 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. Franchisor reserves the right to pass through payment processor and merchant fees for payment processors it designates. If Franchisor elects, you will be charged each month a payment card processing fee, which represents your pro rata share of the system-wide fee assessed by Franchisor's designated payment card processor based on the volume of credit card payments you receive.

G. Payment Method.

You must participate in Franchisor's then-current electronic funds transfer program authorizing Franchisor to utilize a pre-authorized bank draft system and sign the ACH Authorization form attached hereto as Attachment H. 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 Franchisor or credited to Franchisor's account by pre-authorized bank debit before 5:00 p.m. on the date such payment is due, as specified in the Manual (the "Due Date"). On each Due Date, Franchisor will transfer from your commercial bank operating account ("Account") the fees due pursuant to this Section 6 based on the Gross Sales reported to Franchisor by you or as determined by Franchisor by the records contained in the cash registers/computer terminals of the Franchised Business. Declining or revoking participation (directly or indirectly) your participation in Franchisor's then-current electronic funds transfer program is a material breach of this Agreement for which Franchisor may terminate your agreement.

For the sake of clarity, you must include in Gross Sales all revenue you receive in connection with the operation of the Franchised Business, including without limitation disbursements you receive from any third party sales platform (e.g. Groupon), in each case whether authorized or unauthorized (provided, 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 Franchisor under this Agreement or applicable law). If you have not reported to Franchisor Gross Sales for any reporting period, Franchisor

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 applicable 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, **reasonable** attorneys' fees, costs incurred in creating or replicating reports demonstrating Gross Sales of the Franchised Business, court costs, expert witness fees, discovery costs, and **reasonable** 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, NAF Contribution, 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 **reasonable** 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. RECORDKEEPING AND REPORTS

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.

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 for a period of not less than seven (7) years during the 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 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 ~~reasonable~~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 applicable 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.

8. TRAINING AND ASSISTANCE

A. Training.

Franchisor will provide an initial training program at its headquarters or such other location as Franchisor may designate. Your Designated Manager and such other of your management personnel as Franchisor may reasonably require must attend and successfully complete the initial training program before the Franchised Business may open for business. "Designated Manager" means the individual identified in Attachment C and that satisfies the requirements and conditions set forth in Section 11.K. There is no charge for up to two individuals (including the Designated Manager) to attend the initial training program. 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, a ~~reasonable~~ 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, a ~~reasonable~~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.

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 practicable 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 Class 101 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 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

(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, to the extent permitted by law; (8) local and regional marketing services; (9) reputation management and customer service satisfaction evaluations, and other surveys, (10) real estate brokers, and (11) other products and services that we require. You agree 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 Class 101 businesses or a subset of Class 101 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 Class 101 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 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 Class 101 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 ~~reasonable~~ 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's failure to respond constitutes rejection of the proposed 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. If Franchisor revokes approval of such Designated Supplier, you must promptly discontinue use of that supplier.

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 student 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.

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 two consecutive inspections or 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 forms of quality assurance inspections and mystery shops. To the extent Franchisor ~~engages~~utilizes any of its employees, representatives, or a third-party service ~~for conducting~~to conduct quality assurance inspections and mystery shops, you must reimburse Franchisor its actual costs of the mystery shop and cost of any merchandise purchased (“Compliance Review Fee”) in connection with inspections and mystery shops conducted at your Franchised Business. At Franchisor’s request, Franchisor may require you to pay these amounts directly to the applicable services provider.

H. 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 applicable 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.

I. Franchised Business Operations and Minimum Customer Requirements.

You shall cause the Franchised Business to be open and operating on the days and during the hours that Franchisor designates, 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. You must maintain a minimum of 20 active and paying customers as of December 31 of every year of the Term, and if you do not cure this breach within 30 days written notice from Franchisor, Franchisor reserves the right to terminate the Franchise Agreement.

~~You may only provide Class 101 services to customers residing or zoned to high schools in your Protected Area. You are prohibited from providing services to any customers who reside in another Class 101 franchisee’s protected area at any time, whether at the time of the Effective Date or any time in the future). You must refer any customers who reside or are zoned to high schools in another franchisee’s protected area to the Recipient Franchisee, for which you may invoice such Recipient Franchisee the Referral Fee upon confirmation that such referral successfully executed a contract for services with the Recipient Franchisee. Further, any Referring Franchisee who sends you referrals with whom you successfully execute a contract, you must pay the Referring Franchisee the Referral Fee. Referral customers do not count towards your minimum active and paying customers required in the first paragraph of this Section 11.1.~~

~~If you identify customers who reside or are zoned to high school outside of your Protected Area but not within the protected area of another Class 101 franchisee (“OPA Customers”), you must ii) report such opportunity to us and obtain approval from us to enter into a contract with such a customer, and ii) pay us \$100 (“OPA Fee”) per successfully executed contract with the OPA Customer in the same manner as payment of the Royalty Fee. You must execute our then current form for registering each OPA Customer upon our approval but before you begin providing services to the OPA Customer. If at any time before you execute a contract with the OPA Customer, another Class 101 franchisee purchases the territory in which the OPA Customer belongs, you must immediately forfeit the OPA Customer to the new Class 101 franchisee. You may not market or otherwise advertise outside of your Protected Area at any time, pursuant to Section 15.A. below. OPA Customers do not count towards your minimum active and paying customers required in the first paragraph of this Section 11.I., and you are limited to five OPA Customers at any given time.~~

J. 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. 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 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.

