FRANCHISE DISCLOSURE DOCUMENT

Building Kidz Worldwide, LLC
a California limited liability company
303 Vintage Park Drive, Suite 130
Foster City, CA 94404
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https://buildingkidzschool.com/

This Franchise Disclosure Document is for the right to open and operate a Building Kidz School. Building Kidz Schools are full-service campuses which allow children to continually develop character, confidence, and commitment.

The total investment necessary to begin operation of a single Building Kidz School is $327,000 to $1,543,000. This includes $156,000 to $172,500 that must be paid to the franchisor or its affiliate. The total investment necessary to begin operations under an Area Developer Agreement is $438,000 to $1,963,000, which includes $267,000 to $677,500 that must be paid to the franchisor or its affiliates.

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

You may wish to receive your disclosure document in another format that is more convenient to you. To discuss the availability of disclosures in different formats, contact Sanjay Gehani at 303 Vintage Park Drive, Suite 130, Foster City, CA 94404, (408) 205-7674, Sanjayg@buildingkidz.com

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read the entire 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 17, 2026

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising Generally

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About This Franchise

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

1. **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by arbitration or litigation only in California. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with the franchisor in California than in your own state.

2. **Mandatory Minimum Payments**. You must make minimum royalty and advertising payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

3. **Spousal Liability**. Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

4. **Financial Condition**. The Franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the Franchisor's financial ability to provide services and support to you.

5. **Unopened Franchises.** The franchisor has signed a significant number of franchise agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you may also experience delays in opening your own outlet

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

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ITEM 1
The Franchisor, and any Parents, Predecessors, and Affiliates

The franchisor is Building Kidz Worldwide, LLC, referred to in this Franchise Disclosure Document as "**Franchisor**," "**we**", "**us**", "**our**", or "**Building Kidz**". We refer to the person or entity that buys a franchise as "**Franchisee**" or "**You**" throughout the Disclosure Document. If you are a corporation or other business entity, certain provisions of the Franchise Agreement also apply to your owners.

The Franchisor

Our principal business address is 303 Vintage Park Drive, Suite 130, Foster City, CA 94404. We are a California limited liability company, and we were formed on March 27, 2015. Our agents for service of process in the states requiring franchise registration are listed in **Exhibit A**. We use and intend to use the legal name, Building Kidz Worldwide, LLC and the tradename "Building Kidz" in conducting business. We began offering franchises in August 2015. We have never conducted a business of the type offered to franchisees or offered franchises in any other line of business.

Since January 2021, through a new division of our company, Building Facilitiez, we oversee improvements in furniture and fixtures for Building Kidz Schools located in California and minor construction projects at Building Kidz Schools located in California.

Parents, Predecessors and Affiliates

We do not have any predecessors, nor do we have a parent that offers franchises or other services to any franchisee. We have nine affiliates ("**Affiliates**") that operate nine businesses similar to the type of business you will operate, as described below:

Building Kidz of South San Francisco, LLC, Inc. has been operating since 2005 and operates the campus at 600 Grand Ave, South San Francisco, CA 94080 which is also its principal address.

Building Kidz Family LLC has been operating since September 2020 and operates the campus at 909 Roosevelt Ave, Redwood City, CA 94061. Its principal address is 303 Vintage Park Drive, Suite 130, Foster City, CA 94404.

Building Kidz Family of San Francisco LLC has been operating since March 2022 and operates the campus at 2426 California Street, San Francisco, CA 94115. Its principal address is 303 Vintage Park Drive, Suite 130, Foster City, CA 94404.

Building Kidz Family of San Mateo LLC has been operating since June 2022 and operates the campus at 120 Lindbergh Street, Unit A, San Mateo, CA 94401. Its principal address is 303 Vintage Park Drive, Suite 130, Foster City, CA 94404.

Building Kidz Family of Dublin LLC has been operating since November 2022 and operates the campus at 6351 Dublin Boulevard, Dublin, CA 94568. Its principal address is 303 Vintage Park Drive, Suite 130, Foster City, CA 94404.

PSSV, LLC has been operating since July 2023 and operates the campus at 945 Roseville Parkway, Suite 120, Roseville, CA 95678. Its principal address is 303 Vintage Park Drive, Suite 130, Foster City, CA 94404.

Kaynat, LLC has been operating since June 2023 and operates the campus at 1450 Sixth Street, Berkeley, CA 94710. Its principal business address is 303 Vintage Park Drive, Suite 130, Foster City, CA 94404.

Building Kidz Family of Scotts Valley LLC has been operating since July 2024 and operates the campus at 106 Vine Hill School Rd, Scotts Valley, CA 95066. Its principal address is 303 Vintage Park Drive, Suite 130, Foster City, CA 94404.

Building Kidz Family of Palo Alto LLC has been operating since November 2024 and operates the campus at 415 Lambert Avenue, Palo Alto, CA 94306. Its principal address is 303 Vintage Park Drive, Suite 130, Foster City, CA 94404.

None of our affiliates offer franchises in this or any other line of business.

Franchisor is a subsidiary of Building Kidz Worldwide Holdco, LLC ("**HoldCo**"), which is a subsidiary of Building Kidz Acquisitions, LLC ("**Acquisitions**"), which is a subsidiary of Building Kidz Intermediate, LLC ("**Intermediate**"), which is a subsidiary of Building Kidz Holdings, LLC ("**Holdings**"). On October 1, 2025, Building Kidz Co-Investment Holdings, LLC ("**Co-Investment**"), entered into a purchase agreement ("**Transaction**") to purchase a controlling interest in Holdings. Co-Investment is owned by TZP Small Cap Partners II, L.P. and TZP SBIC I, L.P. HoldCo, Acquisitions, Intermediate and Holdings share our principal business address. The principal business address of Co-Investment, TZP Small Cap Partners II, L.P. and TZP SBIC I, L.P. is 7 W. 41st Street, #4307, New York, New York 10036. Holdings, HoldCo, Acquisitions, Intermediate, Holdings, Co-Investment, TZP Small Cap Partners II, L.P. and TZP SBIC I, L.P. have not offered franchises in any line of business.

The Franchise

A Building Kidz franchise gives you the right to operate a childcare center and learning center for children as young as infants up to 12 years old ("**Building Kidz School**"). At our infant, toddler, preschool, and school age Building Kidz Schools, our children grow physically, emotionally, linguistically, socially, cognitively, and academically. Building Kidz franchised locations offer a unique combination of world-class academics and specialized Performing Arts programs. Our proprietary curriculum, reference materials, and highly qualified faculty allow us to integrate music, dance, theater, and foreign language classes into our students' education. Additionally, our preschoolers perform a Broadway-style production in the summer and winter recitals annually, starting from the age of three. We also prioritize life skill education through our Learning Through Life Experiences curriculum and dedicated spaces. We deliver a safe and nurturing environment for the children in our care, typically from 7 am to 6 pm. The staff at our Building Kidz Schools are well trained in the field of early childhood education and all facility members are required to be certified in First Aid and CPR. In addition to infant and toddler care, we deliver an exceptional readiness for kindergarten program, a private kindergarten program in states which do not have laws prohibiting private Kindergarten, and after school programs (currently up to 6th grade). Toddlers as young as 24 months gain a basic introduction to letters, phonics, numbers, shapes, colors, and motor skill development. Preschoolers develop reading and writing skills. Kindergarteners learn logical thinking and basic math. In our after-school program, elementary school children are educated in advanced levels of Geography, Science, History, Moral Studies, Mathematics, and Technology basics.

With our advanced written permission, you may acquire an existing childcare and learning center ("**Pre-Existing Location**") to convert into a Building Kidz School. If that Pre-Existing Location was originally designed to operate under a different model than a Building Kidz School or offer additional services, we

may permit you to continue to operate that Pre-Existing Location under that different model for a limited period of time ("**Approved Transition Period**") while you convert the Pre-Existing Location into a fully compliant Building Kidz School. In such an instance, we have the right to require you to sign an addendum that establishes the length of the Approved Transition Period and outlines your rights and obligations during the Approved Transition Period. We currently have franchisees operating under such Transition Periods.

If, in our sole discretion, you possess the necessary business operational skills and financial resources, you may request the right to become an area developer ("**Area Developer**") and will obtain the rights to develop additional Building Kidz Schools ("**Area Development Rights**") within a defined territory ("**Development Territory**") pursuant to a prescribed schedule ("**Development Schedule**"). If you sign an area developer agreement ("**Area Developer Agreement**") you must agree to develop a minimum of three Building Kidz Schools, and you will pay us an area development fee ("**Area Development Fee**"), which will be defined by the area developer fee calculation ("**Area Developer Fee Calculation**"), at the execution of the Area Developer Agreement. You will not be required to pay any additional Initial Franchise Fees to open any of the Building Kidz Schools contemplated by the Area Developer Agreement. However, you will be required to pay Franchisor a Launch fee ("**Launch Fee**"), due and payable before the 90th day after each franchise agreement is signed. An Area Developer may not open any Building Kidz School until, among other things, the then-current form of franchise agreement for such Building Kidz School has been executed by both the Area Developer and us. Each franchise agreement may be in a different form than the franchise agreement included in this offering.

We began offering Area Developer Agreements in December 2017.

Franchisees operate under the Building Kidz business system ("**System**") and the Building Kidz trademark as well as other trade names, service marks, trademarks, logos, and commercial symbols we authorize ("**Marks**"). Our franchise agreement is attached as **Exhibit B** to this disclosure document ("**Franchise Agreement**"). Under the Franchise Agreement, you will operate a Building Kidz School within the Territory described in the Agreement. The Franchise Agreement gives you certain protections against the location of other Building Kidz Schools within your Territory.

In April 2025, we began piloting "Building Excellence", an optional weekend enrichment program designed to complement our existing Building Kidz curriculum. Our mission is to inspire a love for learning, enhance academic performance, and foster personal growth through a holistic educational approach. By offering personalized, high-quality tutoring and enrichment activities, we empower students to reach their full potential. Designed for K-12 students, Building Excellence offers flexible weekend scheduling to accommodate busy family routines. While Building Excellence is not yet available, we are excited to share the expansion of our programs.

Competition

Building Kidz Schools target their services to the general public. You may have to compete with other educational facilities including franchised operations, national chains, and independently owned companies offering similar services to customers. The market for early childhood education services is developed and highly competitive.

The market is seasonal as we see decreases in revenue during the months of July and August.

Industry Specific Regulation

Franchisees will be subject to local, county and state licensing regulations for the operation of businesses in general and, for this type of business in particular. Certain states may require specific certification with instructional duties. In addition, your Building Kidz School may be considered a "school" which will fall under applicable zoning codes that would entail additional requirements such as, but not limited to, separate bathrooms for boys and girls, an outdoor play area, water fountains, and special exit doors equipped with panic bars and accommodations for disabled persons. Franchisees may be regulated by a state or local Department of Education, Department of Social Services, or similar agencies. Franchisees should consult with governmental agencies and lawyers about any special requirements that may apply to them or their Building Kidz School. Each Franchisee must become familiar with the regulations of the state in which its Building Kidz School will be operated in regarding childcare centers, as well as any city, municipality, or county laws that may apply.

You should seek legal counsel to understand the regulations that apply to you. Apart from state regulations, franchisees should keep in mind that there may be local zoning laws that might restrict or prohibit running a childcare business in a particular location within a municipality or county. Each municipality or county will have its own local zoning ordinances and policies regarding the placement of childcare centers and related issues. Even if a childcare center is permissible under the municipal or county zoning ordinance, you may be required to obtain a compliance certificate from the local zoning authority. Franchisees should investigate the zoning regulations of the municipality or county in which the franchisee intends to open a Building Kidz School, and franchisees must obtain all necessary permits and compliance certificates before opening a childcare facility. Building Kidz recommends that franchisees read the applicable zoning requirements for the franchisee's intended town, city, county or other locality, and to visit the locality's permitting office, before purchasing a franchise. Franchisees should schedule a meeting with the permitting / zoning department for their locality to clearly understand the local requirements.

Many jurisdictions also have daycare or childcare laws which require licensing, bonding, insurance, building code, safety, teacher-to-student ratios, hours, health (e.g., immunizations), instructor licensing, fingerprinting, criminal background checks and other similar requirements.

Federal. Examples of other federal laws affecting many small businesses are wage and hour, occupational health and safety, equal employment opportunity, taxes, hazardous materials communication to employees, hazardous waste and environmental, and the Americans With Disabilities Act.

State. State laws may cover the same topics as federal laws. Examples of other state laws affecting many small businesses include environmental, occupational health and safety, fire, taxes, health, and building and construction laws.

Local. Local laws may cover the same topics as federal and state laws. Examples of other local laws affecting many small businesses include health and sanitation, building codes, fire codes, permits, and waste disposal.

You should research these requirements before you invest.

ITEM 2
Business Experience

Vineeta Bhandari – Founder, Chief Executive Officer & Chief Marketing Officer

Mrs. Bhandari has served as our Chief Executive Officer since our incorporation in March of 2015, and as our Chief Marketing Officer since September 2022. Additionally, Mrs. Bhandari serves as the President of our Affiliates. Mrs. Bhandari has been on the Board of Directors for Trebeni, Inc., in Hayward, California, since June 2013 and has served as a Financial Consultant to Dreamz, Inc., in Mountain View, California, since September 2014.

Sanjay Gehani – Partner & Chief Revenue Officer

Mr. Gehani has served as our Chief Revenue Officer since our incorporation in March 2015, and as our Chief Financial Officer from September 2022 to April 2026. From our inception to September 2022, Mr. Gehani served as our Chief Marketing Officer. Previously, Mr. Gehani served as Mayor of Foster City, California from December 2020 to December 2021 and as a Councilmember of Foster City, California from December 2018 to December 2022. From December 2019 to December 2020, Mr. Gehani served as Vice Mayor of Foster City, California.

Sangeet Karamchandani – Partner, Chief Operations Officer & Chief Technology Officer

Mr. Karamchandani has served as our Chief Operations Officer and Chief Technology Officer since our incorporation in March of 2015.

ITEM 3
Litigation

Building Kidz Worldwide, LLC., v. Golden Stone, Inc., JAMS Ref. No. 1100086841 (San Francisco, California, filed February 14, 2017). Golden Stone Inc. ("**GS**") purchased a Building Kidz School from our affiliate, Building Kidz, Inc. ("**BKI**"), pursuant to a Business Purchase Agreement and entered into a Franchise Agreement with us effective as of August 29, 2016. Almost immediately, GS defaulted on its obligations under the Business Purchase Agreement with BKI and the franchise agreement with us. As a result, we and BKI filed a Demand for Arbitration against GS on February 14, 2017. Our demand included the following nine claims for relief: (1) breach of the Franchise Agreement by GS; (2) breach of personal guaranties by the owners of GS; (3) breach of the Business Purchase Agreement by GS; (4) breach of oral agreements by the owners of GS; (5) fraudulently inducing us to enter into the Franchise Agreement; (6) recession of the Business Purchase Agreement; (7) breach of the implied covenant of good faith and fair dealings by GS; (8) unjust enrichment; and (9) conversion by GS.

On February 22, 2017, GS filed a Response to Demand and Counter-Claims with the arbitration service in which GS denied all allegations and asserted four counter-claims against us. GS's four counter claims included (1) violations of the California Franchise Investment Law; (2) fraud; (3) violation of the Unfair Competition Law; and (4) breach of the Business Purchase Agreement. We denied these allegations and vigorously disputed them.

The parties entered into a Settlement Agreement and Mutual Release on April 7, 2017. In that agreement the parties agreed to rescind all contracts, the promissory note was canceled, and Building Kidz paid the defendants $348,000 to repurchase the school and reimburse the defendants for certain improvements made to the property.

On May 2, 2017, the parties to the above referenced action filed a Request for Dismissal With Prejudice requesting that JAMS dismiss the claims and counterclaims with prejudice and terminate the above titled action. Pursuant to that stipulation, JAMS closed its file in this matter on May 2, 2017.

Actions to Collect Royalty Payments

During fiscal year 2024, we initiated four arbitration actions against franchisees before the Judicial Arbitration and Mediation Services (JAMS) office in San Francisco as follows:

Building Kidz Worldwide, LLC vs. Barth, et al., JAMS No. 5100001958 (Filed March 12, 2024)

Building Kidz Worldwide, LLC vs. Kalsi, et al., JAMS No. 5100001959 (Filed March 13, 2024)

Building Kidz Worldwide, LLC vs. MJ & K Kidz, Inc., et al., JAMS No. 5100002072 (Filed April 29, 2024)

Building Kidz Worldwide, LLC vs. Buccola, et al., JAMS No. 5100002239 (Filed July 8, 2024)

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

ITEM 4
Bankruptcy

No bankruptcy is required to be disclosed in this Item.

ITEM 5
Initial Fees

Initial Franchise Fee

The initial franchise fee ("**Initial Franchise Fee**") for a single Building Kidz School franchise is $60,000. We reserve the right to negotiate this fee if you are purchasing multiple franchises at once.

The Initial Franchise Fee is due at signing of the Franchise Agreement. The Initial Franchise Fee is fully earned by us upon execution of the Franchise Agreement and is not refundable for any reason.

During our last fiscal year, which ended December 31, 2025, we signed 11 unit Franchise Agreements and collected Initial Franchise Fees ranging from $25,000 to $60,000 for each.

Area Development Fee

If we grant you the right to become an Area Developer and you enter into our Area Developer Agreement, you must develop a minimum of three Building Kidz Schools and you will pay us an Area Development Fee, which will be defined by the Area Developer Fee Calculation detailed below, at the execution of the Area Developer Agreement. All Area Development Fees are fully earned by us upon execution of the Area Development Agreement and are not refundable for any reason. You will not be required to pay any additional Initial Franchise Fees to open any of the Building Kidz Schools contemplated by the Area Developer Agreement. However, you will be required to pay Franchisor a Launch Fee (as defined below), due within 90 days of signing of each Franchise Agreement, escrow is opened to facilitate the purchase of a business to be converted to a Franchised Business, or due diligence is started for each Building Kidz School to be developed under the Area Developer Agreement.

Area Developer Fee Calculation:

1. If your Area Developer Agreement requires you to open ten or more Franchised Businesses within five years, your Area Developer Fee will be calculated by multiplying the amount of required Franchised Business openings by $48,000 (forty-eight thousand dollars). The total initial fee in this instance will be at least $480,000.

2. If your Area Developer Agreement requires you to open more than five but less than ten Franchised Businesses within five years, or if your Area Developer Agreement requires you to open ten or more Franchised Businesses within ten years, your Area Developer Fee will be calculated by multiplying the amount of required Franchised Business openings by $54,000 (fifty-four thousand dollars). The total initial fee in this instance will be at least $270,000.

3. If your Area Developer Agreement requires you to open five or more, but less than ten, Franchised Businesses within ten years, your Area Developer Fee will be calculated by multiplying the amount of required Franchised Business openings by $57,000 (fifty-seven thousand dollars). The total initial fee in this instance will be at least $285,000.

4. If your Area Developer Agreement requires you to open three Franchised Businesses within five years, your Area Developer Fee will be calculated by multiplying the amount of required Franchised Business openings by $57,000 (fifty-seven thousand dollars). The total initial fee in this instance will be at least $171,000.

During our last fiscal year, which ended December 31, 2025, we did not collect any Area Developer Fees.

Launch Fee

We charge a Launch Fee, which is an additional fee. The Launch Fee is $25,000 per Franchised Business and is due and payable within 90 days of signing the franchise agreement. The Launch Fee is fully earned by us upon payment and is non-refundable for any reason.

During last fiscal year, which ended December 31, 2025, we opened collected nine preopening fees at $25,000 each, which fees were a predecessor fees to the Launch Fee. We also collected four Launch Fees at $25,000 each.

Additional Fees Due Prior to Opening

You will be required to pay to us between $30,000 and $70,500 prior to the opening of your Building Kidz School. These fees will cover the cost of the following: (i) between $1,000 and $3,000 for CRM set up and hardware, (ii) between $25,000 and $45,000 for the Learning Through Life Experience modules equipment, shipping, and set-up (see Item 7, Note 10 for more details), (iii) between $2,000 and $20,000 for Themed Furniture, and (iv) between $2,000 and $2,500 for Performing Arts Area Fixtures. These fees are payable either prior to opening, if you are opening a new Building Kidz School, or, if you are purchasing and converting an existing preschool, within 90 days of the day you take possession of the preschool. These fees are fully earned by us upon execution of the franchise agreement and are non-refundable for any reason.

Veteran Discount

To honor those men and women who have served in the U.S. Armed Forces, we offer a ten percent (10%) discount of the Initial Franchise Fee for the first Building Kidz School to those individuals who are honorably discharged veterans.

ITEM 6
Other Fees

Type of Fee	Amount	Due Date	Remarks
Royalty	The greater of 7% of Gross Revenue or the Minimum Royalty	Due monthly, by the 10th day of the following month	"Gross Revenue" means all revenues received or sales made by or through the Franchise, excluding amounts collected and paid out for governmental sales or excise taxes, and reduced by documented refunds.
Minimum Royalty	$500 per month	Due monthly, by the 10th day of the following month. The minimum royalty becomes effective 550 days after you sign your Franchise Agreement.	This Minimum Royalty is an alternative royalty assessed if your Royalty amount is less than $500, or if your school is not yet open after more than 550 days after you sign the Franchise Agreement.
Advertising fund	1% of Gross Revenue; may be raised to 1.5%	Due monthly, by the 10th day of the following month	Assists in the promotional activities of the franchise system.
Advertising cooperative	Up to 1.5% of Gross Revenue	Due monthly, by the 10th day of the following month	Fee varies based on cooperative's governing documents, but no more than 1.5% of Gross Revenue. If an Advertising Cooperative is formed, your contribution to the Advertising Cooperative will offset your local advertising requirement. You will be responsible for the difference in spend if your contribution to the Advertising Cooperative is less than your local advertising requirement. We will control the cooperatives, including all decision making and voting, and it may, at its sole discretion, form, dissolve, merge or change the structure of the cooperatives. If we conduct voting, each company or Affiliate owned outlet and each franchisee owned outlet in the cooperative will have one vote.
Local advertising requirement	$250 to $1,500 per month	As incurred	Until such time as your school achieves 85% of its FTE capacity

Type of Fee	Amount	Due Date	Remarks
			(as defined in the Operations Manual), you must spend a minimum of $1,500 per month on approved marketing efforts. Upon achieving 85% of FTE capacity, your required spend will be $500 per month. We may permit you to reduce your local minimum ad spend to the cost of a basic Yelp (or similar page or electronic review service as defined in the Operations Manual) paid account when enrollment is 90% of capacity or greater and at least 10% of capacity on Waitlist.
Vendor/equipment approval fee and franchisor's costs	Varies	As incurred	For our inspection and/or testing of any outside supplier for which you request our approval to use.
Technology Fee	$360	Due monthly, by the 10th day of the following month	This fee includes your website hosting, Building Kidz Connect Platform, and access to our optimized ChildCare CRM.
Website maintenance fee	$65-120 per hour	As incurred	Basic and periodic updates to the webpage are free; this fee covers additional work required to complete special requests.
Transfer fee	$25,000	Before consummation of the transfer	For transfers of a franchise or ownership in the franchisee. The Transfer Fee is in addition to any initial fees payable by you under the franchise agreement (if applicable). The Transfer Fee is in addition to any third-party broker fee.
Additional Training Fee	$2,000 per week plus lodging and airfare	Upon signing additional training agreement	This fee is incurred if you request additional training or if we must train a new Managing Owner or Director for your Building Kidz School after your initial training.
Relocation fee	Our expenses associated with the relocation of a franchise	As incurred	None charged at this time. We reserve to right to charge a relocation fee in the future. If the relocation fee is charged, it is payable if we grant your request to relocate the franchise.

Type of Fee	Amount	Due Date	Remarks
Remedial Training Fee	$2,500 per individual trained	Prior to training	Applies only if you fail a Quality Control Inspection three consecutive times.
Remedial Inspection Fee	$500 to $3,500 per inspection	As incurred	If you fail a Quality Control Inspection three consecutive times, we will require you to attend remedial training. We will then have the right to inspect your Building Kidz School up to eight consecutive weeks to ensure compliance with our standards. The number reflected by this charge is the cost, including traveling and lodging expenses for our personnel, that you will incur with each remedial inspection. The costs will vary based upon the distance your Location is from our headquarters and various other factors beyond our control.
Replacement fee for manuals	Our expenses associated with replacing manuals	As incurred	You must obtain a replacement copy of the Operations Manual if your copy is lost, destroyed or damaged. We reserve the right to charge a fee for copies.
Audit and inspection fees	Cost of audit or inspection, includes legal fees, accountants' fees and travel expenses, room and board, per diem charges and other associated expenses plus a $1,000 penalty	30 days after demand	Payable if you (i) understate any amount due by more than 5%, (ii) fail to provide in a timely manner any reports or supporting records relating to the franchise, or (iii) fail to follow recommendations made by the auditor by the deadlines provided in the audit report.
Management Fee	$300 per day, plus costs and expenses	As incurred	Payable if we manage the Franchised Business because you are in breach of the Franchise Agreement.
Attorneys' fees and costs	Varies	As incurred	Payable in enforcement of any term of your agreements with us.
Indemnification	Varies	As incurred	You must reimburse us for any claims against us related to the development or operation of your franchise.
Franchise Conference Attendance Expense	$0 - $5,000	As incurred	Franchise Conferences are not expected to occur more than once a year and may take place once every

Type of Fee	Amount	Due Date	Remarks
			18 months. You are required to attend all franchise conferences.
Late fee	Late charge of $150 for any payment not received by franchisor when due	As incurred	If you fail to make any payments to us when due.
Default interest	10% per year	As incurred	If you fail to make any payments to us when due.

Notes:

(1) This table shows fees that are (or under certain circumstances, may be) payable to us. Unless otherwise stated, all fees are uniformly imposed and are payable to us; and none of the fees are refundable. There will be other fees you need to pay third parties to operate your business.

(2) Before opening, you must sign and deliver to us, and your bank, all required documents that permit us to debit your bank account for each month's royalties, and any other amounts due to us, from time to time, including the Automated Clearing House Payment Authorization Form attached to the Franchise Agreement as Attachment III. Unless otherwise stated, all fees are payable only to the franchisor.

ITEM 7
Estimated Initial Investment

YOUR ESTIMATED INITIAL INVESTMENT FOR A SINGLE FRANCHISE[2, 3, 4]

Type of Expenditure	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee[1]	$60,000	$60,000	Lump sum	Due at signing Franchise Agreement	Franchisor
Launch Fee	$25,000	$25,000	Lump Sum	Due within 90 days from date Franchise Agreement was signed	Franchisor
Costs for attending initial training (per person)	$0	$5,000	As incurred	As incurred	Travel, lodging, and meal vendors (outside of breakfast and lunch provided onsite for each training day) as required to attend training at our headquarters location and/or any other location of our choice

Type of Expenditure	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is to be Made
Grand opening cost[8]	$2,500	$5,000	As incurred	Due around time of grand opening	Outside vendors
Real property lease deposit	$20,000	$60,000	Lump sum	Due before lease begins	Landlord
Real property lease initial months' rent[5]	$10,000	$30,000	Lump sum	Due before lease begins	Landlord
Equipment, fixtures, other fixed assets[7]	$40,000	$100,000	As incurred	Upon purchase of necessary equipment	Franchisor and Outside Suppliers
Construction, remodeling, leasehold improvements[6]	$50,000	$1,000,000	As incurred	Upon completion (milestones)	Contractors
Remote visibility & security system[9]	$7,000	$20,000	Lump sum	Initial deposit and upon installation	Security system provider
Office Supplies	$1,000	$2,500	Lump sum	Prior to opening	Vendor
Learning Through Life Experience (LTLE) Set-up[10]	$25,000	$45,000	Lump sum	Due within 2 days of signing a lease	Franchisor
CRM set up and hardware cost	$1,000	$3,000	As incurred	As incurred	Franchisor
Themed Furniture	$2,000	$20,000	Lump sum	Due within 2 days after signing a lease	Franchisor
Performing Arts Area Fixtures	$2,000	$2,500	Lump sum	Due within 2 days after signing a lease	Franchisor
Hardware required for Building Kidz Connect application (1 tablet per classroom)	$1,000	$2,000	As incurred	Prior to opening	Vendor
Outside signage and front lobby requirements[7]	$4,000	$10,000	Lump sum	Upon installation	FastSigns or a company designated by us
Business licenses & permits	$1,500	$3,000	As incurred	Upon submitting application	Lawyer and/or governmental agencies
Additional funds – 3 months[11]	$75,000	$150,000	As incurred	As incurred	Suppliers, Employees and Other Creditors
Total:	**$327,000**	**$1,543,000**			

Notes:

(1) Initial Franchise Fee. If you sign a Franchise Agreement, the Initial Franchise Fee will be $60,000. The Initial Franchise Fee is due in full at the time you sign the Franchise Agreement. If you are an honorably discharged veteran of the U.S. Armed Forces, please see Item 5 for information regarding an applicable discount of the Initial Franchise Fee. If you sign an Area Developer

Agreement, you must pay an Area Development Fee. You will pay the Area Development Fee at the time you sign the Area Development Agreement (See ITEM 5).

(2) Refundable Expenses. Of the above estimates, we know only that the fees paid to us are not refundable under any circumstances. The other expenses may or may not be refundable depending on the terms and conditions related to each expense.

(3) Franchisor Financing. We do not provide financing for any of the above expenses.

(4) Estimates Based on Company, Affiliate, and Franchised Schools. The initial investment estimates in the table are based on costs we and our Affiliates have incurred related to opening and operating schools, reported costs from our Franchisees, and pro-forma costs. These estimates are for guidance purposes only. You should develop your own estimates and be confident with those estimates before deciding to invest in a franchise.

(5) Real Property Lease. For a franchise, the approximate size of the building itself will generally be between 2,000 and 10,000 square feet. Franchises will generally be located in leased properties. Rent will vary widely from location to location, but a triple-net (NNN) lease should range from $60,000 to $360,000 per year, which should include common area maintenance, property taxes and insurance.

(6) Construction Costs. This item assumes build-out of an existing structure. We will provide you with general model plans, specifications, and standards which you will need to adapt for your location. Construction costs may be beyond this range in certain cases or localities, if you acquire a piece of real property and construct your Building Kidz School from the ground up. If you are a franchisee operating in California, our Building Facilitiez division may offer you construction supervision services to assist you with your build-out. If these services are made available to you and you choose to take advantage of Building Facilitiez' services, there will be costs associated with Building Facilitiez' services. The costs for these optional services are included in the estimated range of costs.

(7) Equipment/Signage/Furniture/Fixtures. These line items are for the standard furniture, fixtures and equipment, including interior and exterior signs, and the hardware associated with the Computer System. The front lobby must be painted according to our standards, include specific signage and boards, and we reserve the right to require you to mount one or more flat panel televisions to display marketing videos. If you are a franchisee operating in California, our Building Facilitiez division may offer to oversee improvements in furniture and fixtures. If these services are made available to you and you choose to take advantage of them, there will be costs associated with Building Facilitiez' services. The costs for these optional services are included in the estimated range of costs.

(8) Grand Opening Costs. We may recommend that you spend more than the contractually required amount for your Grand Opening, depending on such factors as market concentration, level of competition, and the size of your school. Though not required, such recommendations will be made based on our expertise in developing brand recognition and your failure to follow such recommendations may result in a slower-than-normal ramp-up period and less market share than expected.

(9) Remote visibility security system. We have partnered with Watch Me Grow, who will provide secure and remote access for us to be able to evaluate quality of instruction and care (with audio and video) at each location. See our Operations Manual of further details about camera requirements by location.

(10) LTLE Set-Up. The cost range identified in this Item 7 table varies based upon the Learning Through Life Experiences ("**LTLE**") options that will be agreed upon by us and you. Learning Through Life Experiences encourages a child's creativity, imagination, and sensory perception. LTLE allows a child's learning to become experimental, imaginative, and sensory-based. Our pedagogical approach is to learn through real-life experiences, such as emergency services, health, and nutrition, in an environment committed to reinforcing children's expertise and skills. LTLE provides environments that make learning fun for children through the medium of role-play. By blending reality with entertainment, it provides an authentic and powerful developmental platform where kids can discover, explore and learn about the real world. Our "city", within LTLE, is a rich learning environment where kids foster their autonomy, creativity, decision-making skills, problem-solving skills, and social skills. The realism of the role-play helps children learn about different careers, work, and know how to manage money. Each activity experience is designed by educationalists, play experts and child physiologists to aid and boost different behavioral skills in a child.

(11) Additional Funds. These amounts represent our estimate of the amount needed to cover your expenses, based on the experience of Affiliates for opening a Building Kidz Business, for the initial three (3)-month start-up phase of your Franchised Business. They include an estimate of the funds for a 3-month period needed to cover start-up costs such as various pre-opening expenses including initial employee wages, insurance premiums, licenses, permit costs, recruitment, advertising expenses, electricity, telephone, and other supplies.

YOUR ESTIMATED INITIAL INVESTMENT FOR AN AREA DEVELOPER AGREEMENT[3, 4]

Type of Expenditure	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is to be Made
Area Development Fee[1]	$171,000	$480,000	Lump sum	Due at signing Area Developer Agreement	Franchisor
Launch Fee[2]	$25,000	$25,000	Lump Sum	Due within 90 days of signing of each Franchise Agreement	Franchisor
Costs for attending initial training (per person)	$0	$5,000	As incurred	As incurred	Travel, lodging, and meal vendors (outside of breakfast and lunch provided onsite for each training day) as required to attend training at our headquarters location and/or any other location of our choice

Type of Expenditure	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is to be Made
Grand opening cost[9]	$2,500	$5,000	As incurred	Due around time of grand opening	Outside vendors
Real property lease deposit	$20,000	$60,000	Lump sum	Due before lease begins	Landlord
Real property lease initial months' rent[6]	$10,000	$30,000	Lump sum	Due before lease begins	Landlord
Equipment, fixtures, other fixed assets[8]	$40,000	$100,000	As incurred	Upon purchase of necessary equipment	Franchisor and Outside Suppliers
Construction, remodeling, leasehold improvements[7]	$50,000	$1,000,000	As incurred	Upon completion (milestones)	Contractors
Remote visibility & security system	$7,000	$20,000	Lump sum	Initial deposit and upon installation	Security system provider
Office Supplies	$1,000	$2,500	Lump sum	Prior to opening	Outside suppliers
Learning Through Life Experience (LTLE) Set-Up	$25,000	$45,000	Lump sum	Due within 2 days of signing a lease	Franchisor
CRM set up and hardware cost	$1,000	$3,000	As incurred	As incurred	Franchisor
Themed Furniture	$2,000	$20,000	Lump sum	Due within 2 days of signing a lease	Franchisor
Performing Arts Area Fixtures	$2,000	$2,500	Lump sum	Due within 2 days of signing a lease	Franchisor
Hardware required for Building Kidz Connect application (1 tablet per classroom)	$1,000	$2,000	As incurred	Prior to opening	Franchisor or Vendor
Outdoor signage and front lobby requirements[8]	$4,000	$10,000	Lump sum	Upon installation	FastSigns or a company approved by us
Business licenses & permits	$1,500	$3,000	As incurred	Upon submitting application	Lawyer and/or governmental agencies
Additional funds – 3 months[10]	$75,000	$150,000	As incurred	As incurred	Suppliers, Employees and other Creditors
Total:[5]	$438,000	$1,963,000			

Notes:

(1) Area Development Fee. If you sign an Area Developer Agreement, the Area Development Fee will be based on the Area Developer Fee Calculation described in Item 5. The Area Development Fee is due in full at the time you sign the Area Developer Agreement and is fully earned by us when

the Area Developer Agreement is signed by you and is not refundable for any reason. The low end of the range represents the Area Development Fee attributable to a Development Schedule for three Building Kidz Schools, the minimum required under an Area Developer Agreement. While we do not have a maximum number of Building Kidz Schools, we generally do not grant more than ten in an Area Developer Agreement. Therefore, the high end of the range represents a Development Schedule with ten Building Kidz Schools. After payment of the Area Development Fee, you will not be required to pay any additional Initial Franchise Fees to open any Building Kidz Schools contemplated by the Area Developer Agreement. (See ITEM 5).

(2) Launch Fee. The Launch Fee is due and payable the within 90 days after the signing of each Franchise Agreement and is fully earned upon payment and is not refundable for any reason (See ITEM 5).

(3) Refundable Expenses. Of the above estimates, we know only that the fees paid to us are not refundable under any circumstances. The other expenses may or may not be refundable depending on the terms and conditions related to each expense.

(4) Franchisor Financing. We do not provide financing for any of the above expenses.

(5) Estimates Based on Company, Affiliate, and Franchised Schools. The initial investment estimates in the table are based on costs we and our Affiliates have incurred related to opening and operating schools, reported costs from our Franchisees, and pro-forma costs. These estimates are for guidance purposes only. You should develop your own estimates and be confident with those estimates before deciding to invest in a franchise.

(6) Real Property Lease. For a franchise, the approximate size of the building itself will generally be between 2,000 and 10,000 square feet. Franchises will generally be located in leased properties. Rent will vary widely from location to location, but a triple-net (NNN) lease should range from $60,000 to $360,000 per year, which should include common area maintenance, property taxes and insurance.

(7) Construction Costs. This item assumes build-out of an existing structure. We will provide you with general model plans, specifications, and standards which you will need to adapt for your location. Construction costs may be beyond this range in certain cases or localities, if you acquire a piece of real property and construct your Building Kidz School from the ground up.

(8) Equipment/Signage/Furniture/Fixtures. These line items are for the standard furniture, fixtures and equipment, including interior and exterior signs, and the hardware associated with the Computer System. The front lobby must be painted according to our standards, include specific signage and boards, and we reserve the right to require you to mount one or more flat panel televisions to display marketing videos. If you are a franchisee operating in California, our Building Facilitiez division may offer to oversee improvements in furniture and fixtures. If these services are made available to you and you choose to take advantage of them, there will be costs associated with Building Facilitiez' services. The costs for these optional services are included in the estimated range of costs.

(9) Grand Opening Costs. We may recommend that you spend more than the contractually required amount for your Grand Opening for some or all of the schools you operate as an Area Developer, depending on such factors as market concentration, level of competition, and the size of your

school. Though not required, such recommendations will be made based on our expertise in developing brand recognition and your failure to follow such recommendations may result in a slower-than-normal ramp-up period and less market share than expected.

(10) Additional Funds. This is an estimate of the funds for a 3-month period needed to cover start-up costs such as various pre-opening expenses including initial employee wages, insurance premiums, licenses, permit costs, recruitment, advertising expenses, electricity, telephone, and other supplies. These amounts are based on the experience of Affiliates for opening a Building Kidz School and include the initial three (3) month startup phase of the franchised business. The amounts used for this estimate include payroll costs during the first three (3) months of operation, excluding the owner drawing a salary, and do not include standard preopening expenses, Royalty Fees, contributions payable under the Franchise Agreement, or debt service, and assume that none of your expenses are offset by any sales generated during the startup phase. These figures are estimates, and we cannot guarantee that you will not have additional expenses opening the franchise and starting the business.

ITEM 8
Restrictions on Sources of Products and Services

You must purchase or lease and install all equipment, furniture, fixtures, and other goods required by us ("**Required Goods**"), which include:

- Furniture
- Equipment, including computer hardware for the office and iPads for use in classrooms (approximately 1 iPad Mini per classroom)
- Performing Arts Area Fixtures
- Themed Furniture
- Learning Through Life Experiences (LTLE)
- Remote visibility & security system
- Signage
- Décor items
- Promotional material incorporating our trademarks
- Building Kidz sweatshirts & smocks
- Welcome Kits – backpack & bed in a sack
- Building Kidz Connect Software
- QuickBooks
- Access to customized CRM
- Supplies
- Food and beverage
- Other products and goods.

All Required Goods must conform to the standards and specifications in our Operations Manual or otherwise in writing unless you have first obtained our written consent to do otherwise. You must obtain all Required Goods solely from our designated or approved suppliers. Our criteria for supplier approval may be found in the Operations Manual. Among other things, these approved suppliers have adequate quality controls and the capacity to supply your needs reliably and promptly, and have shown the ability to meet our then-current standards and specifications. We are the only approved supplier for Themed Furniture and Learning Through Life Experience (LTLE).

Currently, the franchisor has an ownership interest in one or more of the suppliers of the Required Goods, however, we reserve the right to become a designated or approved supplier, or for one or more of our Affiliates to become a designated or approved supplier, or for one or more of our officers to acquire an ownership interest in a designated or approved supplier.

We will make available to franchisees our criteria for approving designated or approved suppliers from time to time. Franchisees may contract with alternative suppliers who meet the franchisor's criteria. If you wish to purchase, lease, or use any products or other items from an unapproved supplier, you must submit a written request for approval, or must request the supplier to do so. We must approve any supplier in writing before you make any purchases from that supplier. We can require that our representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered, either to us or to an independent entity for testing. You must pay a vendor/equipment approval fee, and the actual cost of our test and/or inspection. We reserve the right to re-inspect the facilities and products of any approved supplier and to revoke our approval if the supplier fails to continue to meet our then-current standards. Our supplier approval procedure does not obligate us to approve any supplier. However, we will notify you within 30 days after we complete the inspection and evaluation process of our approval or disapproval of any proposed supplier. We reserve the right to revoke our acceptance of any alternative supplier if we become dissatisfied with the supplier, for any reason in our sole discretion.

Currently we do not issue specifications to designated or approved suppliers to modify their products for our use.

We estimate that the proportion of required purchases and leases by the franchisee to all purchases and leases by the franchisee of goods and services in establishing and operating the franchised businesses will be 25% of estimated initial startup costs and 1% of monthly revenues thereafter.

We may receive discounts on some products used in the franchise system. These discounts will be made available to you if you make your purchases through the appropriate purchasing process. We do not undertake any obligation to negotiate the proportional price reductions as each supplier has their own position on the granting of (and tracking/accounting for) price reductions and/or rebates (which are described below). In addition to the discounts described above, we may receive rebates from some of our designated suppliers as a result of our franchisees' required purchases from these suppliers. We estimate these rebates, if granted, will range from 1% to 5% of franchisees' purchases. We do not receive rebates from all of our designated suppliers. Any rebates received serve to partially reimburse us for our costs in the initial sourcing, approval, and ongoing monitoring of these suppliers' compliance with our quality standards. During our last fiscal year, our Affiliates did not derive revenue or other material consideration from the purchase or lease of Required Goods from approved suppliers by Building Kidz franchisees. During our last fiscal year, which ended December 31, 2025, we derived approximately $1,253,265 in revenue from purchase of Required Goods from approved suppliers by Building Kidz franchisees and the sale or lease of optional services to Building Kidz franchisees. Together, this revenue represents approximately 22.37% of our total revenue of $5,601,458 based on our most recent audited financial statements.

We do not currently use purchasing or distribution cooperatives but may do so in the future.

We may negotiate purchase arrangements with suppliers, including price terms, for the benefit of franchisees.

We will not provide material benefits (for example, renewal or granting additional franchises) to a franchisee based on a franchisee's purchase of particular products or services or use of particular suppliers.

You, at your own expense, will maintain and purchase insurance in the following amounts and categories based on the number of students in your Building Kidz School, as set forth in the Operations Manual:

For all Building Kidz Schools, regardless of the number of enrolled students, you will maintain and purchase insurance in the following amounts and categories: Comprehensive General Liability, including, but not limited to personal injury and premises liability in the amount of $1,000,000 per occurrence; Professional Liability in the amount of $1,000,000 per occurrence; Sexual Abuse and Molestation in the amount of $1,000,000 per occurrence; Commercial Automobile (for before and after school programs) in the amount of $1,000,000 per occurrence; Student Accident in the amount of $35,000 per occurrence; and Workers' Compensation based on the statutory requirement of your state.

You will also be required to maintain and purchase insurance in the following categories and amounts based on the capacity of your Building Kidz School: If your Building Kidz School has a capacity of 50 or less students: Employment Practices ("EPLI") in the amount of $500,000 per occurrence; Business Interruption in the amount of $600,000 per occurrence; and Umbrella Policy in the amount of $1,000,000 per occurrence. If your Building Kidz School has a capacity of 51 to 75 students: EPLI in the amount of $500,000 per occurrence; Business Interruption in the amount of $900,000 per occurrence; and Umbrella Policy in the amount of $1,000,000 per occurrence. If your Building Kidz School has a capacity of 76 to 100 students: EPLI in the amount of $1,000,000 per occurrence; Business Interruption in the amount of $1,200,000 per occurrence; and Umbrella Policy in the amount of $2,000,000 per occurrence. If your Building Kidz School has a capacity of 101 to 125 students: EPLI in the amount of $1,000,000 per occurrence; Business Interruption in the amount of $1,500,000 per occurrence; and Umbrella Policy in the amount of $3,000,000 per occurrence. If your Building Kidz School has a capacity of 126 to 150 students: EPLI in the amount of $1,000,000 per occurrence; Business Interruption in the amount of $1,800,000 per occurrence; and Umbrella Policy in the amount of $2,000,000 per occurrence. If your Building Kidz School has a capacity of more than 150 students: EPLI in the amount of $2,000,000 per occurrence; Business Interruption in the amount of $2,400,000 per occurrence; and Umbrella Policy in the amount of $3,000,000 per occurrence.

We have the right to add categories and adjust the amounts required periodically as we deem necessary. You are required to comply with all property, liability, and other insurance required in the Operations Manual at all times. You must also procure and maintain all other insurance required by state or federal law.

We require you to use a computer system ("**Computer System**") in your Building Kidz School. You can use any computer system, if it meets our minimum standards for processor speed, RAM and hard drive capacity, has a Windows® operating system (currently Windows 10) or Catalina Operating System or equivalent that is upgraded periodically to reflect the current operating system specified in our Operations Manual, has high-speed internet connectivity (DSL, Broadband or Wireless 5G) and certain business productivity tools provided by Microsoft Office. You will need to purchase tablets (approximately 1 per classroom) for use with the Building Kidz Connect software.