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 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.**

K. Designated Manager.

You shall designate and retain an individual to serve as your Designated Manager, or, alternatively, one of your Owners may serve as the 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:

(1) 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 Class 101 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;

(2) He or she shall successfully complete the initial training program and any additional training required by Franchisor;

(3) Franchisor shall have approved him or her as meeting its then-current Standards for such position, and not have later withdrawn such approval; and

(4) He or she shall have executed and delivered to Franchisor a Confidentiality and Noncompete Agreement in the form attached to this Agreement as Attachment E.

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 ~~reasonable~~ 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.

L. 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.

M. 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.

N. 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 student 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 applicable 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

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 the Class 101 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, ~~reasonable~~ 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, 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 Standard and the Manual. This prohibition includes use of the Proprietary Marks or any derivative of the Proprietary Marks as part of in the registration of any user name 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 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 applicable 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 Section 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 ~~or~~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 Class 101 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 applicable 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 applicable 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 Section 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 Franchised Business 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 ~~reasonable~~ 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

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.

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.

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 Class 101 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 Class 101 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 Class 101 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 “Class 101” as part of its URL or domain name, that otherwise states or suggests your affiliation with Class 101 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. 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 60 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

17. TRANSFER

A. Transfer 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.

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~~ 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~~ Controlling Interest, or a collateral assignment or pledge of the 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:

(1) 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;

(2) You must be in full compliance with this Agreement and any other agreements between you and Franchisor, its Affiliates, and your suppliers;

(3) You and each Owner shall have executed a then-current form of general release and a covenant not to sue, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its Affiliates and their respective officers, directors, 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 statute regulating franchising;

(4) The transferee shall demonstrate to Franchisor's satisfaction that the transferee meets Franchisor's then-current Standards applicable to new Class 101 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; 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);

(5) 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. 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;

(6) 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 Class 101 businesses;

(7) 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;

(8) The transferee shall comply with Franchisor's initial training requirements and pay any applicable training fee;

(9) 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 expectation shall be the same as Franchisor's requirements in the then-current Class 101 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;

~~(9)~~(10) 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; and

~~(10)~~(11) If you elect to participate in Franchisor's resale program in connection with the transfer of the Franchised Business pursuant to this Section 17.B., 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 fee.

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 individual listed in Section B of Attachment C has signed the Confidentiality and Non-Competition Agreement in the form of Attachment E;

(3) each new Owner 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 of 25% of the then-current initial franchise 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.

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.

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 pay to Franchisor a retainer in an amount determined by Franchisor, which Franchisor shall use to reimburse itself for the reasonable 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 equity interests 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

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 Section 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. Franchisor's Option to Purchase Upon a Triggering Event.~~

~~Without limiting any right or remedy of Franchisor set forth in Sections 18 and 19, upon the occurrence of (i) notice from Franchisor that it intends to purchase all or substantially all of the Class 101 businesses in the franchise system, or (ii) the date of an initial public offering (each, a "Triggering Event"), Franchisee, on behalf of itself and its Affiliates and Owners, hereby grants to Franchisor or Franchisor's designee the right to purchase the Assets from Franchisee, its Owners and its Affiliates for Fair Market Value, free and clear of all liens, restrictions and encumbrances, determined as set forth in Section 19.B, and with all rights of offset described therein.~~

D.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

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.

YOU SHALL DEFEND AT YOUR OWN COST AND INDEMNIFY AND HOLD HARMLESS TO THE FULLEST EXTENT PERMITTED BY LAW, FRANCHISOR AND ITS AFFILIATES, AND THEIR RESPECTIVE 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 YOU OR THE FRANCHISED BUSINESS OR ANY OF 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 FRANCHISED BUSINESS OR OTHERWISE (COLLECTIVELY, THE “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 YOU OR ANY OF THE OTHER FRANCHISEE INDEMNITORS; (3) ANY ACTUAL OR ALLEGED LIBEL, SLANDER, OR ANY OTHER FORM OF

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 ~~at least 50%~~ 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 ~~at least 51%~~ more than 20% interest in the operating profits and operating losses of the partnership as well as at least ~~51%~~ 20% ownership interest in the partnership (and ~~at least 51%~~ 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 food contamination, food spoilage/poisoning, food tampering/sabotage, contagious diseases, natural disasters, terrorist acts, personal injuries, 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.

“**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.

“**Gross Sales**” means the dollar aggregate of: (1) the sales price of all products, services, membership fees, merchandise and other items sold and collected, and the collected 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. 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; (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; and (9) tips and gratuities. A purchase returned to the Franchised Business may not be deducted from Gross Sales unless the purchase was previously included in Gross Sales.