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	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Sections 2 and 10 of Franchise Agreement, Section 5 of Area Developer Agreement	Item 5, 6, 7, 11
b. Pre-opening purchase/leases	Section 2 of the Franchise Agreement	Item 5, 6, 7, 11
c. Site development and other pre-opening requirements	Sections 2, 4, 8, 9, and 10 of the Franchise Agreement, Section 4 and 5 of Area Developer Agreement	Item 5, 6, 7, 11
d. Initial and ongoing training	Sections 9 and 10 of the Franchise Agreement, Section 3.2 of Area Developer Agreement	Item 5, 6, 7, 11
e. Opening	Section 10 of the Franchise Agreement, Section 4 of Area Developer Agreement	Item 5, 6, 7, 11
f. Fees	Section 4 of Franchise Agreement, Section 3.1 of Area Developer Agreement	Item 5, 6, 7
g. Compliance with standards and policies/operating manual	Sections 9 and 10 of Franchise Agreement, Section 6 and 11 of Area Developer Agreement	Item 8, 11, 15, 16
h. Trademarks and proprietary information	Sections 1 and 21 of Franchise Agreement	Item 13, 14
i. Restrictions on products/services offered	Section 1 of Franchise Agreement	Item 16
j. Warranty and customer service requirements	None	None
k. Territorial development and sales quotas	Sections 1 and 6 of Area Developer Agreement	None
l. Ongoing product/service purchases	Section 10 of the Franchise Agreement	Item 5, 6, 7, 8, 11
m. Maintenance, appearance, and remodeling requirements	Section 14 of the Franchise Agreement	Item 11
n. Insurance	Section 10 of the Franchise Agreement	Item 7, 11
o. Advertising	Sections 4, 10, and 11 of Franchise Agreement	Item 6, 7, 8, 11
p. Indemnification	Section 20 of Franchise Agreement, Sections 7 and 12 of Area Developer Agreement	Item 6, 13, 14
q. Owner's participation/management/staffing	Section 10 of Franchise Agreement	Item 15
r. Records and reports	Sections 5 and 6 of Franchise Agreement, Section 4.3 of Area Developer Agreement	Item 6, 11
s. Inspections and audits	Sections 6 and 7 of Franchise Agreement	Item 6, 11

Obligation	Section in Agreement	Disclosure Document Item
t. Transfer	Section 13 of Franchise Agreement, Section 7 of Area Developer Agreement	Item 6, 17
u. Renewal	Section 14 of Franchise Agreement, Section 2.2 of Area Developer Agreement	Item 6, 17
v. Post-termination obligations	Section 15 of Franchise Agreement, Section 9 of Area Developer Agreement	Item 17
w. Non-competition covenants	Section 12 of Franchise Agreement, Section 9 of Area Developer Agreement	Item 17
x. Dispute resolution	Section 23 of Franchise Agreement, Section 10 of Area Developer Agreement	State Cover Pg, Item 17
y. Other (describe)	See Operations Manual	

ITEM 10
Financing

We do not offer direct or indirect financing. We do not guarantee your note, lease or obligation.

ITEM 11
Franchisor's Assistance, Advertising, Computer Systems, and Training

Except as listed below, we are not required to provide you with any assistance.

(1) FRANCHISOR'S PRE-OPENING OBLIGATIONS.

Site Selection. If you do not already have one, we will work with you to find and acquire an appropriate site for your Franchised location. However, you are ultimately responsible for locating a site and negotiating the purchase or lease of the site. We have a right of final approval over any site selected by you, and you may not sign a lease for the franchised location without our approval. We do not own the premises leased for franchised locations. We will have 30 days from the date you submit a potential site for each Franchised location to advise you whether the site satisfies our minimum site criteria. If we do not provide you with an affirmative approval of the site within that 30-day period, we will be deemed to have denied the proposed site. The franchise is granted for a single, specific location. We may provide information about site characteristics, proximity factors, and lease provisions. We may (but are not obligated to) visit sites that you have identified and provide advice.

We will consider as factors in selecting or approving sites the following, among others: regulatory requirements (for example, your state Community Care Licensing Division), general location and neighborhood, traffic patterns, parking, play areas, physical characteristics of existing buildings, and lease terms. While we do not currently charge a Relocation Processing Fee, we reserve the right to do so in the future. If you request to move your Building Kidz School to a new Franchised Location, we may charge you a Relocation Processing Fee in connection with your relocation.

Once you have submitted a site to us for final approval, we will approve or disapprove of the site within 20 business days after receiving the request and all final background materials requested by us. If we cannot

agree on a location for your Building Kidz School, you will be in default, and we reserve the right to terminate your Franchise Agreement.

You are required to begin looking for sites for your Building Kidz School promptly after completing initial on boarding training at our headquarters; however, we will generally not authorize a site until you have completed training or have our approval to complete pre-opening training before the opening of your campus. If you have not opened a Building Kidz School 550 days after you sign the Franchise Agreement, we have the right (but not the obligation) to terminate your franchise.

We are not obligated to help you in conforming the site premises to local ordinances and building codes and obtaining any required permits. Regarding the construction, remodeling, or decoration of the premises, we will provide requirements for color schemes and will provide guidance on layout. While you are solely responsible for these matters, we may work with you in managing the construction, remodeling, or decorating of the premises.

Hiring and Training Employees. We will share with you our best practices in hiring, training, and retaining employees but you are solely responsible for hiring employees and making all employment decisions. Your employees are not to be considered our employees for any reason. We will provide initial training prior to opening for up to two people at our headquarters. We will provide instructors, training material, breakfast, and lunch for every day of training. You are responsible for all other expenses, including the cost of your travel, lodging, and additional meals. Before you open your Building Kidz School, you must successfully complete the entire pre-opening training to our satisfaction. If additional training is required beyond our training schedule, you will be charged as per the Additional Training Fee.

Necessary Equipment, Signs, Fixtures, and Supplies. We have the right, but not the obligation, to process orders for all necessary supplies and equipment directly and may work with suppliers for ordering and delivery. We will provide written specifications for these items, but we will neither deliver nor install these items.

Please refer to Franchise Agreement, Section 10.

(2) TIME NEEDED TO OPEN FOR BUSINESS.

The first payment of consideration for the franchise is the Initial Franchise Fee which is due upon signing the Franchise Agreement. Typically, the time between signing the Franchise Agreement and the opening of your Building Kidz School is 6 to 12 months. Factors that may affect this include time needed to schedule, attend and successfully complete our training program, finding an appropriate site, lease negotiations, time to comply with various permit and licensing requirements, time for delivery and installation of equipment and furniture items as well as interviewing and hiring teachers. Unless we agree otherwise, you must commence business operations within 550 days after the date you sign the Franchise Agreement. We require you to put up signage within 30 days after opening for business.

Please refer to Franchise Agreement, Section 9.

(3) FRANCHISOR'S OBLIGATIONS DURING THE OPERATION OF THE FRANCHISE.

We will provide your entire school curriculum and updates to the curriculum. We will provide best practices regarding hiring guidelines and training materials for employees. We will provide guidance in local marketing and advertising strategies to raise awareness and drive enrollment. We will host a homepage

on the Building Kidz website and promote new openings on our website. We will provide guidance and support in obtaining information for developing competitive pricing for your locality, and assist in creating pricing tables for the services offered. As part of our initial training, we will train you in the procedures and systems that we use for administrative, bookkeeping and accounting operations. We will provide guidance in resolving the operating problems encountered by the franchisee as needed from time to time.

Please refer to Franchise Agreement, Section 11.

(4) ADVERTISING PROGRAM FOR THE FRANCHISE SYSTEM.

We expect advertising for the franchise system to consist of, among other things, search engine optimization, search engine marketing, newspaper and/or radio advertisements, co-marketing with organizations focused on the performing arts, co-marketing with elementary schools that do not compete with us, establishing a membership with local chambers of commerce, networking, updates to the Building Kidz website, and more. We expect advertising and media coverage to be local and regional. We plan to prepare our advertising materials in-house, through our own advertising department. We are not required to spend any amount on advertising in the area or territory where any franchisee is located. We do have a budget for corporate advertising, however, which we will spend on regions that we expect to benefit the most from the marketing and advertising efforts.

Local Advertising. You will engage in local advertising as required by Franchise Agreement and the Operations Manual, at your sole expense. You will submit to us evidence of the completion of your advertising requirements within 30 days after expiration of the applicable advertising period. You may not advertise or use our trademarks in any fashion on the internet or via other means of advertising without our express written consent.

You may use your own advertising and marketing material, but only after receiving written approval from us, however you do not need to request approval for previously-approved materials in which you are only changing such variables as dates or prices. We will use our best efforts to approve or disapprove of materials submitted by you within 30 days after receipt. Even if we have approved specified materials, we may later withdraw our approval if we believe it necessary to make the advertising conform to changes in the franchise system or to correct unacceptable features of the advertising.

Until such time as your school achieves 85% of its FTE capacity (as defined in the Operations Manual), you must spend a minimum of $1,500 per month on approved marketing efforts. Upon achieving 85% of FTE capacity, your required spend will be $500 per month. We may allow you to reduce your local minimum ad spend to the cost of a basic Yelp (or similar page or electronic review service as defined in the Operations Manual) paid account when and for as long as enrollment is 90% of capacity or greater and at least 10% of capacity on Waitlist. Any advertising cooperative contributions will be credited as part of your required local advertising obligations. The following costs incurred by you will not be included within the required expenditures for local advertising:

1. Incentive programs for employees or agents;

2. Research expenditures;

3. Food costs incurred in any promotion;

4. Salaries and expenses of employees, including salaries and expenses for attendance at advertising meetings or activities;

5. Charitable, political or other contributions or donations (however, bona fide advertising expenses collected by a charitable organization will be included);

6. On-campus materials consisting of fixtures or equipment;

7. Seminar and educational costs and expenses of employees.

Advertising Councils. We currently have a Franchise Council made up of selected, not elected, franchisees who collaborate with us on operations and marketing aspects.

Advertising Cooperatives. The franchise system currently does not have advertising cooperatives; however, we reserve the right to do so in the future. We may designate any geographic area in which two or more franchisees are located as a region for purposes of establishing an advertising cooperative. The members of the cooperative for any area will consist of all Building Kidz Schools in that area, whether company-owned or franchised. Company owned or Affiliate owned outlets have the option of contributing to the cooperative, on the same basis as those for franchised outlets, if the company owned or Affiliate owned outlet deems a benefit in contributing. We will control the cooperatives, including all decision making and voting, and we have the right to form, dissolve, merge or change the structure of the cooperatives. If a cooperative is established for a geographic area where your Building Kidz School is located, you must sign all documents we request and become a member of the cooperative according to the terms of the documents. We will make the governing documents for the cooperative available to franchisees.

If a cooperative is formed in your area, you must contribute to the cooperative the amounts required by its governing documents; however, you will not be required to contribute more that 1.5% of your Gross Revenue during each month to the cooperative; additionally, we will credit any cooperative payments toward satisfaction of your local advertising requirement. Note that even if your local advertising requirement is reduced based on your obtaining 90% capacity, you still must contribute to the cooperative the total amounts required by the governing documents. Under certain special promotional programs, we may require that cooperative payments be contributed to the advertising fund. Any cooperative formed in your area must maintain and administer your payments to the cooperative in accordance with its governing documents. If formed, each cooperative will be obligated to prepare an annual financial statement reporting its expenditures for the previous year to its members. The cooperatives will not use any funds for advertising that is principally a solicitation for the sale of franchises.

Advertising Fund. We have established an advertising fund ("**Advertising Fund**") to promote the Building Kidz brand and our system of Building Kidz Schools. All franchisees must contribute 1% of Gross Revenue on a monthly basis to the Advertising Fund; and we may increase your contribution to 1.5% of Gross Revenue on 30 days' written notice to you. Franchisor-owned or Affiliate owned outlets are not required to contribute to the Advertising Fund but may choose to do so. Your monthly contributions to the Advertising Fund will be used solely for marketing and advertising initiatives including internet, website development and support, search engine optimization, social media, television, radio, magazine, newspaper and other general advertising campaigns; direct mail and outdoor billboard advertising; public relations activities; employing advertising agencies; and costs of our personnel and other departmental costs for advertising that we may administer or prepare internally. We may also use the Advertising Fund to defray our reasonable administrative costs and any overhead that we may incur in the administration or direction

of the fund and related programs. The monthly contributions to the Advertising Fund and its earnings will not otherwise benefit us.

We direct all promotional programs and have sole discretion to approve or disapprove the creative concepts, materials, and media used in the programs and their placement and allocation. The Advertising Fund is intended to maximize brand awareness, general public recognition and acceptance of our trademarks (including, without limitation, maintenance and remediation efforts to prevent the potential devaluation of our trademarks) and improve the collective success of all franchised Building Kidz Schools. We and our designated agents are not required to manage the Advertising Fund so as to ensure (a) that your benefits from those expenditures are equivalent or proportionate to your contribution or (b) that any particular franchisee benefits directly or pro rata from the promotional programs.

We will administer the Advertising Fund and maintain the Advertising Fund in a separate bank account. The Advertising Fund will not be audited, but we will prepare financial statements for the Advertising Fund which will be available to the franchisees on written request. Periodic accounting of how advertising fees are spent will not be provided. Unused funds within a fiscal year in the Advertising Fund will carry over to the following fiscal year, or we may, in our discretion, return unused funds to the contributors in proportion to the respective amounts paid by them, without interest, on the basis of their respective contributions. The franchisor will not use any amount of the Advertising Fund to solicit new franchise sales. We reserve the right to loan the Advertising Fund money at a reasonable interest rate. We have the right to terminate the Advertising Fund at any time. During our last fiscal year, which ended December 31, 2025, we collected $448,030 in Advertising Fund contributions and spent $386,001. We spent approximately 55% on production and 45% on media placement in 2025.

Social Media. We have sole discretion and control over any profile or other presence using or relating to our trademarks that are maintained on social media, including without limitation Facebook, X (formerly known as "Twitter") or other similar outlets that currently exist or may exist in the future. We may (but are under no obligation to) establish guidelines for the social media presence of franchisees. In that event, you must comply with the standards, protocols, and restrictions that we impose.

Please refer to Franchise Agreement, Sections 4 and 10.

(5) COMPUTER SYSTEMS.

We require you to use a computer system ("**Computer System**") in your Building Kidz School. You can use any computer system, as long as it meets our minimum standards for processor speed, RAM and hard drive capacity, has a Windows® operating system (currently Windows 10) or Catalina Operating System or equivalent that is upgraded periodically to reflect the current operating system specified in our Operations Manual, has high-speed internet connectivity (DSL, Broadband or Wireless 5G) and certain business productivity tools provided by Microsoft Office. You will need to purchase tablets (approximately 1 per classroom) for use with the Building Kidz Connect software.

We must approve all software that you use. We require you to use the following software programs and capabilities (some of these may come bundled with your laptop or desktop computer):

- High-speed Internet connectivity (DSL, Broadband or Wireless 5G),
- Microsoft Office Suite (includes by MS Word, Excel, Outlook) for word processing, spreadsheets and email communications,

- Acrobat Reader (this program can be downloaded for free) for reading files that are in portable document format (PDF),

- Browser Internet Explorer/Mozilla Firefox/Google Chrome/Safari,

- Accounting Software QuickBooks Pro or comparable software, and

- A childcare management software which allows for electronic sign in and sign out of children, operational analysis, financial analysis, tuition debits, and related functionality to ensure security.

You will need to purchase or lease the following hardware, if you do not already own it:

- Printer/fax machine/scanner (we recommend an all-in-one machine from Canon, Dell, HP, Epson or Brother manufacturers); you must be able to print in color,

- A projector with a computer interface (we recommend one manufactured by Dell, Sony, Infocus, Mitsubishi or Optoma), and

- A wireless router and network interface cards (we recommend one manufactured by Linksys, Netgear or DLink). In addition, Wi-Fi extenders may be required to cover the entire building.

Your cost of purchasing or leasing the computer system will vary greatly depending on the items you already own and what you need to buy. Nevertheless, we estimate that the total cost for your Computer System will range from $1,300 to $7,000. You are responsible for your Computer System, and we will not provide any ongoing maintenance, repairs, upgrades, or updates to your Computer System. You may be required to update to the newest version of an operating system from time to time. The cost of the upgrade will depend on the cost of the operating system at that time. In general, you will update or upgrade the various programs used on your computer, just as any computer user does. There is no contractual limit on the frequency or cost of this updating process, but it is usually a nominal expense, which we estimate to be less than $500 per year. We might also ask you to implement other software or hardware related to system improvements to better manage children and staff records. If we do so, you may be required to pay a monthly or annual fee for the software or hardware we will require.

The annual cost of Computer System maintenance, updating, upgrading, and support contracts will vary depending on the Computer System purchased. The monthly fees for the Building Kidz Connect software and CRM are included in ITEM 6.

We will have access to the Building Kidz Connect software and CRM system, which will give us visibility into registered children, attendance data, and end-customer information. We have the right to inspect your books, records, data and financial statements, and this right includes access to the software programs used to compile this information.

We have the right to independently access your electronic information and data through our proprietary data management and intranet system, and to collect and use your electronic information and data in any manner we choose to promote the development of the System and the sale of franchises. There is no contractual limitation on our right to receive or use information through our proprietary data management and intranet system.

Please refer to Operations Manual Section 2.

(6) OPERATIONS MANUAL

After you sign the Franchise Agreement, we will loan you a copy of our confidential and proprietary operations manual ("**Operations Manual**"). The Operations Manual contains 4,598 pages. You may find a copy of the Table of Contents for the Operations Manual attached as **Exhibit H**.

Please refer to Franchise Agreement, Section 9.

(7) TRAINING PROGRAM.

TRAINING PROGRAM

Our Initial Training Program consists of four distinct training sessions for Franchisees. Director attendance is optional.

1. Initial Onboarding Training: Conducted the day after signing the franchise agreement if completed at our Headquarters in Foster City, CA. Otherwise, it is scheduled within 45 days of signing.

2. Pre-Opening Facility Training: Held Live Online, at our Headquarters, or at a designated location of our choice. This session is scheduled once you sign a lease or a letter of intent for purchasing and converting an existing preschool.

3. Pre-Opening Business Training: Partially conducted Live Online and partially conducted at our Headquarters or at a Corporate Campus. This training takes place at least 15 days before your scheduled opening or within the first month post opening.

4. Post-Opening Site Training: Partially delivered at your location, partially conducted Live Online, and partially delivered through Recorded E-Learning within 30-90 days after opening or after obtaining the childcare license.

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Initial Onboarding Trainings			
Topic	**Hours of On-the-Job Training**	**Hours of Classroom Training**	**Location**
Introduction to Building Kidz	0	2.5	HQ (Foster City, CA)
Philosophy, culture, and training outline	0	3.5	HQ (Foster City, CA)
State Compliance	0	3	HQ (Foster City, CA)
BK Program (Differentiators/ Sales & Marketing)	0	5	HQ (Foster City, CA)
Campus Visits*	4	0	HQ (Foster City, CA)
Campus requirements, next steps, your ideal school	0	6	HQ (Foster City, CA)
Total Hours	**4**	**20**	**24**

Pre-Opening Facility Trainings			
Topic	**Hours of On-the-Job Training**	**Hours of Classroom Training**	**Location**
Facility/Furniture & Equipment Protocols	0	8	Live Online, HQ, or as we specify
Learning Through Life Experiences Structures & Performing Arts Area Requirements	0	4	Live Online, HQ, or as we specify
Financial Evaluations	0	4	Live Online, HQ, or as we specify
Insurance	0	2	Live Online
Total Hours	**0**	**18**	**18**

Pre-Opening Business Trainings			
Topic	**Hours of On-the-Job Training**	**Hours of Classroom Training**	**Location**
License Application Training & Support	0	8	Live Online
Marketing: Philosophy, Support & Consultation	0	4	HQ

HR 1 (Admin / Hiring process)	0	4	HQ
Director Training: Building Kidz Program	0	2	Corporate school in CA or HQ
Director Training: Behind the Scenes	2	0	Corporate school in CA or HQ
Academic curriculum	1	2	Corporate school in CA or HQ
LTLE curriculum	4	0	Corporate school in CA or HQ
Sales Strategies	0	4	Corporate school in CA or HQ
Sales Demo	1	0	Corporate school in CA or HQ
Business Solutions: CRM	0	4	Live Online or HQ
Business Solutions: BK Connect	0	4	Live Online or HQ
Total Hours	**8**	**32**	**40**
Post-Opening Trainings			
Topic	**Hours of On-the-Job Training**	**Hours of Classroom Training**	**Location**
Classroom & Behavior management	0	1.5	Recorded E-Learning
Health and Safety	0	0.5	Recorded E-Learning
Performing Arts	3	0.5	Franchisee's Location or Live Online
HR 2 (Compliance)	4	0.5	Franchisee's Location or Live Online
Director 2 Training	4	1	Franchisee's Location or Live Online
Capacity Planning	7.5	0.5	Franchisee's Location or Live Online
Total Hours	**18.5**	**4.5**	**23**
		Total Days	**Total Hours**
		13	**105**

Training will be conducted in Foster City, California, online, at your campus, or another place designated by us. We reserve the right to conduct all or any portion of the training program online. Training will be provided under the supervision of Vineeta Bhandari, whose background is discussed in Item 2, as well as Sangeet Karamchandani, Angelina Bowers, Jamie Brown, Kevin Lillich, Eman Isbeih, Stephanie Harrington, Shruti Jain, Ernesto Flores, Trisha DeGuzman, Kyle Peterson, Greg Gee, Sarah Harvey, and Deena Riley. Mrs. Bhandari will supervise the delivery of the entire training and is responsible for the financial evaluations training module. Mrs. Bhandari has approximately 22 years of experience in this field and with us. Mrs. Harrington is responsible for the administration, hiring process, LTLE curriculum, sales, and customer service training modules. Mrs. Harrington has 13 years of experience in the field of Early Childhood education and has been with us for 11 years. Mrs. Brown is responsible for the State Compliance and License Application Training & Support training modules. Mrs. Brown has over 21 years of experience in this field and has over 19 years of experience with us. Mrs. Jain is responsible for the marketing consultation, philosophy, and support training modules. Mrs. Jain has 17 years of experience in marketing and 5 years with us. Mr. Greenidge is responsible for the CRM training module; he has over 5 years of experience in sales and 4 years with us. Mr. Flores is responsible for the campus requirements, facility/furniture & equipment protocols, and LTLE structures & performing arts area requirements; he has over 28 years of experience with technology and 13 years with us. Mrs. Isbeih is responsible for capacity planning training modules. Mrs. Isbeih has 17 years of experience in the field and 9 years of experience with us. Mr. Lillich is responsible for the Performing Arts training module; he has over 10 years of experience in the Performing Arts and 5 years with us. Mr. Gee is responsible for the Director training on the Building Kidz Program & Behind the Scenes, Academic curriculum, HR2 (Compliance) and Director 2 Training modules. Mr. Gee has over 7 years of experience and 3 years with us. Ms. Riley is responsible for the Business Solutions (Building Kidz Connect) training module. Ms. Riley has over 17 years of experience and 9 years with us. Mrs. Bowers is responsible for the philosophy, culture, and training outline training module. Mrs. Bowers has over 21 years of experience and 3 years of experience with us. The training includes instruction as outlined above and will include PowerPoint presentations.

If you are an individual, you must be the "**Managing Owner**." If you are a business entity, you must appoint a shareholder, member, or partner (if applicable) to be your "**Managing Owner**." The Managing Owner (and, if you are a business entity, all principals who own or control at least 20% of the entity or, if no one individual controls 20% then all owners of the entity) must attend and successfully complete to our satisfaction our training program ("**Franchisee Training Program**"). The Franchisee Training Program will consist of approximately two weeks of training in Building Kidz methods, techniques, and curriculum applications, which may occur at any time after you sign your Franchise Agreement, prior to the grand opening of the location of your Building Kidz School, and after the opening of your Building Kidz School. The classroom portion of the Franchisee Training Program currently is provided at our business headquarters (303 Vintage Park Drive, Foster City, CA 94404). The on-the-job portion is currently provided at our business headquarters but may also be partially provided onsite at any one of the Building Kidz School campuses. If you are purchasing an existing Building Kidz School or Pre-Existing Location, the length, timing, and place of the Franchisee Training Program will be determined on a case-by-case basis. The methods and techniques taught during the Franchisee Training Program include, without limitation, the following: building enrollment; local advertising, marketing and promotion; accounting, insurance requirements, budgeting and controlling costs; reporting and record keeping; facilities maintenance; snack and meal planning; recruiting, hiring and employee scheduling; health and safety matters; state licensing and regulation matters; and the Building Kidz curriculum.

During Initial Onboarding Training, we will provide instructors, training material, breakfast, and lunch for every day, at our cost. You are responsible for all other expenses, including the wages of all of your

attendees, and the cost of travel, lodging, and food (beyond the breakfast and lunch provided by us each training day).

The Franchisee Training Program is offered periodically or on an as needed basis.

Before you open your Building Kidz School, your Managing Owner must successfully complete the entire pre-opening Franchisee Training Program provided at our corporate headquarters or elsewhere to our satisfaction. In addition, you must appoint a qualified site director ("**Director**") (who may be, but is not necessarily, the Managing Owner) who will be responsible for the day-to-day operations of your Building Kidz School. Before your grand opening, if we determine that additional training is required for the initial Director of your Building Kidz School, the initial Director must complete a site director specific training program, which will be tailored to that specific Director's needs, to our satisfaction; and, if we determine such training is required, all subsequent Directors must complete a site director specific training program, which will be tailored to each specific Director's needs, before they start working as a Director on your campus. We reserve the right to charge you a fee ("**Additional Training Fee**") for training each subsequent Director that you choose for your Building Kidz School. Additional training programs or refresher courses, such as ECE courses, are not required, but are highly recommended.

Please refer to Franchise Agreement, Section 10.

We have the right to conduct quality control inspections ("**QC Inspections**") of your Building Kidz School. The QC Inspections are divided into sections. If your school fails the same section of a QC Inspection more than once in any rolling twelve-month period, or fails the entire QC Inspection three consecutive times in any 12 month period, or is issued a citation from any government body, and is subsequently issued another citation for the same or similar violation within any rolling twelve-month period, we may require you to attend, at your expense, additional and/or remedial training. We may charge the Additional Training Fee for this training. We may also require additional, more frequent, QC Inspections to ensure compliance at your expense.

ITEM 12
Territory

Your Franchise Agreement will specify a nonexclusive territory ("**Territory**") which you will be granted after execution of a Franchise Agreement. Generally, we will grant you a minimum radius of one-half mile from the front door of your Building Kidz School. We reserve the right, however, to grant you a smaller radius in densely populated markets and to grant you a larger radius protection if you are operating in a suburban or rural area. The specific boundaries of your Territory may include municipal or county boundaries, roads, or natural geographic boundaries (such as water or mountain ranges). The actual size of your Territory will vary depending upon the availability of contiguous markets, our long range plans, your financial and operational resources, and market conditions. A written description of your Territory will be inserted in **Attachment I** to the Franchise Agreement before you sign. If the site of your Building Kidz School has not been identified as of the signing of the Franchise Agreement, **Attachment I** to the Franchise Agreement will be marked as "To Be Determined," and your Territory will be determined upon site identification.

Other than as designated in the Franchise Agreement, and as specified below, there are no other circumstances that permit us to modify your rights involving the Territory. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we or our Affiliates own, or from other channels of distribution or competitive brands that we control. Your Territory is merely

a geographical protection and does not provide you any exclusive rights to market to customers living or working in your Territory. You may service a customer residing or working inside or outside of your Territory. Similarly, other franchise owners of Building Kidz Schools may service and market to customers residing in or working in your Territory.

You must operate your Building Kidz School at the specific Franchised Location designated in the Franchise Agreement. You cannot move your Franchised Location without our prior written approval. Our approval of a Franchised Location is based on a variety of factors, including the demographics of the proposed new location. Our approval of your Franchised Location does not guarantee the success of your

Building Kidz School. If you request to move your Building Kidz School to a new Franchised Location, we may charge you a Relocation Processing Fee in connection with your relocation.

Except as provided below and within the Franchise Agreement, we will not grant another franchise in your Territory. Customers from your Territory may purchase services from other Building Kidz Schools. We reserve for ourselves the exclusive right to market any other products or services utilizing the Marks or other marks utilizing alternative distribution channels, including over the Internet. We are not required to compensate you for any solicitation or acceptance of orders inside your Territory via alternative channels of distribution.

If you sign an Area Developer Agreement to purchase Area Development Rights, you will acquire the temporary right to develop Building Kidz Schools in a Development Territory described in a Development Schedule, which you and we must agree upon. The Development Schedule may require you to open at least one new Building Kidz School in your Development Territory every 12 months. We will have 30 days from the date you submit a potential site for each new Building Kidz School to advise you whether the site satisfies our minimum site criteria. If we do not advise you that the proposed site satisfies our minimum site criteria, you must select another site that does satisfy such criteria. Your failure to satisfy the terms of the Development Schedule may result in the termination of your Area Developer Agreement, the reduction of your Area Developer Rights, or the loss or reduction of your Development Territory, at our discretion. When and if the Development Schedule has been finally satisfied or expires by its terms, you may no longer have rights to your Development Territory, and each Building Kidz School may be limited to its individual Territory.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

From time to time we are approached, or we approach, large corporations or corporate enterprises (such as business or industrial parks) to discuss the establishment of a Building Kidz School. Any Location that is on or near the premises of a company or corporation which all of the customers of the Location are affiliated with the company or corporation, and which Franchisor or a franchisee or affiliate of Franchisor have an agreement with said company or corporation to operate multiple Locations in disparate geographic areas, all with the intent of servicing said company or corporation's employees, subcontractors, and/or other affiliated parties is defined as a "**National Account Location**." We reserve the right to establish, or allow an Affiliate or another franchisee to establish, a National Account Location anywhere, including within the boundaries of a franchisee's Territory, and you agree in the Franchise Agreement to permit us to do so.

Rights We Reserve Under the Franchise Agreement:

As noted above, and as specified in the Franchise Agreement, we will not establish, franchise or license others to establish a Building Kidz School in the Territory, except a National Account Location, during the term of the Franchise Agreement so long as you are in compliance with the Franchise Agreement. However, and despite those promises and obligations, we and our Affiliates retain all rights with respect to Building Kidz Schools, the System, the Marks, the sale of similar or dissimilar services, and any other activities we deem appropriate whenever and wherever we desire, including:

1. to own, franchise, license or operate Building Kidz Schools at any location outside of the Territory, regardless of the proximity to your Building Kidz School, and even if the Territory of another Building Kidz School "overlaps" a portion of your Territory. We will not establish within your Territory another franchisee or company-owned outlet, except a National Account Location, which may use the Marks;

2. to own, franchise, or operate one or more Building Kidz Franchises at a National Account Location located anywhere, including inside your Territory;

3. to use the Marks and the System to sell any products or services, similar to those which you will sell, through any alternate channels of distribution within or outside of the Territory. This includes, but is not limited to, retail locations and other channels of distribution such as stores, shops, kiosks, malls, airports, and college campuses, at special events, and other channels of distribution such as, television, mail order, catalog sales, wholesale to unrelated retail outlets, or over the Internet. We exclusively reserve alternative channels of distribution such as the Internet, catalog sales, telemarketing or other direct marketing, as channels of distribution for us. You may not independently use alternative channels of distribution to make sales within or outside your Territory;

4. to use and license the use of other proprietary and non-proprietary marks or methods which are not the same as or confusingly similar to the Marks, whether in alternative channels of distribution or in the operation of a business offering educational services, at any location, including within the Territory, which may be similar to or different from the business operated by you;

5. to purchase or be purchased by, or merge or combine with, any business, including a business that competes directly with the Building Kidz Business you operate, wherever located;

6. to acquire and convert to the System operated by us any businesses offering services and products related to providing educational services, including such businesses operated by competitors or otherwise operated independently or as part of, or in association with, any other system or chain, whether franchised or corporately owned and whether located inside or outside of the Territory; and

7. to implement multi-area marketing programs including regional pricing and service programs, which may allow us or others to solicit or sell to clients, or otherwise dictate service and pricing strategy, anywhere. We also reserve the right to issue mandatory policies to coordinate these multi-area marketing programs including the right to establish minimum or maximum pricing for such programs, as permitted by law.

At this time, we do not offer to franchisees any options, rights of first refusal, or similar rights to acquire additional franchises. We reserve the right to offer options, rights of first refusal and similar rights at any time in our sole discretion, on such terms as we determine.

ITEM 13
Trademarks

We grant you the nonexclusive right to use our Marks, including the names "BUILDING KIDZ SCHOOL". You must also use our other current or future Marks only as we may designate to operate your Building Kidz School. You must indicate, as required in the Franchise Agreement and specified in the Operations Manual, that you are an independent operator of the Building Kidz School and shall use the appropriate trademark and copyright marks as indicated by us.

The Marks and the System are owned by us. The Marks were transferred from Building Kidz, Inc. to us on October 1, 2025. The assignment documents have been filed with the USPTO and are currently pending.

We have registered the following Marks on the Principal Register of the United States Patent and Trademark Office ("**USPTO**"):

Mark	Registration Number	Registration Date	Register
CONFIDENCE • COMMITMENT • CHARACTER BuildingKidzSchool	4,807,123	September 8, 2015	Principal
BUILDING KIDZ SCHOOL	6,898,858	November 15, 2022	Principal
BUILDING KIDZ	6,898,859	November 15, 2022	Principal

All required affidavits have been filed. The registration renewal documents have been filed and are currently pending review.

Periodically we also grant you the right to use other common law trademarks which are owned by us. Therefore, our trademark does not have as many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark which may increase your costs.

You must follow our rules when you use any of the Marks. You may not use any of the Marks alone or with modifying words, designs or symbols as part of a corporate name or in any form on the Internet, including, but not limited to URLs, domain names, email addresses, locators, links, metatags or search techniques except as we license to you. You may not use any of the Marks in connection with the sale of

an unauthorized product or service or in a manner not authorized by us in writing. Guidelines regarding proper trademark use and notices are described in the Operations Manual and will be updated from time to time at our discretion.

There is no currently effective determination of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of this state or any court, or any pending interference, opposition or cancellation proceeding, or any pending material litigation involving the Marks which are relevant to your use of these Marks. All required affidavits have been filed.

No currently effective litigation affects our use or ownership rights in a trademark. No currently effective agreements limit our right to use or license the use of our trademarks. All required affidavits have been filed.

We will control any arbitration or proceeding.

In the event of any infringement of, or challenge to, your use of any name, mark or symbol, you must notify us within 3 days, and we will have the sole discretion to take any such action we deem appropriate in order to fulfill our obligation to preserve and protect the ownership, identity and validity of the Marks. We are not obligated to protect your rights to use the Marks. We are not obligated to participate in your defense and/or indemnify you for expenses or damages if you are party to an administrative or judicial proceeding involving the Marks if the proceeding is resolved unfavorable to you. Furthermore, we are not obligated to indemnify you for any losses of any kind that you may incur in connection with any infringement of, or challenge to, our or your rights to use the Marks. If it becomes advisable at any time, in our sole discretion, to modify or discontinue the use of any name or mark and/or use one or more additional or substitute names or marks, you must pay for the tangible costs (such as replacing signs and materials) associated with such a change. You must not directly or indirectly contest our right to our Marks, trade secrets or business techniques that are part of our business.

We do not know of any infringing uses that could materially affect your use of our Marks. You should understand that there could be other businesses using trademarks, trade names, or other commercial symbols similar to our Marks with superior rights to our rights. Before starting your Building Kidz School, you should research this possibility, using telephone directories, trade directories, Internet directories, or otherwise in order to avoid the possibility of having to change the name of your Building Kidz School.

ITEM 14
Patents, Copyrights, and Proprietary Information

The information contained in the Operations Manual is proprietary and is protected by copyright and other laws. The Operations Manual and the limitations of the use of it by you and your employees are described in ITEM 11 and the Franchise Agreement. The designs contained in the Marks, the layout of our advertising materials, the content and format of our products, as well as any other writings, recordings in print or electronic form are also protected by copyright and other laws. Although we have not filed an application for copyright registration for the Operations Manual, the Marks, the advertising materials, the content and format of our curriculum (other than as specifically described below), or any other writings and recordings, we claim common law and federal copyrights in these items. We grant you the right to use this proprietary and copyrighted information ("**Copyrighted Works**") in connection with your operation of your Building Kidz School, but these copyrights remain our sole property.

There are currently no effective determinations of the United States Copyright Office or any court regarding any Copyrighted Works of ours, nor are any proceedings pending, nor are there any currently effective agreements between us and third parties pertaining to the Copyrighted Works that will or may significantly limit your use of our Copyrighted Works.

Our Operations Manual, electronic information and communications, sales and promotional materials, the development and use of our System, standards, specifications, policies, procedures, information, concepts and systems on, knowledge of and experience in the development, operation and franchising of Building Kidz Schools, formulations for and packaging of products, and training and techniques used to provide services sold at Building Kidz Schools, information concerning product and service sales, operating results, financial performance and other financial data of Building Kidz Schools and other related materials are proprietary and confidential ("**Confidential Information**") and are considered to be our property to be used by you only as described in the Franchise Agreement or the Operations Manual. Where appropriate, certain information has also been identified as trade secrets ("**Trade Secrets**"). You must maintain the confidentiality of our Confidential Information and Trade Secrets and adopt reasonable procedures to prevent unauthorized disclosure of our Trade Secrets and Confidential Information.

We will disclose parts of the Confidential Information and Trade Secrets to you as we deem necessary or advisable for the development of your Building Kidz School during training and in guidance and assistance furnished to you under the Franchise Agreement, and you may learn or obtain from us additional Confidential Information and Trade Secrets during the term of the Franchise Agreement. The Confidential Information and Trade Secrets are valuable assets of ours and are disclosed to you on the condition that you and, if applicable, your spouse or domestic partner, and your owners, if you are a business entity, and employees agree to maintain the information in confidence by entering into a confidentiality agreement that we can enforce.

You must notify us within three days after you learn about another's use of language, a visual image, or a recording of any kind, that you perceive to be identical or substantially similar to one of our Copyrighted Works or use of our Confidential Information or Trade Secrets or if someone challenges your use of our Copyrighted Works, Confidential Information or Trade Secrets. We will take whatever action we deem appropriate, in our sole and absolute discretion, to protect our rights in and to the Copyrighted Works, Confidential Information or Trade Secrets, which may include payment of reasonable costs associated with the action. However, the Franchise Agreement does not require us to take affirmative action in response to any apparent infringement of or challenge to your use of any Copyrighted Works, Confidential Information or Trade Secrets or claim by any person of any rights in any Copyrighted Works, Confidential Information or Trade Secrets. You must not directly or indirectly contest our rights to any of our Copyrighted Works, Confidential Information or Trade Secrets. You may not communicate with anyone except us and our counsel with respect to any infringement, challenge or claim. We will have discretion to take action as we deem appropriate regarding any infringement, challenge or claim, and the sole right to control exclusively any litigation or other proceeding arising out of any infringement, challenge or claim under any Copyrighted Works, Confidential Information or Trade Secrets. You must sign any and all instruments and documents, give the assistance, and do acts and things that may, in the opinion of our counsel, be necessary to protect and maintain our interests in any litigation or proceeding or to protect and maintain our interests in the Copyrighted Works, Confidential Information or Trade Secrets.

No patents are material to us at this time.

We have the right to inspect, copy and use all records with respect to the customers (in accordance with state and federal law), suppliers, and other services providers of, and related in any way to your Building

Kidz School. This includes, without limitation, all databases (whether in print, electronic, or other form), including, among other things, all names, addresses, phone numbers, e-mail addresses, and customer and student records. To the greatest extent permitted by law, we may use or transfer the records in any way we wish, both before and after any termination, expiration, repurchase, transfer or otherwise. We may contact any or all of your customers, suppliers, and other service providers for quality control, market research, and such other purposes, as we deem appropriate, at our sole discretion.

You must disclose to us all ideas, techniques and products concerning the development and operation of the Building Kidz School you, your Managing Owner, your Director, or your employees conceive or develop during the term of the Franchise Agreement. You must grant to us and agree to obtain from your owners, Managing Owner, Director, or employees a perpetual, non-exclusive and worldwide right to use these ideas, techniques and products concerning the development and operation of the Building Kidz School that you, your Managing Owner, your Director, or your employees conceive or develop during the term of the Franchise Agreement in all educational businesses that you operate. We will have no obligation to make any lump sum or on-going payments to you with respect to any idea, concept, method, technique or product. You must agree that you will not use, nor will you allow any other person or entity to use any of these ideas, techniques or products without obtaining our prior written approval.

Proprietary Information:

You may never – during the Initial Term, any Renewal Term, or after the Franchise Agreement expires or is terminated – reveal any of our confidential information to another person or use it for any other person or business. You may not copy any of our confidential information or give it to a third party except as we authorize. All persons affiliated with you, including, if applicable, your spouse or domestic partner, must sign our Confidentiality Agreement (**Exhibit E**).

Our confidential information will include services, technologies and procedures relating to the operation of a Building Kidz School; systems of operation, services, programs, products, procedures, policies, standards, techniques, requirements and specifications which are part of the Building Kidz System; the Manual: methods of advertising and promotion; curriculum and instructional materials; and other matters.

ITEM 15
Obligation to Participate in the Actual Operation of the Franchise Business

Until such time as your Franchised Business has operated at or above 80% of its capacity (as more fully defined in the Operations Manual) for a period of 90 consecutive days, your Managing Owner must personally participate, on a full time basis, in the direct operation of your franchise. This is required under the terms of the Franchise Agreement, and we recommend it as well. The Managing Owner will be responsible for overseeing and supervising the business. We do not require that this oversight and supervision be on-site, and in fact, anticipate much of the time the Managing Owner will not be at the Franchised Business location. If you are a business entity, your Managing Owner is not required to have any equity interest in your franchise. If you are a corporation, limited liability company, or partnership, your owners and, if applicable, their spouses or domestic partners must personally guaranty your obligations under the Franchise Agreement and agree to be bound personally by every contractual provision, including the Confidentiality Agreement, whether containing monetary or non-monetary obligations. If you sign an Area Developer Agreement, if applicable, your spouse or domestic partner must personally guaranty your obligations under the Area Developer Agreement and agree to be bound personally by every contractual provision contained therein, whether containing monetary or non-monetary obligations. A Director, or

qualified assistant site director ("**Assistant Director**") must be on site for all operating hours. The Director or Assistant Director must be involved in the day-to-day operations of your Building Kidz School.

We may recommend staffing levels at your Building Kidz School, and require specific personnel, employee qualifications, training, dress, and appearance.

If there is a change to your Managing Owner or Director, we must approve any new Managing Owner or Director for your franchise prior to the new Managing Owner or Director starting work. The new Managing Owner must successfully complete our training program at your cost and you may be required to pay the Additional Training Fee. We will assess if the new Director has been trained as per our standards and may require the new Director to attend a Director-specific training at our headquarters, at your cost. If you (with our approval) train the Managing Owner or Director, then only abbreviated training by us is necessary and we have the right to reduce the Additional Training Fee. We will assess if the new Managing Owner or Director is trained as in accordance with our standards and may require for the new Managing Owner or Director to attend a full training at our headquarters. We may require that your Managing Owner or Director and staff sign our standard Confidentiality Agreement.

ITEM 16
Restrictions on What the Franchisee May Sell

You must (1) offer and sell only those learning center programs, curriculums, services and products that we have approved in writing, (2) offer and sell the full range of learning center programs, curriculums, services and products that we require, (3) refrain from any deviation from our standards and specifications without our prior written consent, and (4) discontinue offering and selling any learning center programs, curriculums, services and products which we may, in our discretion, disapprove in writing at any time. There are no contractual limits on our right to make changes or improvements to services (or products) offered as part of our system. All learning center programs, curriculums, services and products must meet our then-current standards and specifications, as specified in our Operations Manual or otherwise in writing.

With our advanced written permission, you may acquire Pre-Existing Location to convert into a Building Kidz School. If that Pre-Existing Location was originally designed to operate under a different model than a Building Kidz School, we may permit you to continue to operate that Pre-Existing Location under that different model for a limited Approved Transition Period while you convert the Pre-Existing Location into a fully compliant Building Kidz School. In such an instance, we have the right to require you to sign an addendum that establishes the length of the Approved Transition Period and outlines your rights and obligations during the Approved Transition Period.

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ITEM 17
Renewal, Termination, Transfer, and Dispute Resolution

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

THE FRANCHISE RELATIONSHIP

Provision	Section in franchise or other agreement	Summary
a. Length of the franchise term	Franchise Agreement Section 3 Area Development Agreement Section 2	Effective from the date of the execution by Franchisor and will expire on the date that is 15 years from the date franchisee first opens its Designated Campus.
b. Renewal or extension of the term	Franchise Agreement Section 14 Area Development Agreement Section 2	Upon the expiration of each then-existing term of the franchise, franchisee will have the option to renew the franchise on the same terms as franchises that franchisor is customarily granting at the time of renewal.
c. Requirements for franchisee to renew or extend	Franchise Agreement Section 14 Area Development Agreement Section 2	Conditions for renewing your right to operate your Designated Campus following the term of the franchise agreement: Franchisor does not have legal grounds to terminate or otherwise not to renew the franchise; franchisee delivers to franchisor written notice of intent to renew not more than 240 days and not less than 180 days prior to the expiration of the then-existing term; franchisee signs a new Franchise Agreement, which will be in the same form as franchisor is then offering to new franchisees and may contain materially different terms and conditions than your original franchise agreement; before the renewal term begins, franchisee at its own expense remodels the franchise premises to meet franchisor's then-applicable standards and policies; franchisee signs a general release of claims on franchisor's form.;
d. Termination by franchisee	Franchise Agreement Section 15 Area Development Agreement Section 6	You may not terminate the Franchise Agreement for any reason without our advanced written permission, which we have the right to grant or deny for any reason or no reason, subject to state law.
e. Termination by franchisor without cause	None	None
f. Termination by franchisor with cause	Franchise Agreement Section 15 Area Developer Agreement Section 6	We can terminate only for specified causes.