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.

“**Relocation Fee**” means 25% of the then-current initial franchise fee.

“**Renewal Fee**” means 25% of the then-current initial franchise fee 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.

“**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.

“**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.

“**Transfer Fee**” means:

1) 50% of the then-current initial franchise fee if Controlling Interest is transferred to a new approved franchisee;

2) 25% of the then-current initial franchise fee if Controlling Interest is transferred to an approved existing franchisee who has already undergone Franchisor’s initial training and any other required training and has at least one open and operating Class 101 franchised business; plus, reimbursement of legal and professional fees and other costs incurred by Franchisor in connection with the transfer, not to exceed \$3,500; or

3) \$3,500 if ~~i) 20% or less of the total outstanding units in the Franchised Business are~~Non-Controlling Interest is being transferred to an approved Owner *and* ii) limited to one time per rolling twelve-month period (otherwise, 25% of the then-current initial franchise fee).

REGISTERED US MARKS:

Mark	Registration Number	Registration Date
CLASS 101(<u>standard character mark</u>)	3517347	October 14, 2008

Mark	Registration Number	Registration Date
 CLASS 101 (Design Mark)	<u>7113594</u>	<u>July 18, 2023</u>

**CLASS 101®
FRANCHISE AGREEMENT**

ATTACHMENT G

LEASE RIDER

THIS AGREEMENT is made and entered into on _____, 20____, by and among Class 101 Franchise, LLC, having its principal offices at 2350 Airport Freeway, Suite 505, Bedford, Texas, 76022 (“Franchisor”), _____, having its principal offices at _____ (“Landlord”), and [_____] (“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 _____ 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 Class 101 franchise facility (“Franchised Business”) and contain the agreements set forth herein;
- 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; and
- D. According to Section 3.C. of the Franchise Agreement, all rights, title and interest in and to the Lease must be assigned to Franchisor, at Franchisor’s option, upon the termination of the Franchise Agreement;

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 for the operation of a Class 101 Franchised Business and identified by the mark Class 101® or such other name as may be specified by Franchisor or its affiliates. A portion, in any case less than 25%, of the Leased Premises, may also be used for operation of businesses associated with Unleashed Brands, LLC Affiliates of Franchisor, which shall not be the primary use of the Leased Premises and which additional use shall not violate any use restrictions that exist with respect to the Leased Premises as of the effective date of the Lease. Landlord acknowledges that such use shall not violate any then-existing exclusive rights granted to any existing tenant of Landlord. Landlord consents to Tenant’s use of Franchisor’s marks and signs, décor items, color schemes and related components of Franchisor’s proprietary system. Landlord further acknowledges that during the term of this Lease or any extension thereof, Landlord will not lease space to another business that provides advice, guidance and training to high school students and their parents in preparing for, selecting, applying to, and paying for college within the same shopping center or facility in which the Franchised Business is located.

CLASS 101[®]
FRANCHISE AGREEMENT

ATTACHMENT I

DASHBOARD ACCESS AGREEMENT

This Dashboard Access Agreement (“Agreement”) is entered into by Franchisor and Franchisee on the last date of execution below and amends the terms of the franchise agreement entered into by the parties (“Franchise Agreement”). Capitalized terms not defined herein have the meaning ascribed in the Franchise Agreement.

WHEREAS, Franchisor created an online dashboard through Microsoft’s Power BI to provide Class 101 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 Franchisor (“Data”); and

WHEREAS, ~~by checking one of the two boxes below,~~ Franchisee ~~is indicating its desired~~desires to acquire an optional, license for Power BI through Franchisor, view the Data provided by Franchisee and others, and share its Data on Power BI such that it is visible to other Class 101 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. Franchisee acknowledges its desire to purchase _____ (insert number of licenses to be purchased) twelve-month Power BI license(s) and agrees to reimburse Franchisor the License Fee (as defined below) charged by Microsoft for each Power BI license purchased. The first license is covered by the Technology Fee (as defined in the Franchise Agreement). Any additional license shall incur a “License Fee,” which shall equal \$10.00 per month per license plus applicable taxes, as such fee may be increased by Microsoft from time-to-time. Franchisor acknowledges the License Fee does not include any markup or rebate. Franchisee agrees Franchisor may bill the License Fee through the monthly royalty invoice and collect the License Fee pursuant to Franchisee’s ACH Authorization on file. If there is no ACH Authorization on file, then Franchisee shall remit payment to Franchisor by the deadline by which royalties are due Franchisor under the 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 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. ~~Please check one of the two boxes below indicating your desire to acquire a Microsoft Power BI license and to the sharing of data as set forth in section 2 below~~If Microsoft audits Franchisor’s account and determines additional fees are due because of your violation of the terms, conditions, and license agreement, then Franchisee agrees to pay such sum to Franchisor upon request.