Provision	Section in franchise or other agreement	Summary
g. "Cause" defined – curable defaults	Franchise Agreement Section 15	We may terminate for your failure to conduct business in substantial conformity with our standards and policies, including the Operations Manual, or with any obligation imposed on you by the Franchise Agreement or any other agreement between us; we will give you 30 days' notice of default to cure. We may terminate for your failure to pay any franchise fee or other amount due to us or our affiliates; we will give you 5 days' notice of default to cure.
h. "Cause" defined – non-curable defaults	Franchise Agreement Section 15	We may immediately terminate for any of the following defaults: You are declared bankrupt etc.; you fail to operate your school for 5 consecutive days or any shorter period that show your abandonment; you and us agree in writing to terminate the franchise; you make any material misrepresentation or you engage in conduct which reflects materially and unfavorably upon our franchise system; you fail to comply with law or regulation; you, after curing any prior failure or default, engage in the same noncompliance; you repeatedly fail to comply with one or more of our requirements; your franchise business or premises are seized, taken over or foreclosed by a government official, creditor or lessor; you are convicted of a felony or other criminal misconduct; your continued operation of your franchise will result in an imminent danger to public health or safety.
i. Franchisee's obligations on termination/non-renewal	Franchise Agreement Section 15 Area Developer Agreement	Termination will not relieve franchisee of any obligation to pay money to franchisor that matured by the effective date of termination, or of any monetary obligations imposed on franchisee for the term of the Franchise Agreement or other contract, whether those obligations are past, present or future, and explicitly including franchisee's payment of royalties, advertising fund contributions, and other amounts due under the Franchise Agreement for its full contractual term, beginning on the date of execution of the Franchise Agreement and ending on the date that is 15 years from the date franchisee first opens its Designated Campus. At termination you must deliver final reports; pay all amounts owing; stop using our trademarks, signs, advertising, website, e-

Provision	Section in franchise or other agreement	Summary
		mail, and telephone listings; stop using all materials and products associated with the franchise; disconnect all telephone numbers that were used for the franchise; make no representation or suggestion that you are associated with a franchise; change all your registrations that contain our trademarks; return all franchise materials containing confidential information, and all documents relating to our business practices including the Operations Manual; stop using, disclosing or copying any confidential information, trade secret, customer list or customer lead.
j. Assignment of contract by franchisor	Franchise Agreement Section 21 Area Development Agreement Section 7	No restriction on our right to assign.
k. "Transfer" by franchisee – defined	Franchise Agreement Section 13 Area Developer Agreement Section 7	"Transfer" means any change in ownership of any rights and obligations of the Franchise Agreement, the franchise, the lease for the franchise site, or of an ownership interest in franchisee constituting more than 33%.
l. Franchisor approval of transfer by franchisee	Franchise Agreement Section 13 Area Developer Agreement Section 7	We have the right to approve all transfers.
m. Conditions for franchisor approval of transfer	Franchise Agreement Section 13 Area Developer Agreement Section 7	Payment of transfer fee; transferee must meet all criteria of character, business experience, financial responsibility, net worth, and other standards; you must pay all amounts owed to us and cure all defaults; transferee must sign franchise agreement and other franchise documents; transferee must complete training program; you must sign a general release of claims.
n. Franchisor's right of first refusal to acquire franchisee's business	Franchise Agreement Section 13 Area Development Agreement Section 7	We may match any offer for your Building Kidz School, including an offer to purchase any ownership interest in the franchisee entity.
o. Franchisor's option to purchase franchisee's business	Franchise Agreement Section 17	Upon the termination or expiration of the franchise agreement, we shall have the option, but not the obligation, to purchase any personal property used in connection with operation of the Franchised Business.
p. Death or disability of franchisee	Franchise Agreement Section 13	Death is considered a transfer. Upon the death of a franchisee who is an individual, franchisee's rights in the franchise may be transferred to his or her spouse, adult child, parent or adult sibling; or to a third party; subject to franchisor's required conditions.

Provision	Section in franchise or other agreement	Summary
		Franchisor may terminate the franchise if it is not transferred within 120 days after death.
q. Non-competition covenants during the term of the franchise	Franchise Agreement Section 12 Area Developer Agreement Section 9	No direct or indirect involvement in any competitive business.
r. Non-competition covenants after the franchise is terminated or expires	Franchise Agreement Section 12 Area Developer Agreement Section 9	No direct or indirect involvement in any competitive business for a period of two years after expiration, termination, or sale of the Franchise.
s. Modification of the agreement	Franchise Agreement Section 23 Area Developer Agreement Section 11	No modification unless signed by us and you.
t. Integration/merger clause	Franchise Agreement Section 23	Full integration; Franchise Agreement supersedes all. Only the terms of the Franchise Agreement or any related agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and Franchise Agreement might not be enforceable. Nothing in the Agreement or any related agreement is intended to disclaim the representations made in the disclosure document.
u. Dispute resolution by arbitration or mediation	Franchise Agreement Section 23 Area Developer Agreement Section 10	Binding arbitration before JAMS, subject to state law
v. Choice of forum	Franchise Agreement Section 23	San Francisco Bay Area, California, subject to state law
w. Choice of law	Franchise Agreement Section 23 Area Developer Agreement Section 11	California, subject to state law

ITEM 18
Public Figures

We currently do not use any public figure to promote our franchise.

ITEM 19
Financial Performance Representations

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in ITEM 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this ITEM 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

Some outlets have earned this amount. Your individual results may differ. There is no assurance you will earn as much.

The information in the tables ("**Tables**") below is derived from the operation of twenty-seven (27) franchise Building Kidz Schools ("**Locations**") and presents their financial results for the calendar year 2025. Specifically, in Tables 1(a), 1(b), and 1(c), we present financial results achieved by twenty-seven (27) Locations that were operational for a minimum of twelve (12) months as of December 31, 2025, categorized by top, middle, and bottom third performers, respectively, based on EBITDA margin.

In Table 2(a), we present results for six (6) Locations that were in operation for a minimum of twelve (12) months but less than thirty-six (36) months; in Table 2(b), for four (4) Locations that were in operation for a minimum of thirty-six (36) months but less than five (5) years; in Table 2(c), for five (5) Locations that were in operation for a minimum of five (5) years but less than six (6) years; and in Table 2(d), for twelve (12) Locations that were in operation for a minimum of six (6) years, all as of December 31, 2025.

The Tables do not include data from (i) seven (7) Locations that were open less than twelve (12) months as of December 31, 2025, (ii) eight (8) Locations that failed to report the required information for the full calendar year ending December 31, 2025, and (iii) four (4) Locations that failed to meaningfully deploy the Building Kidz model, including, but not limited to, failing to deploy our core performing arts based teaching modules and our proprietary Learning Through Life Experiences curriculum.

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Table 1(a) - Top

	Revenue	EBITDA	Margin	Years in Operation
Average	**$1,946,112**	**$744,781**	**38.0%**	**6.4**
Median	**$1,436,144**	**$539,842**	**37.6%**	
High	**$5,251,677**	**$2,229,392**	**44.6%**	
Low	**$490,014**	**$218,691**	**34.6%**	
Locations	**9**			
Number of locations that met or exceeded the average Margin:	**3**			

Table 1(b) - Middle

	Revenue	EBITDA	Margin	Years in Operation
Average	**$1,376,867**	**$394,279**	**27.8%**	**6.0**
Median	**$1,301,531**	**$336,988**	**26.3%**	
High	**$2,442,226**	**$806,283**	**33.0%**	
Low	**$729,866**	**$187,498**	**25.7%**	
Locations	**9**			
Number of locations that met or exceeded the average Margin:	**3**			

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Table 1(c) - Bottom

	Revenue	EBITDA	Margin	Years in Operation
Average	**$785,427**	**$160,438**	**19.7%**	**4.3**
Median	**$598,651**	**$132,636**	**19.8%**	
High	**$1,349,803**	**$266,798**	**25.5%**	
Low	**$364,407**	**$63,039**	**11.6%**	
Locations	**9**			
Number of locations that met or exceeded the average Margin:	**5**			

Table 2(a) - 1 - 3 years

	Revenue	EBITDA	Margin	Years in Operation
Average	**$968,445**	**$267,664**	**23.8%**	**2.3**
Median	**$801,864**	**$194,453**	**23.8%**	
High	**$1,596,243**	**$558,547**	**35.1%**	
Low	**$477,412**	**$63,039**	**11.6%**	
Locations	**6**			
Number of locations that met or exceeded the average Margin:	**3**			

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Table 2(b) - 3 - 5 years

	Revenue	EBITDA	Margin	Years in Operation
Average	**$976,222**	**$308,804**	**30.9%**	**3.8**
Median	**$943,108**	**$286,988**	**30.4%**	
High	**$1,271,894**	**$468,265**	**36.8%**	
Low	**$746,780**	**$192,974**	**25.8%**	
Locations	**4**			
Number of locations that met or exceeded the average Margin:	**2**			

Table 2(c) - 5 - 6 years

	Revenue	EBITDA	Margin	Years in Operation
Average	**$1,360,738**	**$358,607**	**25.7%**	**5.6**
Median	**$1,349,803**	**$266,798**	**22.4%**	
High	**$1,811,697**	**$550,330**	**37.8%**	
Low	**$994,222**	**$222,420**	**19.8%**	
Locations	**5**			
Number of locations that met or exceeded the average Margin:	**2**			

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Table 2(d) - 6+ years

	Revenue	EBITDA	Margin	Years in Operation
Average	**$1,704,700**	**$588,437**	**31.2%**	**7.8**
Median	**$1,315,542**	**$423,306**	**30.1%**	
High	**$5,251,677**	**$2,229,392**	**44.6%**	
Low	**$364,407**	**$70,736**	**19.4%**	
Locations	**12**			
Number of locations that met or exceeded the average Margin:	**6**			

1. The term "EBITDA" is defined as earnings before interest, taxes, depreciation, and amortization. The average and median Years in Operation, revenue, expense, and EBITDA information provided in the tables above was prepared from the sales records and reports, as generated by our Franchisees' accounting system, and provided by our franchisees in order to calculate the EBITDA numbers reflected and the underlying data. We do not know of an instance, nor do we have reason to believe, that the manager of any Franchise Location would overstate or understate the Franchise Location's revenues or expenses in the manager's report. The EBITDA numbers include the gross profit minus all ordinary and recurring operating expenses, except interest, income taxes, depreciation, and amortization. The EBITDA percentages reflect the percentage of revenue remaining after all operating expenses, except interest, taxes, depreciation, and amortization have been deducted from total revenue.

2. We further recommend that prospective franchisees consult with professional advisors before executing any agreement. Your accountant can help you develop your own estimated costs for your Building Kidz School.

3. We have written substantiation in our possession to support the information appearing in this Financial Performance Representation. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request. Franchisees or former franchisees listed in this franchise disclosure document may also be a source of information.

4. You must receive approval from us before selling any product or service other than our authorized services or products.

Other than the preceding Financial Performance Representation, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the Franchisor's management by contacting Sanjay Gehani, Building Kidz Worldwide, LLC, 303 Vintage Park Drive, Suite 130, Foster City, CA, 94404, and (408) 205-7674, 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 2023 to 2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change (+ or -)
Franchised	2023	34	38	+4
	2024	38	39	+1
	2025	39	46	+7
Company-Owned*	2023	6	7	+1
	2024	7	9	+2
	2025	9	9	0
Total Outlets	**2023**	**40**	**45**	**+5**
	2024	**45**	**48**	**+3**
	2025	**48**	**55**	**+7**

*Refers to company- and affiliate-owned outlets.

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Table No. 2: Transfers of Outlets from Franchisees to New Owners (other than the Franchisor or an Affiliate) For years 2023 to 2025

State	Year	Number of Transfers
California	2023	0
	2024	0
	2025	2
Maryland	2023	0
	2024	0
	2025	1
New York	2023	0
	2024	1
	2025	0
TOTAL	**2023**	**0**
	2024	**1**
	2025	**3**

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Table No. 3: Status of Franchised Outlets
For years 2023 to 2025

State	Year	Outlets at Start of Year	Outlets Opened	Termi-nations	Non-Renewals	Re-acquired By Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Arizona	2023	1	2	0	0	0	0	3
	2024	3	0	0	0	0	0	3
	2025	3	0	0	0	0	0	3
California*	2023	27	3	1	0	1	0	28
	2024	28	4	0	0	2	0	30
	2025	30	2	0	0	0	0	32
Florida*	2023	1	0	1	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Georgia	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Kentucky	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	1	0
	2025	0	0	0	0	0	0	0
Maryland	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	1	0	0	0	0	2
New Jersey	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
New York	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Tennessee	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Texas	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	2	0	0	0	0	2
Virginia	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Termi-nations	Non-Renewals	Re-acquired By Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Washington	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
TOTAL	**2023**	**34**	**7**	**2**	**0**	**1**	**0**	**38**
	2024	**38**	**4**	**1**	**0**	**2**	**0**	**39**
	2025	**39**	**7**	**0**	**0**	**0**	**0**	**46**

* In our previous FDD we disclosed 2 franchises as 'Ceased Operations - Other Reasons' in 2023. We now disclose those units as 'Terminations' in 2023. The units closed in 2023 and their agreements were terminated in 2024.

Table No. 4: Status of Company-Owned Outlets
For years 2023 to 2025

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisees	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
California	2023	6	1	1	0	1	7
	2024	7	0	2	0	0	9
	2025	9	0	0	0	0	9
TOTAL	**2023**	**6**	**1**	**1**	**0**	**1**	**7**
	2024	**7**	**0**	**2**	**0**	**0**	**9**
	2025	**9**	**0**	**0**	**0**	**0**	**9**

Table No. 5: Projected Openings As Of December 31, 2025

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company Owned Outlets in the Current Fiscal Year
Arizona	1	0	0
California	11	6	0
Georgia	1	1	0
Indiana	1	1	0
Maryland	1	1	0
Texas	7	1	0
Virginia	0	4	0
Washington	4	0	0
TOTAL	26	14	0

Exhibit J includes a list of current franchisees and Affiliate-owned Building Kidz Schools. **Exhibit K** includes a list of any franchisees who have had an outlet terminated, canceled, not renewed or otherwise

voluntarily or involuntarily ceased to do business under the franchise agreement during the fiscal year ended December 31, 2025 and any franchisee who has failed to communicate with us within ten weeks of the issuance date of this Franchise Disclosure Document.

If you buy a franchise, your contact information may be disclosed to other buyers when you leave the franchise system. During the last three fiscal years we have not signed any provisions that would restrict current or former franchisees from speaking openly about their experience with us.

There are no other trademark-specific franchisee organizations associated with our franchise system.

ITEM 21
Financial Statements

Attached to this Franchise Disclosure Document as **Exhibit F** are our audited financial statements as of December 31, 2025, December 31, 2043, and December 31, 2023 with independent auditor's report attached. Our fiscal year ends December 31st.

ITEM 22
Contracts

Attached to this Franchise Disclosure Document is a copy of all proposed agreements regarding the franchise offering:

Exhibit B - Franchise Agreement
Exhibit C - Area Developer Agreement
Exhibit D - Guaranty
Exhibit E - Confidentiality Agreement
Exhibit L - Form of General Release

ITEM 23
Receipt

Exhibit N of this Franchise Disclosure Document contains two receipt pages by which you acknowledge your receipt of this Franchise Disclosure Document. One copy is for your records. The other one must be signed, dated and returned to us at least fourteen calendar days before you sign the Franchise Agreement or pay any fee to us.

EXHIBIT A

STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS

EXHIBIT A

LIST OF ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
CALIFORNIA	California Department of Financial Protection and Innovation One Sansome Street, Suite 600 San Francisco, CA 94104 415-972-8559 1-866-275-2677	California Commissioner of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles 90013-2344 1-866-275-2677
CONNECTICUT	Securities and Business Investment Division Connecticut Department of Banking 260 Constitution Plaza Hartford, CT 06103 860-240-8230	Connecticut Banking Commissioner Same Address
FLORIDA	Department of Agriculture & Consumer Services Division of Consumer Services Mayo Building, Second Floor Tallahassee, FL 32399-0800 850-245-6000	Same
GEORGIA	Office of Consumer Affairs 2 Martin Luther King Drive, S.E. Plaza Level, East Tower Atlanta, GA 30334 404-656-3790	Same
HAWAII	Department of Commerce and Consumer Affairs Business Registration Division Commissioner of Securities 335 Merchant Street, Room 203 Honolulu, HI 96813 808-586-2722	Commissioner of Securities of the State of Hawaii Dept. of Commerce and Consumer Affairs Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813
ILLINOIS	Franchise Division Office of the Attorney General 500 South Second Street Springfield, IL 62706 217-782-4465	Illinois Attorney General Same Address

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
INDIANA	Securities Commissioner Indiana Securities Division 302 West Washington Street, Room E 111 Indianapolis, IN 46204 317-232-6681	Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, IN 46204
IOWA	Iowa Securities Bureau Second Floor Lucas State Office Building Des Moines, IA 50319 515-281-4441	Same
KENTUCKY	Kentucky Attorney General's Office Consumer Protection Division 1024 Capitol Center Drive Frankfort, KY 40602 502-696-5389	Same
LOUISIANA	Department of Urban & Community Affairs Consumer Protection Office 301 Main Street, 6th Floor One America Place Baton Rouge, LA 70801 504-342-7013 (gen. info.) 504-342-7900	Same
MAINE	Department of Business Regulations State House - Station 35 Augusta, ME 04333 207-298-3671	Same
MARYLAND	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202 410-576-6360	Maryland Securities Commissioner Same Address
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 525 W. Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, MI 48913 517-373-7117	Michigan Department of Commerce Corporations and Securities Bureau Same Address
MINNESOTA	Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101 651-539-1500	Minnesota Commissioner of Commerce Same Address

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
NEBRASKA	Department of Banking and Finance Bureau of Securities/Financial Institutions Division 1526 K Street, Suite 300 Lincoln, NE 68508-2732 P.O. Box 95006 Lincoln, Nebraska 68509-5006 Tele: 402-471-2171	Same
NEW HAMPSHIRE	Attorney General Consumer Protection and Antitrust Bureau State House Annex Concord, NH 03301 603-271-3641	Same
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty St., 21st Fl New York, NY 10005 212-416-8222	Secretary of State 99 Washington Avenue Albany, NY 12231
NORTH CAROLINA	Secretary of State's Office/Securities Division 2 South Salisbury Street Raleigh, NC 27601 919-733-3924	Secretary of State Secretary of State's Office Same Address
NORTH DAKOTA	North Dakota Insurance & Securities Department 600 East Boulevard Avenue Bismarck, ND 58505-0510 701-328-2910;	North Dakota Insurance Commissioner Same Address
OHIO	Attorney General Consumer Fraud & Crime Section State Office Tower 30 East Broad Street, 15th Floor Columbus, OH 43215 614-466-8831 or 800-282-0515	Same
OKLAHOMA	Oklahoma Securities Commission 2915 Lincoln Blvd. Oklahoma City, OK 73105 405-521-2451	Same

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
OREGON	Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, OR 96310 503-378-4387	Director Department of Insurance and Finance Same Address
RHODE ISLAND	State of Rhode Island Department of Business Regulation 1511 Pontiac Avenue, Bldg. 68-2 Cranston, RI 02920 401-462-9527	Director, Rhode Island Department of Business Regulation Same address
SOUTH CAROLINA	Secretary of State P.O. Box 11350 Columbia, SC 29211 803-734-2166	Same
SOUTH DAKOTA	South Dakota Department of Labor and Regulation Division of Insurance, Securities Regulation 124 S. Euclid Avenue, Suite 104 Pierre, SD 57501 605-773-4823	Director of the South Dakota Division of Insurance/ Securities Regulation Same Address
TEXAS	Secretary of State Statutory Documents Section P.O. Box 12887 Austin, TX 78711-2887 512-475-1769	Same
UTAH	Utah Department of Commerce Consumer Protection Division 160 East 300 South (P.O. Box 45804) Salt Lake City, UT 84145-0804 TELE: 801-530-6601 FAX: 801-530-6001	Same
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising Tyler Building, 9th Floor 1300 E. Main Street Richmond, VA 23219 804-371-9051	Clerk of the State Corporation Commission Tyler Building, 1st Floor 1300 E. Main Street Richmond, VA 23219 804-371-9733

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, WA 98504-1200 360-902-8762	Director, Dept. of Financial Institutions Securities Division 150 Israel Rd S.W. Tumwater, WA 98501
WISCONSIN	Wisconsin Dept. of Financial Institutions Division of Securities 345 W. Washington Avenue, 4th Floor Madison, WI 53703 608-266-8557	Wisconsin Commissioner of Securities Same Address

EXHIBIT B

FRANCHISE AGREEMENT

BUILDING KIDZ

FRANCHISE AGREEMENT

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Attachments

Attachment I	Addendum to Franchise Agreement
Attachment II	SBA Addendum
Attachment III	Automated Clearing House Payment Authorization Form
Attachment IV	California-Specific Addendum to Franchise Agreement

FRANCHISE AGREEMENT

Franchisee Address:		**Date:**	
Franchise:	Building Kidz School		
Location:	The Franchise will be for one specific location ("**Designated Campus**") approved by the Franchisor, with no exclusivity rights within the geographic region of the Franchise.		
Term:	Effective from the date of execution by Franchisor and will expire on the date that is fifteen (15) years from the date Franchisee first opens its Designated Campus.		
Initial Fees:	$60,000 on Franchisee's signing of this Agreement.		
Launch Fee:	$25,000 due before the 90th day after the date of signing the Franchise Agreement.		
Royalties:	Franchisee will pay to Franchisor the greater of $500 per month ("**Minimum Royalty**") or 7% of the Franchise's monthly Gross Revenue.		
Advertising Fund and Advertising Cooperative:	Franchisee will pay 1% of monthly Gross Revenue to Franchisor's advertising fund, which amount Franchisor may raise to 1.5% at any time in its sole discretion on 30 days' notice. If Franchisor establishes an advertising cooperative for a geographic area where this Franchise campus is located, Franchisee will pay up to 1.5% of monthly Gross Revenue for the advertising cooperative. The advertising cooperative fee will vary based on the applicable cooperative's governing documents.		
Opening:	Franchisee must be open for business no later than 550 days after the date Franchisee signed this Agreement.		

This Franchise Agreement is between the Franchisee identified above, and Building Kidz Worldwide, LLC, with principal offices at 303 Vintage Park Drive, Suite 130, Foster City, CA 94404 (referred to as "**Franchisor**").

1. Grant of Franchise. Franchisor grants to Franchisee the right to operate the Franchise at the Designated Campus approved by Franchisor. Franchisee will use the business system and the names, logos and trademarks, and offer the products and services, that Franchisor requires in the operation of the Franchise, and Franchisee may use no other business system, names, logos or trademarks or offer other products or services. Franchisor reserves all rights in its names, logos and trademarks and its business system not expressly granted in this Agreement including to operate its own businesses or to offer franchises to others regardless of how close they are to Franchisee's Franchise.

2. Location and Territory.

2.1. Location. Franchisee may operate the Franchise only at the Designated Campus as identified on **Attachment 1** to this Agreement.

2.2. Territory. During the term of this Agreement and any extensions, subject to Franchisor's express reservation of rights set forth in Section 2.3, neither Franchisor nor its affiliates will own, operate

or franchise a fixed location for the operation of any other Building Kidz School within Franchisee's Territory as designated in **Attachment I** to this Agreement. Franchisee will also have the right to service any persons inside of or outside of the Territory, regardless of the method of sales. Once established, the boundaries of Franchisee's Territory will not be adjusted by Franchisee without Franchisor's written consent.

2.3. Reservation of Rights. Franchisee acknowledges that the Franchise granted hereunder is non-exclusive and that Franchisor and its Affiliates retain the exclusive right, among others:

(a) to use, and to Franchise others to use, the Marks and System for the operation of Building Kidz Schools at any location other than in the Territory, regardless of proximity to the Territory;

(b) to own, franchise, or operate on or more Building Kidz Schools at a National Account Location located anywhere, including inside your Territory. A "**National Account Location**" is defined as any Location that is on or near the premises of a company or corporation which all of the customers of the Location are affiliated with the company or corporation, and which Franchisor, or a franchisee or affiliate of Franchisor, has an agreement with said company or corporation to operate multiple Locations in disparate geographic areas, all with the intent of servicing said company or corporation's employees, subcontractors, and/or other affiliated parties;

(c) to use and Franchise the use of trademarks or service marks other than the Marks, whether in alternative channels of distribution or at any location including the Territory, in association with operations that are similar to or different than the Building Kidz School;

(d) to offer the services or products, or grant others the right to offer the services or products, whether using the Marks or other trademarks or service marks, through alternative channels of distribution, including without limitation, retail locations and other channels of distribution (other than Building Kidz Schools) such as stores, shops, kiosks, malls, airports, and college campuses, at special events and other channels of distribution such as television, mail order, catalog sales, wholesale to unrelated retail outlets, or over the Internet, whether inside or outside the Territory;

(e) to any websites utilizing a domain name incorporating the word "**Building**" or "**Kidz**" or similar derivatives thereof. Franchisor retains the sole right to market on the Internet and use the Marks on the Internet, including all use of websites, social networking sites, domain names, URL's, directory addresses, metatags, linking, advertising, and co-branding, and other arrangements. Franchisee may not independently market on the Internet, or use any domain name, social networking site, address, locator, link, metatag, or search technique, with words or symbols similar to the Marks or otherwise establish any presence on the Internet without Franchisor's prior written approval. Franchisor intends that any Franchisee website be accessed only through Franchisor's home page. Franchisee will provide Franchisor with content for Franchisor's Internet marketing, and will sign Internet and intranet usage agreements, if any. Franchisor retains the right to approve any linking or other use of its website;

(f) to acquire businesses that are the same as or similar to the Building Kidz School and operate such businesses regardless of where such businesses are located, including inside the Territory and to be acquired by any third party which operates businesses that are the same as or similar to the Building Kidz School regardless of where such businesses are located, including inside the Territory; and

(g) to implement multi-area marketing programs, including regional pricing and service programs which may allow Franchisor or others to solicit or sell clients or otherwise dictate service and pricing strategy, anywhere. Franchisor reserves the right to issue mandatory policies to coordinate such multi-area marketing programs, including the right to establish minimum or maximum pricing for such programs, as permitted by law.

2.4. Business Records. Franchisee acknowledges and agrees that Franchisor owns all business records ("**Business Records**") with respect to customers and other service professionals of, and/or related to, the Franchise including, without limitation, all databases and customer lists (whether in print, electronic, or other form), including all names, addresses, telephone numbers, e-mail addresses, customer purchase records, and all other records contained in the database, and all other Business Records created and maintained by Franchisee. Franchisee further acknowledges and agrees that, at all times during and after the termination, expiration, or cancellation of this Agreement, Franchisor may access such Business Records, and may utilize, transfer, or analyze such Business Records as Franchisor determines to be in the best interest of the System, in Franchisor's sole discretion. Franchisee acknowledges and agrees that Franchisee neither has, nor will acquire, any vested or property right or interest with respect to the Business Records. Franchisee further acknowledges and agrees that any goodwill accruing in the Franchise as the result of customers shall be considered the property of Franchisor.

2.5. Relocation. Franchisee may relocate the Franchise from the Designated Campus to a new Designated Campus only with Franchisor's prior written consent, which will not be unreasonably withheld. In giving its consent, Franchisor will consider the following: (i) whether Franchisee is in good standing under this Agreement and any other agreement with Franchisor, including the Operations Manual; (ii) whether Franchisee has signed a copy of the Franchise Agreement that is currently effective at the time of relocation; (iii) whether Franchisee agrees to and has the financial capacity to construct and equip the new premises to meet Franchisor's then applicable standards and policies; (iv) whether Franchisee pays Franchisee's required relocation fees and costs; (v) whether Franchisor has given its approval of the new site; and (vi) such other factors as Franchisor deems applicable. Prior to the relocation, Franchisee must pay Franchisor's then-applicable relocation fee, which fee is nonrefundable and covers Franchisor's reasonable costs related to the relocation.

3. Term of Franchise. The term of this Agreement is as provided in the table above, subject to earlier termination as provided in this Agreement.

4. Fees, Royalties and Other Charges.

4.1. Initial Franchise Fee. Franchisee shall pay at the time Franchisee signs this Agreement, an initial franchise fee ("**Initial Franchise Fee**") equal to $60,000. The Initial Franchise Fee is fully earned upon execution of this Agreement and is not refundable for any reason.

4.2. Launch Fee. Franchisee must pay to Franchisor before the 90th day after the date of signing this Agreement a fee of $25,000 ("**Launch Fee**"). The Launch Fee is fully earned upon payment and is not refundable for any reason.

4.3. Royalties. Royalties will begin to accrue at the earlier of (i) the day Franchisee open the Designated Campus, or (ii) 550 days after Franchisee signs this Agreement. At the time royalties begin to accrue, Franchisee will pay to Franchisor the greater of 7% of the Franchisee's Gross Revenue, or the Minimum Royalty, due on the 10th day of each month for the preceding month's Gross Revenue. Franchisor may require that Franchisee (and its officers) submit a signed certification of Gross Revenue with each

payment of royalties. "**Gross Revenue**" means all revenues received or sales made by or through the Franchise, excluding amounts collected and paid out for governmental sales or excise taxes, and reduced by documented refunds.

4.4. Advertising Fund and Advertising Cooperative. Franchisee will pay, separately from the Royalty payment, to Franchisor for its advertising fund and advertising cooperative the amounts provided in the table above, due on the 10th day of each month for the preceding month's Gross Revenue. Franchisee will be responsible for the difference in spend if your contribution to the Advertising Cooperative is less than your local advertising requirement.

4.5. Local Advertising Requirement. Until Franchisee's Building Kidz School achieves 85% of its FTE capacity, as defined in the Operations Manual, Franchisee must spend a minimum of $1,500 per month on approved marketing efforts for local advertising ("**Local Advertising Requirement**"). However, upon Franchisee's achievement of 85% or more of its FTE capacity, Franchisee must spend $500 per month on approved marketing efforts for local advertising. Notwithstanding the foregoing, Franchisee must always maintain a Yelp page with capabilities for videos and pictures to be displayed, or similar program or electronic review service as defined in the Operations Manual, and will pay the costs incurred therefrom. Any Advertising Cooperative contributions will be credited as part of Franchisee's Local Advertising Requirement. The following costs incurred by Franchisee will not be credited towards the Local Advertising Requirement: (i) incentive programs for employees or agents; (ii) research expenditures; (iii) food costs incurred in any promotion; (iv) salaries and expenses of employees, including salaries and expenses for attendance at advertising meetings or activities; (v) charitable, political, or other contributions or donations; (vi) on-campus materials consisting of fixtures or equipment; or (vii) seminar and educational costs and expenses of employees.

4.6. Other Fees. Franchisee will pay such other fees and charges as required by Franchisor in the Operations Manual or otherwise in Franchisor's policies in effect from time to time. These charges may include, for example, a monthly website hosting fee, website maintenance fee, and technology fee. Franchisor may change the amount, payment terms, and other terms of these fees and charges from time to time in its sole discretion.

4.7. First Month's Payments. Except as otherwise set forth in Section 4.3 regarding Franchisee's failure to open and operate the Designated Campus in a timely manner, Franchisee will commence to owe royalties, advertising fund, advertising cooperative and like amounts due under this Agreement at opening of the Franchise for business.

4.8. Late Payments. Franchisee will pay to Franchisor a late charge of $150 for any payment not received by Franchisor when due, and all late amounts will bear interest at 10% per year accruing from the date due.

5. Financial Statements; Tax Returns. Franchisee must provide Franchisor with the following financial statements and tax returns within each specified time frame:

5.1. Regular Reports. Franchisee will give Franchisor regular reports of the Franchise's business and finances for a month no later than the 10th day of the following month. Franchisee will use such formats as may be required in the Operations Manual from time to time.

5.2. Financial Statements. In addition, within 60 days after the close of each calendar year of Franchisee, Franchisee must submit to Franchisor a copy of Franchisee's financial statements ("**Financial**

Statements") for the Franchisee's previous calendar year. The Financial Statements must include Franchisee's income statement, expenses, balance sheet, and statement of retained earnings or partnership account. The Financial Statement must be reviewed by a certified public accountant licensed to practice in the state in which Franchisee operates its Building Kidz Designated Campus, who will prepare the statement in accordance with GAAP.

5.3. Tax Returns. Franchisee will submit to Franchisor, within 90 days of the end of Franchisee's fiscal year, copies of its federal, state, and local income, sales, and property tax returns.

6. Audits. Franchisor may audit Franchisee's books and records (including tax returns) during normal working hours. If an audit discloses an underpayment of amounts due to Franchisor, Franchisee will immediately pay these amounts to Franchisor plus accrued interest on the underpaid amount at the rate provided in the Section, "**Late Payments**" above. If (i) the underpayment exceeds 5% of the total amount due for any period, or (ii) Franchisee fails to provide in a timely manner any reports or supporting records, or (iii) Franchisee fails to follow recommendations made by the auditor by the deadlines provided in an audit report; then: Franchisee will reimburse Franchisor, due within 30 days after Franchisor's demand, for all related expenses actually incurred by Franchisor, including legal fees, accounting fees, travel costs, room and board, per diem charges and other associated expenses plus a $1,000 penalty.

7. Inspections. Franchisor may audit classrooms and the Franchise remotely through video and audio recording devices for quality assurance purposes. Franchisor may conduct quality control inspections of the Franchise during normal business hours, with or without prior notice, including inspections of Franchisee's books, records and computer and accounting systems. If Franchisor notifies Franchisee of any deficiencies, Franchisee must immediately correct the deficiencies. Franchisor's inspection rights are more expansively set forth in the Operations Manual and may be modified at any time.

8. Review and Access to Business Bank Account. Franchisor must at all times have read only access to view the business bank account used by Franchisee to operate the Designated Campus. Franchisor must at all times have debit access to debit the business bank account used by Franchisee to operate the Designated Campus for each month's Royalties, and any other amounts due to Franchisor, from time to time. Before opening, Franchisee must sign and deliver to Franchisor, and Franchisee's bank, all required documents that permit Franchisor to debit Franchisee's business bank account for these stated purposes, including, but not limited to, the Automated Clearing House Payment Authorization Form attached to this Agreement as **Attachment III**.

9. Operations Manual. Franchisee will operate the Franchise in compliance with Franchisor's Operations Manual and with all applicable laws. Franchisor may revise the Operations Manual from time to time in its sole discretion. Franchisee is bound by Franchisor's existing Operations Manual and all future revisions to and future versions of the Operations Manual, all of which are incorporated into this Agreement. Franchisee understands that the Operations Manual, and changes to it, may require Franchisee's purchase of fixtures, equipment, supplies, training, advertising, etc., and may regulate the Franchise's staffing levels, and require specific personnel, employee qualifications, training, dress, and appearance, and otherwise may require Franchisee to spend money or alter its operations. Franchisee will immediately conform to all changes at its own expense. Franchisee's failure to comply with the Operations Manual at any time will constitute default under this Franchise Agreement.

10. Specific Obligations of Franchisee.

10.1. Managing Owner and Director. Until such time as the Franchised Business operates at or above 80% of its FTE capacity (as more fully defined in the Operations Manual) for a period of 90 consecutive days, the Managing Owner must personally participate on a full time, 40 hours per week, basis in the direct operation of the Franchise. If the Franchisee is an individual, the "**Managing Owner**" is the Franchisee. If Franchisee is a legal entity, it must appoint a shareholder, member, or partner (as applicable) to be its "**Managing Owner**." The Managing Owner will be responsible for overseeing and supervising the Franchise and must complete Franchisor's initial franchisee training. The Franchisor does not require that this oversight and supervision be on-site and anticipate much of the time the Managing Owner will not be at the Franchised Business location. Additionally, Franchisee must appoint a qualified site director ("**Director**") (who may be, but is not necessarily, the Managing Owner). A Director or qualified assistant site director ("**Assistant Director**") must be on site for all operating hours and be involved in the direct day-to-day operations of the Franchise. The Franchisor has the right, but not the obligation, to approve any new Managing Owner or Director for the Franchise prior to the new Managing Owner or the Director starting work. Franchisor will assess if the new Managing Owner or the Director is trained as per Franchisor's standards and may require for the new Managing Owner to attend additional training or the Director to attend a Director-specific training at Franchisor's headquarters, at the expense of Franchisee. All training will be conducted online or at a place designated by Franchisor. Franchisee will keep Franchisor informed of the identity of each Director and, if applicable, each Assistant Director.

10.2. Franchise Site. Franchisee may not operate the Franchise on any site except with the prior written consent of Franchisor. Franchisee will submit to Franchisor for approval a written description of the proposed site and premises, plus the Lease for the site. Franchisor at its option may visit the site. In the event that, at Franchisee's request, Franchisor makes more than one visit to proposed sites during the site selection process, Franchisee will reimburse Franchisor for its expenses in inspecting the proposed site or sites, immediately upon Franchisor's submission of invoice to Franchisee. The site and premises will comply with all applicable requirements in the Operations Manual, as well as all applicable laws and regulations, including for square footage, access, parking, signage, etc. Once the site is approved by Franchisor and the Lease is signed, the site will be referred to as the Designated Campus and the address will be added to **Attachment I**.

10.3. Opening for Business. Franchisee must be open for business within 550 days after the date Franchisee signs this Agreement. Franchisee may not open the Franchise to the public without Franchisor's prior written approval. By its approval, Franchisor and its management state only their belief that the Franchise is prepared to open, but they make no warranty that the Franchisee will be successful.

10.4. Franchisee Advertising. Franchisee will engage in local advertising as required by the Operations Manual, at Franchisee's expense. Franchisee may use its own advertising and marketing material, but only after approval from Franchisor per the procedures in the Operations Manual. Franchisee may not advertise or use Franchisor's trademarks in any fashion on the internet or via other means of advertising without Franchisor's express written consent.

10.5. Purchase of Required Items. Franchisee will purchase the goods and services required in the Operations Manual or otherwise in Franchisor's policies, from time to time. Franchisee must obtain all required purchases solely from Franchisor's approved suppliers. Franchisee may contract with alternative suppliers who meet Franchisor's criteria and approval, as provided in the Operations Manual.

10.6. Franchise Conference. Franchisee, personally or through authorized representative(s) approved in advance by Franchisor will attend and participate annually in any franchise conferences sponsored or arranged by Franchisor (including remote meetings). Franchisee agrees to use Franchisee's best efforts to attend and participate personally or through such authorized representative(s) in all other franchise conferences of franchisees as designated by Franchisor from time to time. All expenses incurred by Franchisee in association with such franchise conferences, including, without limitation, the cost of travel, room, board, and wages of the person(s) participating therein, will be borne by Franchisee. If Franchisee fails to attend an franchise conference without the prior written consent of Franchisor, Franchisee will be required to travel to Franchisors headquarters within 30 days of the franchise conference, for a maximum of two (2) days, with all expenses incurred by Franchisee in association with such travel to Franchisors headquarters, including, without limitation, the cost of travel, room, board, and wages of the person(s) participating therein, will be borne by Franchisee. Failure to attend either the franchise conference or travel to Franchisor's headquarters within the specified time frame will be a default of the Franchise Agreement. Attendance for non-operating franchisees is not required.

10.7. Insurance. Franchisee (at Franchisee's expense) will maintain the property, liability and other insurance required in the Operations Manual.

10.8. Privacy Laws. In the operation of the Franchised Business, Franchisee will receive "Customer Data." "Customer Data" is information, records, lists or data that contains "Personal Information." "Personal Information" includes information that identifies, relates to, describes, is capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer, potential consumer, individual or household, as such term may be further defined or amended by applicable federal, state, and local statutes, regulations, ordinances, and requirements, including but not limited to, the California Consumer Privacy Act. Personal Information is collected, maintained or generated in the operation of the Franchised Business, including through the use of a point of sale system.

Franchisee agrees, at its sole cost and expense, to at all times:

(a) comply with data protection, collection, maintenance, and use requirements for Customer Data set out in the Operations Manual and this Franchise Agreement, including all policies, procedures and controls that Franchisor implements now or in the future;

(b) comply with all applicable federal, state and local statutes, regulations, ordinances and requirements, including but not limited to, the California Consumer Privacy Act, relating to the data protection, collection, maintenance and use of Customer Data (collectively, "**Privacy Laws**");

(c) assist and otherwise cooperate with Franchisor to ensure Franchisor's and Franchisee's compliance with applicable Privacy Laws;

(d) promptly notify Franchisor in writing of any Security Incident (defined below) that Franchisee becomes aware of or discovers. Franchisee will assist and otherwise cooperate with Franchisor to investigate any such Security Incident and will take all required steps, as determined by Franchisor, to remedy Franchisee's noncompliance with applicable Privacy Laws, this Agreement or the Operations Manual. For purposes of this Section 10.7, "Security Incident" means any actual or suspected accidental or unlawful destruction, loss, alteration, unauthorized disclosure of, or access to Customer Data in violation of applicable Privacy Laws, this Agreement or the Operations Manual;

(e) promptly provide Franchisor with the ability to delete, access or copy Customer Data in Franchisee's possession or control;

(f) promptly notify Franchisor of any request regarding Customer Data received by the Franchisee from a "consumer" as defined by applicable Privacy Laws;

(g) adopt policies, procedures, and controls, including those set out in the Operations Manual, if any, that enable Franchisee to respond, and to cause its agents and employees to respond, promptly to any rights request made pursuant to applicable Privacy Laws, including any disclosure request, deletion request, or opt-out request;

(h) adopt policies, procedures, and controls, including those set out in the Operations Manual, if any, that limit access to Customer Data to only those employees that have a need-to-know basis based on specific job functions or roles. Franchisee will provide data privacy and security training to employees who have access to Customer Data or who operate or have access to system controls and will require employees to adhere to data confidentiality terms providing for the protection of Customer Data in accordance with this Agreement and the Operations Manual; and

(i) maintain Customer Data in confidence in accordance with Section 21 of this Franchise Agreement.

11. Obligations of Franchisor. Provided that Franchisee is in good standing under this Agreement and any other agreement with Franchisor, including the Operations Manual, Franchisor will provide training, services and operating know-how to Franchisee as set forth in the Operations Manual. Franchisor will use its best efforts to make its personnel available for consultation throughout the term of the Franchise in a timely manner for no additional charge except reimbursement of direct costs. Franchisor will supervise all franchisees to assure, as much as reasonable, uniform compliance with Franchisor's standards and policies.

11.1. Advertising Fund. Franchisor will administer an advertising fund to pool advertising money from the franchisees for the promotion of the Franchise's goods and services, including internet, websites, search engine optimization, social media, television, radio, magazine, newspaper and other general advertising campaigns; direct mail and outdoor billboard advertising; public relations activities; employing advertising agencies; and costs of personnel and other departmental costs for advertising that Franchisor may administer or prepare internally. Franchisor may use the fund to defray its reasonable administrative costs and any overhead that it may incur in the administration or direction of the fund and related programs.

Franchisor will have sole control and discretion over its advertising and the advertising fund. Franchisor and its designated agents are not required to manage the fund so as to ensure (a) that any franchisee's benefits from those expenditures are equivalent or proportionate to its contribution or (b) that any franchisee benefits directly or pro rata from the promotional programs. Franchisor is not required to spend any amount on advertising in the area or territory where Franchisee is located. Because the benefits of advertising are difficult to measure with precision, Franchisor reserves the unqualified right to determine, in its reasonable discretion, how advertising money may be spent; the only condition is that the money be used in a manner that is reasonably related to the general promotion of the franchise system. Advertising fund money will not be used to solicit the sale of franchises.

The fund will not be audited, but Franchisor will prepare financial statements for the fund which will be available to the Franchisee on written request. Periodic accounting of how advertising fees are spent will not be provided. Unused funds within a fiscal year in the advertising fund will carry over to the following fiscal year, or Franchisor may, in its discretion, return unused funds to the contributors in proportion to the respective amounts paid by them, without interest, on the basis of their respective contributions. Franchisor may, in its discretion, loan money to the fund if the fund does not have sufficient resources to pay for an advertising or promotional program deemed necessary or advantageous by Franchisor. The Franchisor may terminate the fund at any time.

11.2. Advertising Cooperatives. Franchisor may, in its sole discretion, establish local and regional advertising cooperatives. Franchisor may designate any geographic area in which two or more franchisees are located as a region for purposes of establishing an advertising cooperative. Franchisor will control the cooperatives, including all decision making and voting, and it may, at its sole discretion, form, dissolve, merge or change the structure of the cooperatives. If a cooperative is established for a geographic area where this Franchise campus is located, Franchisee must sign all documents that Franchisor requests and Franchisee must become a member of the cooperative according to the terms of the documents. Franchisor may require that cooperative money be contributed to the advertising fund. Each cooperative will be obligated to prepare an annual financial statement reporting its expenditures for the previous year to its members. Advertising cooperative money will not be used to solicit the sale of franchises.

12. Non-Competition Covenants. Franchisee acknowledges that Franchisee and its owners will receive valuable training and Confidential Information (as defined in the Operations Manual) that Franchisee otherwise would not receive or have access to but for the rights licensed to Franchisee under this Agreement. Franchisee agrees to the following non-competition covenants:

12.1. In-Term Competition. Franchisee may not, during the term of this Agreement or while operating a Building Kidz School, at any location, participate directly or indirectly, in the ownership (except for ownership of not more than 5% of the outstanding stock, voting and non-voting, of a corporation, the stock of which is traded on a national securities exchange), management, operation or control of, or be employed by or connected with in any manner (including as an independent contractor or consultant) any business that engages in any activities the same or similar to those of the Franchise or those offered by the Franchisor, which include educational activities and services to children up to the age of 12 years old. The parties agree that a breach of this covenant will cause irreparable damage to the Franchisor such that a remedy at law will be inadequate, and the Franchisor will be entitled to injunctive relief without the necessity of proving actual damages

12.2. Post–Term Covenant not to Compete. Franchisee may not, for a period of two years after the expiration or termination of this Agreement, regardless of the cause of termination, or within two years of the sale of its Franchise, at any location, participate directly or indirectly, in the ownership (except for ownership of not more than 5% of the outstanding stock, voting and non-voting, of a corporation, the stock of which is traded on a national securities exchange), management, operation or control of, or be employed by or connected with in any manner (including as an independent contractor or consultant) any business that engages in any activities the same or similar to those of the Franchise or those offered by the Franchisor, which include educational activities and services to children up to the age of 12 years old, or otherwise competes with Franchisor or other franchisees in the system. The parties agree that a breach of this covenant will cause irreparable damage to the Franchisor such that a remedy at law will be inadequate, and the Franchisor will be entitled to injunctive relief without the necessity of proving actual damages.

12.3. Non-Solicitation. Franchisee may not, directly or indirectly, solicit or otherwise attempt to induce or in any manner influence any person or entity with whom Franchisor or other franchisees conduct business, to terminate or modify his, her, or its business relationship with Franchisor or other franchisees, or to compete with Franchisor or other franchisees.

13. Transfer of Franchise. Franchisee may not transfer or assign any of its rights or interests in this Franchise except as follows.

13.1. Transfer upon Death of Franchisee. Upon the death of a Franchisee who is an individual, Franchisee's rights and interest in this Franchise may be transferred to Franchisee's spouse, adult child, parent or adult sibling, subject to Franchisor's required conditions below. Within 10 days after Franchisee dies, Franchisee's legal representative will notify Franchisor in writing of their plans for the Franchise including any proposed transfers to family or non-family members. Franchisor will have the right to terminate the Franchise if the Franchise is not transferred to surviving family per this paragraph or to non-family per the next paragraph within 120 days after death.

13.2. Transfer Outside of Family. For all transfers of the Franchise other than as provided in the Section above ("**Transfer upon Death of Franchisee**"), Franchisor must approve the transfer and provide Franchisee with written consent for the transfer to be effective. Franchisee will deliver to Franchisor written notification of the proposed transfer, including the identity of the transferee and all terms of the transfer, no more than 60 days and no less than 30 days prior to the transfer.