2. SHARING OF AND ACCESS TO DATA. Franchisee acknowledges (a) ~~if Franchisee elects to opt in,~~ Franchisor may share Franchisee’s Data with other Class 101 franchisees through the Power BI platform and such other platforms as identified by Franchisor and (b) ~~if Franchisee elects to opt out, such Franchisee’s the~~ Data ~~will~~may be anonymous ~~on the Power BI platform with respect to those Class 101 franchisees who do not execute this Agreement.~~ Franchisor makes no warranty or representation the Data will be representative of all Class 101 franchisees. Further, Franchisee acknowledges and agrees it will access and use the Data solely with its efforts to improve the operation of its franchised business pursuant to the Franchise Agreement, and such Data is not provided in connection with the offer or sale of a franchise.

3. CONFIDENTIALITY. Franchisee agrees all Data Franchisor makes available to Franchisee through Power BI is Confidential Information as defined in the 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

~~**DO NOT SIGN THIS FRANCHISEE DISCLOSURE QUESTIONNAIRE 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.**~~

of the Franchise Agreement. The remaining terms of the 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.

- ~~**OPT IN:** By selecting this box you are electing to receive a Microsoft Power BI license and the sharing of data as provided in section 2 above.~~
- ~~**OPT OUT:** By selecting this box you are declining to receive a Microsoft Power BI license and to share your data anonymously as provided herein.~~

FRANCHISOR:
CLASS 101 FRANCHISE, LLC,
a Delaware limited liability company

FRANCHISEE:

By: _____
Carisa Findley, its President

By: _____

Name: _____

Its: _____

FRANCHISE DISCLOSURE QUESTIONNAIRE

As you know, Class 101 Franchise, LLC (“we” or “us”) and you are preparing to enter into a Franchise Agreement for the operation of a Class 101 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 Franchise Agreement and pay your franchise fee.** Please review each of the following questions carefully and provide honest responses to each question. If you answer “No” to any of the questions below, please explain your answer ~~on the back of this sheet~~ by emailing Franchising@UnleashedBrands.com.

- Yes ___ No ___ 1. Have you received and personally reviewed the Class 101 Franchise Agreement and each exhibit or schedule attached to it?
- Yes ___ No ___ 2. Have you received and personally reviewed the Class 101 disclosure document we provided?
- Yes ___ No ___ 3. Did you sign a receipt for the Class 101 disclosure document indicating the date you received it?
- Yes ___ No ___ 4. Do you understand all the information contained in the Class 101 disclosure document and Franchise Agreement?
- Yes ___ No ___ 5. A) Have you had ample time and the opportunity to review the Class 101 disclosure document and Class 101 Franchise 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 Class 101 franchise with your professional advisor?
- Yes ___ No ___ C) Did you discuss the benefits and risks of operating a Class 101 franchise with an existing Class 101 franchisee?
- Yes ___ No ___ 6. Do you understand the risks of operating a Class 101 franchise?
- Yes ___ No ___ 7. Do you understand the success or failure of your Class 101 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 Class 101 Franchised Business?
- Yes ___ No ___ 9. A) Do you understand all disputes or claims you may have arising out of or relating to the Class 101 Franchise 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 the Class 101 Franchise Agreement provides you can only collect compensatory damages on any claim under or relating to the Class 101 Franchise Agreement, and not any punitive, exemplary or multiple damages)?
- Yes ___ No ___ 10. Do you understand that your Designated Manager must successfully complete our initial training program?

GENERAL RELEASE

This General Release (the “General Release”) is made and entered into on _____, ____ by and between Class 101 Franchise, LLC (“Franchisor”), _____ (“Franchisee”), _____ and _____ (together with the Franchisee, the “Franchisee Parties”). For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Franchisee Parties agree as follows.

1. In exchange for all good and valuable consideration, the receipt and sufficiency of which is acknowledged, to the maximum extent permitted by applicable law, the 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 Franchisee Parties, the “Releasing Parties”) do remise, release, waive, and forever discharge Class 101 Franchise, LLC, Class 101, Inc., Class 101 Franchise IP, LLC, Unleashed Brands, LLC, Unleashed Services, LLC and each of their respective past and present parents, subsidiaries, affiliates, predecessors, successors, assigns, officers, directors, shareholders, partners, owners, members, managers, agents, attorneys, employees, and representatives (collectively, the “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 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 Class 101 Franchise, LLC and Franchisee dated _____ regarding the operation of a Class 101 franchise located at _____, as amended; (2) any other franchise agreement or any other contract between any Releasing Party and any Franchisor Party; (3) the offer and sale of any Class 101 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 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) the Class 101 franchise located at _____; and (9) 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 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. ~~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.~~

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 Class 101 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 ~~reasonable~~ 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 ~~reasonable~~ 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.

5.5 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 Class 101 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) — Unless released in writing by the employer, employ or seek to employ any person who is at that time employed by Franchisor or by any other franchisee or Developer of Franchisor, or otherwise directly or indirectly induce such person to leave his or her employment.~~

~~(e)(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 Section 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 8.3; 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 Class 101 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 ~~reasonable~~ attorneys' fees) incurred by Franchisor in connection with the enforcement of this Section 8.