13.3. Conditions for Consent to Transfer. For all transfers (including a transfer upon the death of Franchisee), Franchisor's consent is subject to these conditions:

13.3.1 Transfer Fee. Prior to the transfer, Franchisee must pay Franchisor's transfer fee, which is the then current Initial Franchise Fee, and which fee is nonrefundable and covers Franchisor's reasonable costs related to the transfer. However, if the transfer occurs upon the death of Franchisee pursuant to Section 13.1, no Transfer Fee will be owed to Franchisor. The Transfer Fee is in addition to any initial fees payable by you under this Agreement (if applicable). The Transfer Fee is in addition to any third-party broker fee.

13.3.2 Transferee's Capacity to act as a Franchisee. Franchisor must be satisfied that the transferee meets all of the criteria of character, business experience, financial responsibility, net worth, and other standards that Franchisor customarily applies to new franchisees at the time of transfer.

13.3.3 Cure of Defaults. Franchisee must pay all outstanding debts to Franchisor, and Franchisee's must cure all outstanding defaults under this Agreement, the Operations Manual and any other agreement between the parties.

13.3.4 Transferee Signs Franchise Agreements. The transferee must sign the then-current form of franchise agreement and other franchise documents required by Franchisor.

13.3.5 Training. Transferee must complete Franchisor's then-current initial training program to Franchisor's satisfaction.

13.3.6 Release of Claims. Franchisee must sign a general release of claims in favor of Franchisor.

13.4. Right of First Refusal. Except for transfers pursuant to Section 13.1 or transfers to immediate family members of Franchisee, if Franchisee and a third party ("**Third Party**") agree to make a transfer of the Franchise to such Third Party ("**Offer to Transfer**"), Franchisee must first present Franchisor the right to purchase the Franchise from Franchisee according to the terms and conditions set forth in the Offer to Transfer ("**Franchisor's Right of First Refusal**"). To do so, Franchisee must deliver to Franchisor a writing, signed by Franchisee, the Third Party, and any other individuals or entities needed to effectuate the transaction, that contains the purchase price, payment terms, and any other material terms and conditions of the Offer to Transfer ("**Written Offer to Transfer**"). If Franchisor does not respond to the Written Offer to Transfer within thirty days of its receipt of the Written Offer to Transfer, Franchisor will have waived its rights to exercise Franchisor's Right of First Refusal. Franchisee must discontinue its due diligence related to the transfer and discontinue negotiations with the Third Party until Franchisor either notifies Franchisee of Franchisor's intent to exercise Franchisor's Right of First Refusal, or that Franchisor has waived its rights to exercise Franchisor's Right of First Refusal.

13.4.1 Exercise of Franchisor's Right of First Refusal. If Franchisor exercises Franchisor's Right of First Refusal and provides Franchisee with a notice of its intent to purchase ("**Notice of Intent to Purchase**"), Franchisor will begin negotiating the terms of Franchisor's purchase of Franchisee's Franchise, provided, however, Franchisor will have the right to substitute equivalent cash for any noncash consideration included in the Written Offer to Transfer or to modify the price if modification of the price is justified by any due diligence Franchisor conducts. Accordingly, Franchisee acknowledges and agrees that once Franchisee submits the Written Offer to Transfer to us, Franchisee cannot modify the purchase price included in such Written Offer to Transfer, even if Franchisee or the Third Party perform due diligence after Franchisee submitted to Franchisor the Written Offer to Transfer, and such due diligence results in Franchisee or the Third Party desiring a modification to the purchase price. In addition, unless otherwise agreed to in writing by Franchisor and Franchisee, Franchisor will prepare the transaction documents to effectuate the transaction described in the Written Offer to Transfer.

13.4.2 Waiver Notice of Franchisor's Right of First Refusal. If Franchisor refuses to accept the Written Offer to Transfer and provides Franchisee with a waiver notice ("**Waiver Notice**"), Franchisor's Right of First Refusal will lapse and be of no further force or effect for that particular Written Offer to Transfer only. The proposed transfer to the Third Party will be governed by Section 13.3 as well as the provisions of this subsection. Within thirty days after Franchisee's receipt of the Waiver Notice, Franchisee must provide Franchisor will all of the information Franchisor needs to evaluate the Third Party's application to join Franchisor's franchise system. If Franchisor approves the Third Party's application, Franchisee and the Third Party must then effectuate the transaction described in the Written Offer to Transfer within sixty days of Franchisor's approval. If Franchisee and the Third Party fail to effectuate the transaction within such sixty day-period, the transfer of Franchisee's right to operate the Franchise pursuant to the Written Offer to Transfer will not be permitted by Franchisor. In the even that any of the terms and conditions set forth in the Written Offer to Transfer change within such sixty day-period, or Franchisee presents or receives a new Offer to Transfer to the same Third Party or any other third party at any time during or after such sixty day-period, Franchisee must first offer the same to Franchisor in accordance with this Section 13.4.

13.5. Other Transfer Terms. Franchisor will promptly respond to all notices of transfer, although Franchisor's failure to respond or silence will not be deemed its consent. For all transfers (including a transfer to family upon the death of a Franchisee) Franchisor may refuse to recognize the transfer and/or may terminate the Franchise, if Franchisee or the transferee fails to comply with any part of this Section, "**Transfer of Franchise**." If Franchisor consents to a transfer, then Franchisee may transfer the Franchise

only to the named transferee and only on the terms stated in the notice. Consent to a particular transfer will not constitute consent to any other transfer.

13.6. Definition of Transfer. "**Transfer**" means any sale, assignment, gift, or other change in ownership of any part of the rights and obligations of this Agreement, the Franchise, the Lease for the Franchise site, or of an ownership interest in Franchisee constituting more than 33%, whether by a single transaction or cumulatively over a series of transactions.

14. Renewal of Franchise. Upon the expiration of each then-existing term of the Franchise, Franchisee will have the option to renew the Franchise on the same terms as franchises that Franchisor is customarily granting at the time of renewal. Franchisee's option to renew is conditioned on all of the following:

14.1. Franchisor does not have legal grounds to terminate or otherwise not to renew the Franchise, including that Franchisee has not violated this Agreement, Franchisor's Operations Manual or any other agreement Franchisee may have with Franchisor.

14.2. Franchisee delivers to Franchisor written notice of Franchisee's intent to renew not more than 240 days and not less than 180 days prior to the expiration of the then-existing term.

14.3. Franchisee signs a new Franchise Agreement. The new Franchise Agreement will be in the same form as Franchisor is then offering to new franchisees. The new Franchise Agreement may contain materially different terms from those contained in this Franchise Agreement, including higher franchise fees and costs.

14.4. Before the renewal term begins, Franchisee at its own expense remodels the Franchise premises to meet Franchisor's then-applicable standards and policies.

14.5. Franchisee signs a general release of claims on Franchisor's form.

14.6. If Franchisee does not sign a new Franchise Agreement prior to the expiration of this Agreement and continues to accept the benefits of this Agreement after the expiration of this Agreement, then at the option of Franchisor, this Agreement may be treated either as (i) expired as of the date of expiration with Franchisee then operating without a franchise to do so and in violation of Franchisor's rights; or (ii) continued on a month-to-month basis ("Interim Period") until one party provides the other with written notice of such party's intent to terminate the Interim Period, in which case the Interim Period will terminate 30 days after receipt of the notice to terminate the Interim Period. In the latter case, all obligations of Franchisee shall remain in full force and effect during the Interim Period as if this Agreement had not expired, and all obligations and restrictions imposed on Franchisee upon expiration of this Agreement shall be deemed to take effect upon termination of the Interim Period.

15. Termination of Franchise. The parties may terminate this Agreement as follows:

15.1. Termination by Franchisee. Franchisee may not terminate this Agreement for any reason without Franchisor's advanced written consent, which Franchisor has the right to grant or deny for any reason or no reason.

15.2. Termination by Franchisor. Franchisor may terminate this Agreement as provided below. Franchisor will give written notice of termination to Franchisee at Franchisee's address in the table above.

When an event of default appears to fall within one or more cure periods, the cure period with the lesser number of days will apply.

15.2.1 Default of this Agreement; Cure Period of 30 Days. Franchisor may terminate this Agreement for Franchisee's failure to conduct its business in substantial conformity with Franchisor's standards and policies, including the Operations Manual, or with any obligation imposed on Franchisee by this Agreement or any other agreement between Franchisor and Franchisee. Franchisor will give Franchisee 30 days after written notice of default to cure Franchisee's failure in this paragraph.

15.2.2 Failure to Attend Franchise Conference; Cure Period of 30 Days. Franchisor may terminate this Agreement for Franchisee's failure to either attend the franchise conference or visit Franchisors headquarters within one month after the conference. To cure the default, Franchisee will be required to pay all expenses incurred by Franchisor in association with such travel to Franchisees campus, including, without limitation, the cost of travel, room and board for two (2) of Franchisor's employees.

15.2.3 Failure to Submit Reports; Cure Period of Ten Days. Franchisor may terminate this Agreement for Franchisee's failure to submit any reports, including but not limited to financial statements or tax returns, to Franchisor when due. Franchisor will give Franchisee ten days after receipt of written notice of default to cure Franchisee's failure in this paragraph.

15.2.4 Monetary Default; Cure Period of Five Days. Franchisor may terminate this Agreement for Franchisee's failure to pay any franchise fee or other amount due to Franchisor or its affiliates. Franchisor will give Franchisee five days after written notice of default to cure Franchisee's failure in this paragraph.

15.2.5 Other Defaults; No Cure Period. Franchisor may immediately terminate this Agreement for any of the following defaults:

(a) Franchisee or the business to which the Franchise relates is declared bankrupt or judicially determined to be insolvent, or all or a substantial part of the assets thereof are assigned to or for the benefit of any creditor, or Franchisee admits its inability to pay its debts as they come due.

(b) Franchisee abandons the Franchise by failing to operate the business for 5 consecutive days during which Franchisee is required to operate the business or any shorter period after which it is not unreasonable under the facts and circumstances for Franchisor to conclude that Franchisee does not intend to continue to operate the Franchise unless such failure to operate is due to fire, flood, earthquake or other similar causes beyond Franchisee's control.

(c) Franchisor and Franchisee agree in writing to terminate the Franchise.

(d) Franchisee makes any material misrepresentation relating to the acquisition of the Franchise or Franchisee engages in conduct which reflects materially and unfavorably upon the operation and reputation of the Franchise business or system.

(e) Franchisee fails, for a period of 10 days after notification of noncompliance, to comply with any federal, state or local law or regulation applicable to the operation of the Franchise.

(f) Franchisee, after curing any prior failure or default, engages in the same noncompliance within a 12-month period of such prior failure or default, whether or not such noncompliance is corrected after notice.

(g) Franchisee repeatedly fails to comply with one or more requirements of the Franchise, whether or not corrected after notice.

(h) The Franchise business or its premises are seized, taken over or foreclosed by a government official in the exercise of his duties, or seized, taken over, or foreclosed by a creditor, lienholder or lessor, provided that a final judgment against Franchisee remains unsatisfied for 30 days (unless a supersedeas or other appeal bond has been filed); or a levy of execution has been made upon the license granted by this Agreement or upon any property used in the Franchise, and it is not discharged within 5 days of such levy.

(i) Franchisee or any executive officer or Managing Owner of Franchisee is convicted of a felony or any other criminal misconduct which is relevant to the operation of the Franchise.

(j) Franchisor makes a reasonable determination that Franchisee's continued operation of the Franchise will result in an imminent danger to public health or safety.

15.3. Franchisor's Right to Require Remedial Training and Remedial Inspections. In the event the Franchisee fails Franchisor's Quality assurance requirements three consecutive times, Franchisor has the right to require Franchisee to attend, and pay for, remedial training and remedial inspections on such terms as are set forth in the Operations Manual as an alternative to terminating this Agreement.

15.4. Effect of Expiration or Termination of Franchise. Upon expiration or termination of this Agreement for any reason, all rights and obligations between the parties under this Agreement will terminate, except those obligations of Franchisee which specifically or by their nature survive termination, and except as follows.

(a) Termination of this Agreement will not relieve Franchisee of any obligation to pay money to Franchisor that matured by the effective date of termination, or of any monetary obligations imposed on Franchisee under this Agreement or any other contract between the parties, for the term of this Agreement or such contract, whether those obligations are past, present or future, and explicitly including Franchisee's payment of royalties, advertising fund contributions, and other amounts due under this Agreement for its full contractual term, beginning on the date of execution of this Agreement and ending on the date that is 15 years from the date Franchisee first opens its Designated Campus.

(b) In addition, upon expiration or termination of this Agreement, Franchisee and all of Franchisee's officers, directors, shareholders, and partners will:

15.5. Immediately deliver to Franchisor final reports of the Franchise's business and finances as of the date of termination or expiration.

15.6. Immediately pay Franchisor all amounts that Franchisee owes to Franchisor

(a) Immediately stop using Franchisor's trademarks, trade names, signs, advertising, website, e-mail, and telephone listings, stop using all materials and products of any kind which are identified or associated with Franchisor, and disconnect all telephone numbers that were used for the Franchise.

(b) Refrain from making any representation or suggestion that Franchisee is approved, associated or identified with Franchisor in any manner whatsoever.

(c) Immediately stop using, and take all steps necessary to amend or cancel any registration or filing that contains any of Franchisor's names and marks so as to delete the names and marks and all references to anything associated with Franchisor.

(d) Immediately return to Franchisor all customer lists, customer leads, materials containing trade secrets or confidential information, and all documents relating to the business practices of Franchisor including the Operations Manual.

(e) Refrain from using, disclosing or exhibiting any confidential information, trade secret, customer list or customer lead of Franchisor to any individual or entity other than Franchisor and refrain from copying or reproducing any such material.

16. Assumption of Management.

16.1. Franchisor has the right (but not the obligation), under the circumstances described below to enter the Designated Campus and assume management of the Franchised Business (or to appoint a third party to assume its management) for any period of time Franchisor deems appropriate. If Franchisor (or a third party) assumes management of the Franchised Business, Franchisee agrees to pay Franchisor (in addition to the other amounts due to Franchisor) an amount equal to $300 per day that Franchisor or a third party manages the Franchised Business, plus Franchisor's (or the third party's) direct out-of-pocket costs and expenses, for up to ninety (90) days after Franchisor assumes management.

16.2. If Franchisor (or a third party) assumes management of the Franchised Business, Franchisee acknowledges that Franchisor (or the third party) will have a duty to utilize only reasonable efforts and will not be liable to Franchisee or Franchisee's owners for any debts, losses, or obligations the Franchised Business incurs, or to any of Franchisee's creditors for any supplies, products, or other assets or services the Franchised Business purchases, while Franchisor (or the third party) manages it.

16.3. Franchisor (or a third party) may assume the management of the Franchised Business under the following circumstances: (1) if Franchisee abandons or fails to actively operate the Franchised Business; (2) if Franchisee fails to comply with any provision of this Agreement or any system standard and does not cure the failure within the time period Franchisor specifies in Franchisor's default notice to Franchisee; or (3) if this Agreement is terminated and Franchisor is deciding whether to exercise Franchisor's option to purchase the Franchised Business under Section 17 below.

16.4. If Franchisor exercises Franchisor's rights under this Section, such action will not affect Franchisor's right to terminate this Agreement under Section 15.

17. Option to Purchase.

17.1. Scope. Upon the termination or expiration of this Agreement, Franchisor, or Franchisor's designee, shall also have the option, but not the obligation, to purchase any personal property used in connection with operation of the Franchised Business or on the Designated Campus ("**Assets**") by providing Franchisee written notice of Franchisor's election within sixty (60) calendar days after such termination or expiration and paying Franchisee the fair market value for such Assets within sixty (60) calendar days of such notice. If Franchisee and Franchisor cannot agree on fair market value within a reasonable time, an independent appraiser will be designated by Franchisee and Franchisor and an average of the two appraised values will be binding. Appraised values will exclude any and all consideration for goodwill or going concern value created by the Marks and business system licensed to Franchisee. Notwithstanding the foregoing, to the extent that Franchisor exercises Franchisor's right to purchase any Asset that is subject to a lease or finance agreement, the purchase price of such Asset shall equal the amount of Franchisee's remaining obligations under the lease or finance agreement, as applicable. Franchisor shall be entitled to offset the purchase price by the amount of money owed by Franchisee to Franchisor for any payments necessary to acquire clear title to property or for any other debt. If Franchisor exercises Franchisor's option to purchase, pending the closing of such purchase, Franchisor has the right to appoint a manager to maintain operation of the Franchised Business, or Franchisor may require that Franchisee close the Franchised Business during such period without removing any assets. Franchisee is required to maintain in force all insurance policies required under this Agreement until the date of such closing. Franchisor has the unrestricted right to assign this option to purchase the Assets. Franchisor will be entitled to all customary warranties and representations in connection with Franchisor's purchase of Franchisee's Assets, including, without limitation, representations and warranties as to ownership and condition of and title to the property; liens and encumbrances on the property; validity of contracts and agreements; and liabilities affecting the property, contingent or otherwise.

17.2. Damages, Costs, and Expenses. In the event of termination for any default by Franchisee, Franchisee shall promptly pay to Franchisor all damages (including without limitation consequential damages and Franchisor's opportunity costs), costs and expenses, including reasonable attorney fees, incurred by Franchisor as a result of the default, which obligation shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of Franchisee's personal property, furnishings, equipment, signs, fixtures and inventory related to the operation of the Franchised Business.

18. Franchisor's Right to Take Assignment of the Lease. Franchisee shall, at Franchisor's option (exercisable by giving Franchisee written notice within thirty (30) days after the date of termination or expiration of this Agreement), immediately assign to Franchisor any interest which Franchisee has in any Lease. In the event Franchisor does not elect to exercise its option to acquire the Lease, then, to the extent, if any, that Franchisee is permitted to conduct any business at the Designated Campus, and acknowledging the distinctiveness of Franchisor's interior design and décor, Franchisee shall make such modifications or alterations to the Designated Campus that are necessary to distinguish the appearance of such Designated Campus from that of Building Kidz Schools and shall make any other changes that Franchisor may reasonably request for that purpose. In the event Franchisee fails or refuses to comply with the requirements of this Section, Franchisor shall have the right to, at Franchisee's expense, enter the Designated Campus, without being guilty of trespass or any other tort, to make or cause to be made any necessary changes.

19. Guaranty. If the Franchisee is an individual, Franchisee and, if applicable, Franchisee's spouse or domestic partner, must personally guarantee the Franchisee's obligations under this Agreement and agree to be bound personally by every contractual provision, whether containing monetary or non-monetary

obligations. If the Franchisee is a corporation, limited liability company or other entity, its owners and, if applicable, their spouses or domestic partners, must personally guarantee the Franchisee's obligations under this Agreement and agree to be bound personally by every contractual provision, whether containing monetary or non-monetary obligations.

20. Indemnification. To the fullest extent permitted by law, Franchisee will indemnify, defend, and protect Franchisor, and hold Franchisor harmless from any claim, proceeding, loss, cost, damage, expense and liability (including court costs and reasonable attorneys' fees and specifically including reasonable attorneys' fees incurred by Franchisor in enforcing this indemnification and waiver provision against Franchisee) incurred in connection with Franchisee's operation of the Franchise or its business or its business premises, including any default by Franchisee in the performance of any term of this Agreement or Franchisor's Operations Manual and Franchisee's violation of any federal, state, or local law, statute, rule or regulation, including but not limited to, violation of Privacy Laws. The provisions of this indemnification provision will survive the expiration or termination of this Agreement regarding any claims or liability occurring prior to expiration or termination and will not be limited by reason of any insurance carried by Franchisor and Franchisee.

(a) Franchisee must notify Franchisor immediately if Franchisee is served with a complaint in any legal proceeding that is in any way related to the Franchise or if Franchisee becomes aware that it is the subject of any complaint to or investigation by a governmental licensing authority or consumer protection agency.

(b) Franchisees have no obligation to indemnify or hold harmless an indemnified party for losses to the extent that they are determined to have been caused solely and directly by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

21. Franchisor IP, Trademarks & Names, and Confidential Information. Franchisor reserves the right to change its names, logos and trademarks, and its patents, copyrights and trade secrets (collectively, "**IP**"), when it reasonably believes that the changes will benefit its franchise system. Franchisee will promptly conform, at its own expense, to any such changes. Franchisor has no obligation to protect Franchisee's right to use the IP, or protect Franchisee against claims of infringement or unfair competition arising out of the use of the IP. Franchisee must notify Franchisor of the use of, or claims of rights to, any IP, especially trademarks, that are identical to or confusingly similar to that associated with the Franchise; however, Franchisor has no obligation to take affirmative action when notified of these uses or claims. Franchisor has the exclusive right as against all franchisees to control any administrative proceedings or litigation involving IP. Franchisor may take the action it deems appropriate (including no action) and control exclusively any litigation, USPTO proceeding, or other administrative proceeding arising from any infringement, challenge, or claim. Franchisee must assist Franchisor as Franchisor may require in any such litigation or proceeding, and Franchisee will be reimbursed for its costs of taking any action that Franchisor may require. Franchisor is not obligated to participate in the defense of Franchisee and/or to indemnify it for expenses or damages if Franchisee is a party to any litigation or proceeding involving IP, or if the litigation or proceeding are resolved unfavorably to Franchisee. Franchisor may require Franchisee to modify or discontinue using IP, including trademarks, at any time for any reason, and Franchisee must comply with these directions within a reasonable time after receiving notice. Franchisee has no rights with respect thereto, nor is Franchisor required to reimburse Franchisee for its expenses of changing its Franchise signs, etc., or for any loss of revenue due to any modified or discontinued trademark, or for its expenses of promoting a modified or substitute trademark. Franchisee must follow Franchisor's rules when it uses any of Franchisor's IP, including giving proper notices of trademark and service mark registration and obtaining

fictitious name registrations required by law. Franchisee may not use any of Franchisor's trademarks in its corporate or legal business name; with modifying words, terms, designs, or symbols (except for those licensed to it by Franchisor); in selling any unauthorized services or products; or as part of any domain name, homepage, electronic address, or otherwise in connection with a website.

The Operations Manual contains the Franchisor's trade secrets and Confidential Information, including information about its business systems. Franchisee must keep confidential all of Franchisor's trade secrets and Confidential Information. The trade secrets and Confidential Information are valuable assets of Franchisor and are disclosed to Franchisee, on the condition that Franchisee and, if applicable, Franchisee's spouse or domestic partner, and Franchisee's owners, officers, partners, etc., if Franchisee is a business entity, and employees agree to maintain the information in confidence by entering into a confidentiality agreement that Franchisor can enforce. Franchisee must promptly disclose to Franchisor all ideas, concepts, techniques or materials concerning its Building Kidz School, whether or not protectable intellectual property and whether created by or for Franchisee. All of said ideas etc. will be deemed to be Franchisor's sole and exclusive property, part of the system, and works made-for-hire for Franchisor. To the extent any item does not qualify as a "work made-for-hire," Franchisee assigns ownership of that item, and all related rights to that item, to Franchisor and must take whatever action (including signing assignment or other documents) that Franchisor requests to show its ownership or to help it obtain intellectual property rights in the item.

22. Covenants, Representations, and Warranties of Franchisee.

Franchisee covenants, represents, and warrants as follows and acknowledges that Franchisor is relying upon such covenants, representations and warranties in making its decision to enter into this Agreement.

22.1. Franchisee acknowledges that it has received, has had ample time to read, and has read this Agreement, and all related agreements with Franchisor. Franchisee acknowledges that Franchisor has advised it to obtain independent legal and accounting advice with respect to this Agreement and the transactions arising out of this Agreement. Franchisee further acknowledges that it has had an adequate opportunity to be advised by legal, accounting and other professional advisors of its own choosing regarding all pertinent aspects of the Franchised Business, Franchisor and this Agreement.