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 ~~reasonable~~ 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**

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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 CLASS 101 FRANCHISE, 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 Class 101 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 Class 101 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 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 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 ~~and reasonable~~ 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 — Transfer to Business Entity. Notwithstanding Section 8.4 of this Agreement, you may, with Franchisor's prior written consent, execute and contemporaneously assign your rights and obligations under this Development Agreement to a business entity under common control with you if: (a) such business entity executes and complies with the terms and conditions of the Franchise Agreement; and (b) you pay Franchisor an administrative fee in the amount of \$3,500.~~

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 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

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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 ~~reasonable~~actual 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 Section 8, the executor, administrator, or personal representative of the decedent shall transfer the decedent's interest to another party approved by Franchisor within six 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

~~[Franchisor entity]~~

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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 ~~reasonable~~ 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 DocuSign or other electronic signature or 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; and (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. 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.

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“**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 at least 50 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 at least 51 more than 20% interest in the operating profits and operating losses of the partnership as well as at least 51 more than 20% ownership interest in the partnership (and at least 51 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.

“**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 Class 101 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 Class 101 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**” means you if you are an individual, or each individual or entity holding more than a ten percent or greater equity interest in you if you are a Business Entity (regardless of voting rights), and the individual(s) or entity(ies) that enter into the Development 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.

Unaudited Balance Sheet of Unleashed Brands, LLC as of March 31, 2024 and Unaudited Profit and Loss Statement for the period from January 1, 2024 to March 31, 2024

THESE FINANCIAL STATEMENTS ARE 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 TO THE CONTENT OR FORM.

UNLEASHED BRANDS, LLC AND SUBSIDIARIES
BALANCE SHEET (Unaudited)
AS OF MARCH 31, 2024
(In thousands)

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 19,495
Investments—At fair value	6,645
Accounts receivable—Net	21,713
Inventory	1,307
Deferred attraction costs	15,637
Deferred initial franchise fee costs—Current	1,122
Deferred income taxes	181
Prepays and other current assets	8,344
Total current assets	<u>74,444</u>
DEFERRED INITIAL FRANCHISE FEE COSTS—Net of current maturities	19,399
OPERATING LEASE RIGHT-OF-USE ASSET—Net	38,283
PROPERTY AND EQUIPMENT—Net	8,245
GOODWILL—Net	4,030
INTANGIBLE ASSETS—Net	2,737
OTHER ASSETS—Net	845
RECEIVABLE FROM AFFILIATED ENTITIES—Net	100,599
TOTAL ASSETS	<u><u>\$ 248,582</u></u>
LIABILITIES AND MEMBERS' EQUITY	
CURRENT LIABILITIES	
Accounts payable	\$ 4,071
Accrued liabilities	15,722
Operating lease liability—Current	5,473
Marketing funds	484
Deferred attractions revenues	10,458
Deferred franchise fee revenues—Current	7,132
Unpaid insurance losses and loss adjustment expenses	9,275
Unearned insurance premium	58
Total current liabilities	<u>52,673</u>
OPERATING LEASE LIABILITY—Net of current portion	41,733
CONTRACT LIABILITIES—Net of current portion	54,036
Total Liabilities	<u>148,442</u>
MEMBERS' EQUITY	
Cumulative earnings	<u>100,140</u>
Total members' equity	<u>100,140</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	<u><u>\$ 248,582</u></u>

UNLEASHED BRANDS, LLC AND SUBSIDIARIES
 STATEMENTS OF OPERATIONS (Unaudited)
 For the Three Months Ended March 31, 2024
 (In Thousands)

REVENUES	
Royalty revenues	\$ 19,414
Attraction revenues	8,079
Merchandise revenues	2,327
Company-owned unit revenues	4,728
Franchise fee revenues	1,267
Marketing fund revenues	7,047
Net earned insurance premiums	91
Other revenues	4,869
	<hr/>
Total revenues	47,822
	<hr/>
OPERATING EXPENSES	
Attraction costs	5,142
Company-owned unit costs	4,243
Marketing fund costs	7,047
Salaries and wages	7,707
Incurred insurance losses and loss adjustment expenses	84
Selling, general, and administrative	6,076
Depreciation and amortization expense	490
	<hr/>
Total operating expenses	30,789
	<hr/>
INCOME FROM OPERATIONS	17,033
OTHER INCOME—NET	313
	<hr/>
INCOME BEFORE FEDERAL TAX (EXPENSE)	17,346
Federal tax (expense)	(33)
	<hr/>
Net income	<u>\$ 17,313</u>

FRANCHISEES OPEN AS OF DECEMBER 31, ~~2022~~2023

State	Address	Email Address	Franchisee	Phone Number
Alabama	1555 South University Boulevard, Mobile, AL 36609	Tchilds@class101.com	The Mianni Group	251-450-8141
Arizona	2929 N. Power Road Suite 101-C5, Mesa, AZ 85215	scoats@class101.com	Coats College Planning, LLC	480-428-0101
California	31416 Agoura Rd #105c, Westlake Village, CA 91361	tmitmesser@class101.com	Conejo Valley Inc. <u>Todd Mitmesser</u>	805-380-3302
Colorado	7501 Village Square Dr, Ste. 101, Castle Pines, CO 80108	LWeitenhagen@class101.com	Little Rock Ventures, LLC	720-767-3101
	30 South Sierra Madre Street <u>1045 Garden of the Gods Rd. Suite O, Colorado Springs, CO 8090380907</u>	cpeak@class101.com	The Cutting Educator, LLC <u>Charity Peak</u>	719-501-4300
	<u>13655 W Jewell Ave, Lakewood, Colorado 80228 (Denver West)</u>	<u>kopperman@class101.com</u>	<u>GO Class, LLC</u>	<u>(720) 900-5539</u>
<u>Connecticut</u>	<u>25 Huntington Place, Norwich, CT 06360</u>	<u>steven.craig.educator@gmail.com</u>	<u>Educational Consulting of Southeastern Connecticut Inc.</u>	<u>860-908-5476</u>
Florida	13036 Walden Sheffield Road <u>805 E. Bloomingdale Ave., #787, Brandon, FL 3352733511</u>	rstegemoller@class101.com	Randy Stegemoller <u>and Kim Stegemoller</u>	812-320-3850
	292 W Oakdale Ave, Crestview, FL 32536	nbarnes@class101.com	Blackwater Florida College Planning, LLC	850-634-0103
	850 NW Federal Highway South, Stuart, FL 34994	mikeoleary@class101.com	TC College Planning, LLC	772-247-2716
	2200 N Commerce Pkwy., Suite 200, Weston, FL 33326	vrivas@class101.com	BICO, LLC	954-599-3116
Georgia	7702 Waters Avenue, Savannah, GA 31406	pcooper@class101.com	High2U, LLC	912-303-7600
	8660 W Emerald St, Suite 122, Boise, ID 837043330 <u>Cumberland Blvd SE, Ste 500, Atlanta, GA 30339</u>	anixonatlantanorthwest@class101.com	Class 101 Boise Meridian <u>SOAR For Education, LLC</u>	208-297-6275404- <u>474-7761</u>
<u>Illinois</u>	<u>8523 West 99th Terrace, Building 25, Palos Hills, IL 60465</u>	<u>mrobinson@class101.com</u>	<u>Running Errands For God LLC</u>	<u>312- 517-0904</u>
Indiana	309 East Winslow Road, Bloomington, IN 47401	kstegemoller@class101.com	Stegemoller Enterprises Corp.	812-320-3702
	20 Executive Drive Suite I, Carmel, IN 46032	astegemoller@class101.com	Stegemoller Enterprises Corp.	317-975-1012
Kansas	6550 Sprint Parkway, Suite 200, Overland Park, KS 66211	lmungia@class101.com	CollegeReadiness, LLC	913-214-1113

State	Address	Email Address	Franchisee	Phone Number
Kentucky	1106 South Main Street, Suite C, London, KY 40741	dbowling@class101.com	College Planning Solutions, LLC	606-658-4580
	9850 Von Allmen Court, Suite 201, Louisville, KY 40241	dbrown@class101.com	Dennis Brown	502-338-7723
	301 E Center St, Madisonville, KY 42431	saralutz@class101.com	Class 101 West Kentucky, LLC	270-452-2522
	<u>2039 Regency Road, Suite 8, Lexington, KY 40503</u>	<u>tpabin@class101.com</u>	<u>College Finance & Planning, Inc.</u>	<u>859-277-2371</u>
Massachusetts	15 Tyngsboro Rd., Unit 6A, North Chelmsford, MA 01863	curbine@gmail.com	CU Educational Services, LLC	978-602-5691
Michigan	725 S. Adams Road Ste 150, Birmingham, MI 48009	roza@class101.com	RDMA LLC	248-602-7021
Mississippi	398 East Main Street, Ste 222 Tupelo, MS 38804	wgordon@class101.com	McHenry Educational Services LLC – Amber McHenry	662-213-1361
Missouri	15457 Clayton Road, Ballwin, MO 63011	gjones@class101.com	L & G Educational Services, LLC - Gary & Linda Jones	636-299-1944
	3300 South National Avenue, Springfield, MO 65807	lgoose@class101.com	MO Learning, LLC	417-708-5650
New Jersey	1731 Union Ave. Suite B, Hazlet, NJ 07730	lciccione@class101.com	N.J. College Advisors LLC	732-835-5110
	31 Sheridan Ave, Ho-Ho-Kus, NJ 07423	skastin@class101.com	SDK Prep LLC	201-781-5673
<u>New Mexico</u>	<u>8300 Wyoming Blvd NE #1022, Albuquerque, NM 87113</u>	<u>kevinlowrie@gmail.com</u>	<u>Class 101 ABO NE LLC</u>	<u>719-440-5745</u>
New York	600 Fishers Station Dr., Victor, NY 14564	tshanahan@class101.com	Trinity Student Planning, LLC	585-632-0101
	942 Weymouth Court Victor, NY 14564	tshanahan@class101.com	Trinity Student Planning, LLC	585-632-0101
North Carolina	140 Towerview Ct, <u>Suite 101</u> , Cary, NC 27513	wakecounty@class101.com	Banyan Services, LLC	919-867-7101
	890 South Kerr Avenue, Wilmington, NC 28403	wangl@class101.com	Wilmington Educational Services LLC	910-200-4719
Ohio	10611 E. Washington St, Chagrin Falls, OH 44023	azahuranec@class101.com	Prism Consulting Group, LLC	216-404-7777
	36 South Richards Run, Springboro, OH 45066	kderosa@class101.com	DeRosa Consulting, Inc.	937-705-5113
	7967 Cincinnati Dayton Road, Suite k-1, West Chester, OH 45069	necincy@class101.com	Admission Strategies LLC	513-296-7770

State	Address	Email Address	Franchisee	Phone Number
	5901 Chandler Court, Westerville, OH 43082	dcrumrine@class101.com	Thomas D. Crumrine Sr.	614-942- 0247
Oklahoma	2405 Wilcox Drive, Norman, OK 73069	rcook@class101.com	Triumph College Planning, LLC	405-217- 4911
Pennsylvania	510 B Main Street, Irwin, PA 15642	jizzo@class101.com	Class 101 Pittsburgh LLC	724-991- 3643
<u>South Carolina</u>	<u>951 Market St #201, Fort Mill, SC 29708</u>	<u>jenndonohue@class101.com</u>	<u>Fellow Educators, LLC*</u>	<u>803- 889- 2488</u>
Tennessee	2158 Northgate Park Lane, Suite 416, Chattanooga, TN 37415	kerwin@class101.com	Chattanooga College Planning Services LLC	423-822- 2191
	504 Autumn Springs Ct, Ste. A-2, Franklin, TN 37067	KFeamster@class101.com	KFCPS, LLC	615-349- 4525
	1621 Gingerwood Dr., Murfreesboro, TN 37129	emurry@class101.com	Life Prep 4 Success, LLC	615-549- 0781
	4117 Hillsborough Pike Street, Suite 103-204, Nashville, TN 37215	KFeamster@class101.com	KFCPS, LLC	615-349- 4525
Texas	16718 House & Hahl Rd. Ste S, Cypress, TX 77433	kjones@class101.com	JamKat Holdings, LLC	281-758- 8533
	3200 S. Carrier Pkwy, Suite 102, Grand Prairie, TX 75052	tlewis@class101.com	Conatonigia Lewis	972-675- 7899
	1825 W. Walnut Hill Lane STE 120, Irving, TX 75038	rswanigan@class101.com	Ronda Swanigan	972-738- 8505
	1526 Katy Gap Road, Suite #903, Katy, TX 77494	tmamtora@class101.com	SkyScreen LLC	281-406- 3004
	<u>9292 Huntington Square, Ste 200, North Richland Hills, TX 761829800 Hillwood Parkway, Fort Worth, Texas 76177 (Alliance)</u>	markovercash@class101.com	Empowering Creative Solutions LLC	817-663- 2262
	<u>7216 Everglade Drive, 9292 Huntington Square, Suite 200, North Richland Hills, TX Texas 76182 (MidCities)</u>	markovercash@class101.com	Empowering Creative Solutions, LLC*	817-663- 2262
	350 Nursery Rd Ste 1101, The Woodlands, TX 77380	nrogers@class101.com	Brown Educational Services & Training, LLC	512-900- 6610
	125 Topeka Dr. Suite B, Woodway, TX 76712	mwilliams@class101.com	Williams Educational Services, LLC	254-294- 3327
	<u>3000 Trails Ct, Norman, OK 73072</u>	<u>scook@class101.com</u>	<u>Triumph Planning North Texas LLC</u>	<u>405-642- 0246</u>
	<u>1030 Andrews Hwy Suite 219, Midland, TX 79701</u>	<u>elittleton@class101.com</u>	<u>College Planning Pros, LLC</u>	<u>432-203- 0890</u>

State	Address	Email Address	Franchisee	Phone Number
	3114 Carnousty Street, Round Rock, TX 78664	nrogers@class101.com	Brown Educational Services & Training, LLC	512-900-6610
Virginia	1021 Eden Way N, Suite #116, Chesapeake, VA 23220	qmoody@class101.com	3 Steps Consulting, LLC	757-251-0417
Wisconsin	1720 Merrill Avenue, Wausau, WI 54401	centralwisconsinpknezic@class101.com	Optimize College, LLC Pamela Knezic	715-539-6488

* Denotes Developer

LIST OF CLASS 101 FRANCHISEES WHO SIGNED FRANCHISE AGREEMENTS BUT WERE NOT YET OPEN AS OF DECEMBER 31, ~~2022~~2023

OWNER	PHONE	CITY	STATE
Kayla Opperman	219-765-5500	Lakewood	Colorado
Ronda Swanigan	323-351-5372	Smyrna	Georgia
Stacy and Rennie Cook Prepared Pathways S&S, LLC – Elizabeth Carlton	270-836-6017 405-642-0246	Prosper/Frisco Georgetown	Texas

LIST OF CORPORATE OR AFFILIATE-OWNED OUTLETS AS OF DECEMBER 31, ~~2022~~2023

NAME State	ADDRESS Address	PHONE Email Address	Franchisee	Phone Number
College Finance & Planning, Inc. Kentucky	2039 Regency Road Ste., Suite 8, Lexington, KY 40503	tpabin@class101.com	Tom Pabin	859-687-9629 277-2371

FRANCHISES WHOSE AGREEMENTS WERE TERMINATED, CANCELLED, TRANSFERRED, NOT RENEWED, OR WHO CEASED DOING BUSINESS AS OF DECEMBER 31, ~~2022~~2023 OR WHO HAS NOT COMMUNICATED WITH THE FRANCHISOR WITHIN 10 WEEKS OF THE DISCLOSURE DOCUMENT ISSUANCE DATE

FRANCHISEE	CITY	STATE	CONTACT
Brown and MeHenry, LLC Class 101 Boise Meridian, LLC – Amy Nixon	Bryant Boise	Idaho Arkansas	Amberme2076@gmail.com 208-841-6722
Bhavani Puskar	Melbourne	Florida	321-999-2121
Kim Gardner	Berea	Kentucky	Kimberleegardner4060@gmail.com
Scholastic Prep Enterprises, Inc.	West Massapequa	New York	516-699-2200

Tennobrahe Holdings, Inc	Memphis	Tennessee	jleharbonnet@gmail.com
LZE, Inc.	Norwood	Pennsylvania	610-214-3041

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

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	June 12, 2023, as amended December 30, 2023 <u>Pending</u>
Illinois	May 26, 2023, as amended December 7, 2023 <u>Pending</u>
Indiana	May 1, 2023, as amended December 5, 2023 <u>2024</u>
Michigan	April 28, 2023, as amended December 5, 2023 <u>Pending</u>
Minnesota	December 22, May 1, 2024 <u>2023</u>
New York	December 19, 2023 <u>Pending</u>
North Dakota	June 23, 2023, as amended December 28, 2023 <u>Pending</u>
Rhode Island	August 5, 2023, as amended December 7, 2023 <u>Pending</u>
South Dakota	May 12, 2023, as amended December 5, 2023 <u>Pending</u>
Virginia	December 5, 2023 <u>Pending</u>
Washington	December 6, 2023 <u>Pending</u>
Wisconsin	May 1, 2023, as amended December 5, 2023 <u>2024</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.

RECEIPT

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

If Class 101 Franchise, LLC 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 and Rhode Island require 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.

If Class 101 Franchise, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal 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 B. Franchisor authorizes the respective state agencies identified on Exhibit C to receive service of process for it in a particular state.

The name, principal business address, and telephone number of the franchise seller offering the franchise is:

Name	Principal Business Address	Telephone Number
Joshua Wall	2350 Airport Freeway, Suite 505, Bedford, TX 76022	866.501.2331

Issuance Date: April ~~28, 30, 2024~~2023, as amended December 5, 2023.

I received a disclosure document dated April ~~28, 30, 2024~~2023, as amended December 5, 2023 (or the date reflected on the State Effective Dates Page), that included the following Exhibits:

State-Specific Appendix; Exhibit A - Operations Manual Table of Contents; Exhibit B - List of State Administrators; Exhibit C - List of Agents for Service of Process; Exhibit D - Franchise Agreement, Attachments and State-Specific Amendments; Exhibit E - Franchise Disclosure Questionnaire; Exhibit F-- Sample Form of General Release; Exhibit G - Development Agreement, Attachments, and State Specific Amendments; Exhibit H - Financial Statements; Exhibit I - List of Current Franchisees and Former Franchisees; Exhibit J - Sample Form Of Assignment And Assumption Agreement; Exhibit K – State Effective Dates; and Exhibit L – Receipts.

Print Name

Signature

Date

If signing on behalf of a company in addition to individually, please complete the following:

Print Name

Signature

Keep this copy for your records.

RECEIPT

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

If Class 101 Franchise, LLC 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 and Rhode Island require 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.

If Class 101 Franchise, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal 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 B. Franchisor authorizes the respective state agencies identified on Exhibit C to receive service of process for it in a particular state.

The name, principal business address, and telephone number of the franchise seller offering the franchise is:

Name	Principal Business Address	Telephone Number
Joshua Wall	2350 Airport Freeway, Suite 505, Bedford, TX 76022	866.501.2331

Issuance Date: April ~~28, 30, 2024~~2023, as amended December 5, 2023.

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Print Name

Signature

Date

If signing on behalf of a company in addition to individually, please complete the following:

Print Name

Signature

Please sign this copy of the receipt, date your signature, and return it by mail to
Joshua Wall, 2350 Airport Freeway, Suite 505, Bedford, Texas, 76022.