22.2. Franchisee has, or has made firm arrangements to acquire funds to commence, open and operate the Franchised Business and it is financially and otherwise able to accept the risks attendant upon entering into this Agreement.

22.3. Franchisee understands that the audited financial statements ("**Audited Financial Statements**") of Franchisor attached to the Franchise Disclosure Document as Exhibit F have been prepared by a licensed certified public accountant in accordance with Generally Accepted Accounting Principles ("**GAAP**") in the United States governing the preparation of Audited Financial Statements as of the effective date of the Franchise Disclosure Document. Franchisee further acknowledges that GAAP accounting rules and standards may change over time, and that Audited Financial Statements prepared under new GAAP accounting rules or standards could result in Audited Financial Statements that report results that appear different in the future or change the Audited Financial Statements previously used in a Franchise Disclosure Document. Franchisee represents and warrants to Franchisor that Franchisee reviewed the Audited Financial Statements of Franchisor attached to the Franchise Disclosure Document and to the extent that Franchisee is relying on the Audited Financial Statements as they are currently prepared as the

basis for making Franchisee's decision to purchase the Building Kidz School, future changes in those Financial Statements due to changes in GAAP will not affect the Franchisee's decision.

22.4. All statements made by Franchisee in writing in connection with its application for this franchise were, to the best of its knowledge, true when made and continue to be true as of the date of this Agreement.

22.5. There are no material financial obligations of Franchisee, whether actual or contingent, which are outstanding as of the date of this Agreement other than those disclosed to Franchisor by Franchisee in writing.

22.6. Franchisee is not a party to nor subject to any court or administrative order or action of any governmental authority which would limit or interfere in any way with the performance by Franchisee of its obligation hereunder.

22.7. Franchisee is not a party to any litigation or legal proceedings other than those which have been disclosed to Franchisor by Franchisee in writing.

22.8. Franchisee represents that it is not a party to nor subject to agreements that might conflict with the terms of this Agreement and agrees not to enter into any conflicting agreements during the Term or any Successor Terms.

22.9. Franchisee represents that neither Franchisee nor Franchisee's owners, if Franchisee is a legal entity, have been accused of or convicted of a crime against a child or any form of physical violence or sexual assault against any person.

22.10. Franchisee agrees and acknowledges that it has not been induced to enter into this Agreement in reliance upon, nor as a result of, any statements, representations, warranties, conditions, covenants, promises or inducements, whatsoever, whether oral or written, and whether directly related to the contents hereof or collateral thereto, made by Franchisor, its officers, directors, agents, employees or contractors except as provided herein. Franchisee acknowledges that the Franchise has been granted in reliance upon the information supplied to Franchisor in Franchisee's application for a Franchise.

22.11. Franchisee and its owners agree to comply with and/or to assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with Anti-Terrorism Laws (as defined below). In connection with such compliance, Franchisee and its owners certify, represent, and warrant that none of their property or interests is subject to being "blocked" under any of the Anti-Terrorism Laws and that Franchisee and its owners are not otherwise in violation of any of the Anti-Terrorism Laws.

(a) Franchisee and its owners certify that none of them, their respective employees, or anyone associated with Franchisee is listed in the Annex to Executive Order 13224 (which can be accessed at *http://www.treasury.gov/resource-center/sanctions/Documents/13224.pdf*). Franchisee agrees not to hire (or, if already employed, retain the employment of) any individual who is listed in the Annex.

(b) Franchisee certifies that it has no knowledge or information that, if generally known, would result in Franchisee, its owners, their employees, or anyone associated with Franchisee to be listed in the Annex to Executive Order 13224.

(c) Franchisee is solely responsible for ascertaining what actions it must take to comply with the Anti-Terrorism Laws, and Franchisee specifically acknowledges and agrees that its indemnification responsibilities set forth in this Agreement pertain to its obligations under this Section 22.

(d) Any misrepresentation under this Section or any violation of the Anti-Terrorism Laws by Franchisee, its owners, agents, its employees shall constitute grounds for immediate termination of this Agreement and any other agreement Franchisee has entered with Franchisor or any of Franchisor's affiliates.

"**Anti-Terrorism Laws**" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any governmental authority (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control and any government agency outside the U.S.) addressing or in any way relating to terrorist acts and/or acts of war.

23. Miscellaneous.

23.1. Cross Default. Franchisee's default under or violation of the Operations Manual, Guaranty, Confidentiality Agreement or other agreements, policies or documents in effect from time to time between Franchisor and Franchisee, will constitute a default under this Franchise Agreement by Franchisee, and will permit Franchisor's exercise of its remedies for default under this Agreement.

23.2. Relationship of Parties. Franchisee is an independent legal entity and will make this fact clear in dealing with suppliers, lessors, government agencies, employees, customers, and others. Franchisee may not expressly or impliedly hold itself out as an employee, partner, shareholder, joint venturer or representative of Franchisor, nor may it expressly or impliedly suggest that it has the power to bind Franchisor or to incur any liability on Franchisor's behalf. Franchisee will conspicuously display a sign that states that "This franchise is independently owned and operated." Franchisee's business cards, stationery, purchase order forms, invoices, leases, tax returns, and other business documents must clearly identify Franchisee as an independent legal entity.

23.3. Assignment by Franchisor. Franchisor may assign this Agreement or any rights or obligations created by it at any time without Franchisee's consent upon the following conditions: (i) the assignee is financially responsible as determined in Franchisor's reasonable discretion; (ii) Franchisor reasonably believes that the assignee is capable of performing Franchisor's obligations under this Agreement; and (iii) the assignee expressly agrees in writing to assume Franchisor's obligations under this Agreement.

23.4. Non-Exclusive Remedies; Survival. Franchisor's rights under this Agreement, including its rights at termination or expiration, are not its exclusive remedies. Franchisor will have all equitable and legal remedies available to it, including injunctive relief and the right to recover damages as compensation for lost profits. Termination or expiration of this Agreement will not end any obligation of either party that existed prior to termination or expiration, and all obligations of the parties which by their terms or by reasonable implication are to be performed in whole or in part after termination or expiration will survive termination and expiration.

23.5. Notices. Notices hereunder may be given only by personal delivery, e-mail or overnight courier. Notices to a party will be sent to the address set forth for such party on the facing page. A party may change its address for purposes of notices by providing the other parties with the new address in writing. Notices will be effective when received or one day after the date of forwarding by overnight courier.

23.6. Entire Agreement. This Agreement constitutes the entire agreement between the parties pertaining to the matters set forth herein and supersedes all prior and contemporaneous agreements, representations, and understandings of the parties. Nothing in this Agreement or any related agreement is intended to disclaim the representations we made in the franchise disclosure document.

23.7. Amendments, Waivers. No supplement, modification, or amendment of this Agreement will be binding unless executed in writing by all parties. No waiver of any of the provision of this Agreement will constitute a waiver of any other provision, whether or not similar, nor will any waiver constitute a continuing waiver. No waiver will be binding unless executed in writing by the party making the waiver.

23.8. Governing Law; Jurisdiction. This Agreement will be governed by and construed under California law without reference to conflicts of law principles.

23.9. Arbitration. Any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this agreement to arbitrate, will be determined by arbitration in the San Francisco Bay Area, California before one arbitrator. The arbitration will be administered by JAMS pursuant to its Streamlined Arbitration Rules and Procedures. Judgment on the award may be entered in any court having jurisdiction. This clause will not preclude parties from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction. The parties will share equally in the costs of arbitration; except that each party will be responsible for its own attorneys' fees. These arbitration provisions will survive the termination or expiration of this Agreement.

23.10. Attorneys' Fees. The prevailing party will be entitled to the recovery of all attorneys' fees and court, arbitration and like costs (including costs of collection) in the event of any suit or other proceeding with respect to the subject matter or enforcement of this Agreement.

23.11. Equitable Relief. Nothing contained in this Agreement will bar the right of either party to obtain injunctive relief.

23.12. Binding Provisions. This Agreement binds the parties and their respective heirs, executors, administrators, personal and legal representatives, successors, and assigns.

23.13. Severability. Each provision herein will be considered severable. If, for any reason, any provision is determined to be invalid and contrary to any existing or future law, such invalidity will not impair the operation of or affect those portions of this Agreement which are valid, and such provision shall be curtailed and limited only to the extent necessary to bring it within the requirements of the law.

23.14. Counterparts. This Agreement may be executed in counterparts all of which together will constitute one document. This Agreement may be executed electronically.

23.15. Force Majeure. Whenever a period of time is provided in this Agreement for either party to do or perform any act or thing, except the payment of monies, neither party will be liable or responsible for any delays due to strikes, lockouts, casualties, acts of God, pandemics, war, governmental regulation or control or other causes beyond the reasonable control of the parties, and in any event the time period for the performance of an obligation under this Agreement will be extended for the amount of time of the delay. This clause will not apply or not result in an extension of the Term of this Agreement.

FRANCHISOR HAS MADE NO REPRESENTATIONS, WARRANTIES OR PROMISES OF ANY KIND TO INDUCE YOU TO SIGN THIS AGREEMENT EXCEPT THOSE SPECIFICALLY STATED IN THE FRANCHISE DISCLOSURE DOCUMENTS THAT HAVE BEEN GIVEN TO YOU. FRANCHISEE ACKNOWLEDGES THAT NEITHER FRANCHISOR NOR ANY OTHER PERSON HAS GUARANTEED THAT FRANCHISEE WILL SUCCEED IN THE OPERATION OF THE FRANCHISE OR HAS PROVIDED ANY SALES OR INCOME PROJECTIONS OF ANY KIND TO YOU. FRANCHISEE HAS MADE AN INDEPENDENT INVESTIGATION OF ALL IMPORTANT ASPECTS OF THE FRANCHISE. FRANCHISEE UNDERSTANDS THAT FRANCHISOR IS NOT A FIDUCIARY AND HAS NO SPECIAL RESPONSIBILITIES BEYOND THE NORMAL RESPONSIBILITIES OF A SELLER IN A BUSINESS TRANSACTION.

IN WITNESS WHEREOF, the parties have executed this Franchise Agreement as of the date in the table above.

FRANCHISOR:	**FRANCHISEE:**
Building Kidz Worldwide, LLC	
By: _____	By: _____
Name: Sanjay Ravi Gehani	Name: _____
Title: Partner and CRO	Title: _____
Date: _____	Date: _____

ATTACHMENT I
TO FRANCHISE AGREEMENT
ADDENDUM

THIS ADDENDUM to the Building Kidz Worldwide Franchise Agreement ("**Agreement**") dated _____ between Building Kidz Worldwide, LLC ("**Franchisor**") and _____ _____ ("**Franchisee**"), is made effective as of the date of the Franchise Agreement.

1. **Principal Address**: Franchisee's Principal Business Address is:

2. **Designated Campus**: The address of Franchisee's Designated Campus is:

3. **Territory**. Except as set forth in the Agreement, Franchisor will not own, operate, or franchise a fixed location for the operation of another Building Kidz School within the area described as:

Fully executed _____.

BUILDING KIDZ WORLDWIDE, LLC

By: _____

Name: Sanjay Ravi Gehani
Title: Partner and CRO

FRANCHISEE:

By: _____

Name: _____
Title: _____

ATTACHMENT II
TO FRANCHISE AGREEMENT
SBA ADDENDUM

Building Kidz Worldwide, LLC

THIS SBA ADDENDUM ("**SBA Addendum**") is made and entered into on _____, by **Building Kidz Worldwide, LLC**, located at 303 Vintage Park Drive, Suite 130, Foster City, CA 94404 (**Franchisor**), and _____, located at _____ (**Franchisee**).

Recitals

Franchisor and Franchisee entered into a Franchise (or License) Agreement on _____, ("**Franchise Agreement**"). The Franchisee agreed among other things to operate and maintain a Building Kidz School located at _____ designated by Franchisor as Unit #_____ ("**Unit**"). Franchisee has obtained from a lender a loan ("**Loan**") in which funding is provided with the assistance of the United States Small Business Administration ("**SBA**"). The SBA requires the execution of this Addendum as a condition for obtaining the SBA assisted financing.

NOW, THEREFORE, in consideration of the mutual promises below, and for good and valuable considerations in hand paid by each of the parties to the others, the receipt and sufficiency of which the parties acknowledge, the parties agree as follows:

- Franchise Agreement is in full force and effect, and Franchisor has sent no official notice of default to Franchisee under the Franchise Agreement that remains uncured on the date hereof.

- Franchisor will not unreasonably withhold, delay, or condition its consent to any proposed transfer or assignment by Franchisee which requires Franchisor's consent under Section 13 of the Franchise Agreement.

- This Addendum automatically terminates on the earliest to occur of the following: (i) a Termination occurs under the Franchise Agreement; (ii) the Loan is paid in full; or (iii) SBA no longer has any interest in the Loan.

IN WITNESS WHEREOF, the parties hereto have duly signed and executed this Addendum as of the day and year first above written.

FRANCHISOR:	**FRANCHISEE:**
Building Kidz Worldwide, LLC	
By: _____	By: _____
Print Name: Sanjay Ravi Gehani	Print Name: _____
Title: Partner and CRO	Title: _____

ATTACHMENT III
TO FRANCHISE AGREEMENT

AUTOMATED CLEARING HOUSE PAYMENT AUTHORIZATION FORM

Franchisee Information:

Franchisee Name	Business No.
Franchisee Mailing Address (street)	Franchisee Phone No.
Franchisee Mailing Address (city, state, zip)	
Contact Name, Address and Phone number (if different from above)	
Franchisee Fax No.	Franchisee E-mail Address

Bank Account Information:

Bank Name		
Bank Mailing Address (street, city, state, zip)		
Bank Account No.	Checking Savings (check one)	Bank Routing No. (9 digits)
Bank Mailing Address (city, state, zip)		Bank Phone No.

Authorization:

Franchisee hereby authorizes **Building Kidz Worldwide, LLC** ("**Franchisor**") to initiate debit entries to Franchisee's account with the Bank listed above, and Franchisee authorizes the Bank to accept and to debit the amount of such entries to Franchisee's account. Each debit shall be made from time to time in an amount sufficient to cover any fees payable to Franchisor pursuant to any agreement between Franchisor and Franchisee as well as to cover any purchases of goods or services from Franchisor or any affiliate of Franchisor. Franchisee agrees to be bound by the National Automated Clearing House Association (NACHA) rules in the administration of these debit entries. Debit entries will be initiated only as authorized above. This authorization is to remain in full force and effect until Franchisor has received written notification from Franchisee of its termination in such time and in such manner as to afford Franchisor and the Bank a reasonable opportunity to act on it. Franchisee shall notify Franchisor of any changes to any of the information contained in this authorization form at least 30 days before such change becomes effective.

Signature: _____ Date: _____
Name: _____
Its: _____
Federal Tax ID Number: _____

NOTE: FRANCHISEE MUST ATTACH A VOIDED CHECK RELATING TO THE BANK ACCOUNT.

ATTACHMENT IV
CALIFORNIA-SPECIFIC ADDENDUM
TO FRANCHISE AGREEMENT

THIS ADDENDUM to the Building Kidz Worldwide Franchise Agreement ("**Franchise Agreement**") dated _____ between Building Kidz Worldwide, LLC ("**Franchisor**") and _____ _____ ("**Franchisee**"), is made effective as of the date of the Franchise Agreement.

CALIFORNIA LAW MODIFICATIONS

1. The Franchise Agreement is hereby amended to delete Sections 22.1 through 22.3 and Section 22.10 as the provisions violate California Corporations Code Section 31512 and Section 31512.1.

2. California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

3. The Franchise Agreement and any document signed in connection with the franchise are supplemented with the following language:

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

IN WITNESS WHEREOF, the parties hereto have duly signed and executed this Addendum as of the day and year first above written.

FRANCHISOR:	**FRANCHISEE:**
Building Kidz Worldwide, LLC	
By: _____	By: _____
Print Name: Sanjay Ravi Gehani	Print Name: _____
Title: Partner and CRO	Title: _____

EXHIBIT C

AREA DEVELOPER AGREEMENT

BUILDING KIDZ WORLDWIDE, LLC

AREA DEVELOPMENT AGREEMENT

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BUILDING KIDZ WORLDWIDE, LLC

AREA DEVELOPMENT AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT ("**Agreement**") is made and entered into on _____, ("Effective Date") by and between **Building Kidz Worldwide, LLC**, a California limited liability company, with a business address at 303 Vintage Park Drive, Suite 130, Foster City, California 94404 ("**Franchisor**") and _____ with its address at _____ ("**Area Developer**"). All initially capitalized terms not otherwise defined herein shall have the meaning ascribed in the franchise agreement of Franchisor.

RECITALS:

WHEREAS, Franchisor holds the exclusive franchise rights to a proprietary system owned by Franchisor that has been developed through significant expenditures of time, skill, effort and money ("System") relating to the establishment, development and operation of a childcare center and learning center for children as young as infants up to 12 years old ("**Building Kidz School**");

WHEREAS, the System features use of the Marks as defined below, a distinctive exterior and interior design, décor, color scheme, fixtures and furnishings for the Building Kidz School, as well as uniform standards, specifications, methods, policies and procedures for school operations, training and assistance, and advertising and promotional programs, all of which may be changed, improved upon, and further developed from time to time by Franchisor;

WHEREAS, Franchisor, through its dedicated operations, marketing methods, and merchandising policies, has developed the reputation, public image and goodwill of its System and established a firm foundation for its franchised operations consisting of high standards of training, management, supervision, appearance, services and quality of products;

WHEREAS, the System is identified by means of certain trademarks, including the marks BUILDING KIDZ SCHOOL®, the BUILDING KIDZ SCHOOL logos, and such other trade names, service marks, and trademarks as are now, and may hereafter be, designated for use in connection with the System ("**Marks**");

WHEREAS, Franchisor continues to develop, expand, use, control and add to the Marks and the System for the benefit of and exclusive use by Franchisor and its franchisees in order to identify for the public the source of the products and services marketed thereunder and to represent the System's high standards of quality and service;

WHEREAS, Area Developer desires to obtain the exclusive right to develop, construct, manage and operate a series of Building Kidz Schools under the development schedule described in **Schedule B** attached hereto ("**Development Schedule**") and within the territory described in **Schedule A** attached hereto ("**Development Territory**"), under the System and Marks, as well as to receive the training and other assistance provided by Franchisor in connection therewith;

WHEREAS, Area Developer hereby acknowledges that it has read this Agreement and Franchisor's Unit Franchise Disclosure Document ("**Franchise Disclosure Document**"), and that it has no

knowledge of any representations about the Building Kidz School or about Franchisor or its franchising program or policies made by Franchisor or by its officers, directors, shareholders, employees or agents that are contrary to the statements in Franchisor's Franchise Disclosure Document or to the terms of this Agreement, and that it understands and accepts the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain Franchisor's high standards of quality and service and the uniformity of those standards at all facilities that operate pursuant to the System and thereby to protect and preserve the goodwill of the System and the Marks; and

WHEREAS, Area Developer understands and acknowledges the importance of Franchisor's uniformly high standards of quality and service and the necessity of operating the Building Kidz Schools in strict conformity with Franchisor's quality control standards and specifications.

NOW, THEREFORE, the parties, in consideration of the promises, undertakings and commitments of each party to the other party set forth herein, hereby mutually agree as follows:

1. GRANT

1.1 Appointment. Franchisor hereby grants to Area Developer the right and license to develop, construct, operate and manage _____ (____) Building Kidz Schools in strict accordance with the System and under the Marks within the Development Territory described in Schedule A. Each Building Kidz School shall be operated according to the terms of a franchise agreement ("Franchise Agreement") with respect thereto.

1.2 Development Territory; Reservation of Rights. If Area Developer complies with the terms of this Agreement, the Development Schedule and the Franchise Agreement for each Building Kidz School opened and operated by Area Developer, then Franchisor will not franchise or license others, nor will it itself directly or indirectly develop, own, lease, construct or operate in any manner, any Building Kidz Schools in the Development Territory during the term of this Agreement. Franchisor reserves the right, among others:

(a) to own, franchise, or operate Building Kidz Schools at any location outside of the Development Territory, regardless of the proximity to the Development Territory or to any specific Building Kidz School location in the Development Territory, so long as such Building Kidz School is not located within the specific Development Territory granted to the individual Building Kidz School location;

(b) to own, franchise or operate one or more Building Kidz Schools at a designated National Account Location (as such term is defined in the unit Franchise Agreement) located anywhere, including inside the Development Territory;

(c) to use the Marks and System to sell any products, similar to those that Area Developer will sell, through alternative channels of distribution within or outside of the Development Territory, other than through Building Kidz Schools located in the Development Territory. This includes, but is not limited to, all other channels of distribution such as television, mail order, catalog sales, wholesale sale to unrelated retail outlets, or over the Internet. The Internet is a channel of distribution reserved exclusively to Franchisor, and Area Developer may not independently market on the Internet or conduct e-commerce;

(d) to use and license the use of other proprietary and non-proprietary marks or methods that are not the same as or confusingly similar to the Marks, whether in alternative channels of distribution or in the operation of a childcare center, at any location, including within the Development Territory, which may be the same as, similar to or different from the Building Kidz Schools developed by Area Developer;

(e) to purchase or be purchased by, or merge or combine with, any businesses wherever located, including a business that competes directly with Area Developer's Building Kidz Schools;

(f) to acquire and convert to the System operated by Franchisor any business offering services and products related to providing educational services, including such businesses operated by competitors or otherwise operated independently or as part of, or in association with, any other system or chain, whether franchised or corporately owned, and whether located inside or outside of the Development Territory; and

(g) to implement multi-area marketing programs, including regional pricing and service programs, that may allow Franchisor or others to solicit or sell to customers anywhere. Franchisor also reserves the right to issue mandatory policies to coordinate such multi-area marketing programs including the right to establish minimum or maximum pricing for such programs, as permitted by law.

1.3 Governing Agreement. This Agreement is not a Franchise Agreement and Area Developer shall have no right to use, in any manner, the Marks or System by virtue of this Agreement. Each Building Kidz School will be governed by the individual Franchise Agreement executed by Franchisor and Area Developer for each Building Kidz School.

1.4 Investment. The principal owner of the Area Developer must contribute some amount of its personal capital to the development of each Building Kidz School and must own at least a fifty-one percent (51%) equity interest in each Building Kidz School developed under this Agreement.

2. TERM

2.1 Initial Term. Unless sooner terminated pursuant to the provisions of Section 6, the term of this Agreement shall expire at the earlier of the date that the last Building Kidz School identified on **Schedule A** is opened for business or _____ (__) years from the Effective Date.

2.2 Renewal. Area Developer acknowledges and agrees that Area Developer will not have any renewal rights to this Development Agreement.

3. FEES, TRAINING, FRANCHISE AGREEMENT

3.1 Fees. Area Developer shall pay upon execution of this Agreement an area development fee ("**Area Development Fee**"), which will be defined by the area developer fee calculation ("**Area Developer Fee Calculation**") below. Franchisor acknowledges and agrees that Area Developer will not be required to pay any additional Initial Franchise Fees to open any of the Building Kidz Schools contemplated by this Agreement. However, Area Developer acknowledges and agrees that it will pay to Franchisor a launch fee ("**Launch Fee**") of $25,000 due before the 90th day after the date of signing the franchise

agreement. All amounts collected shall be deemed fully earned immediately upon receipt and shall be non-refundable.

Area Developer Fee Calculation:

1. If your Area Developer Agreement requires you to open ten or more Franchised Businesses within five years, your Area Developer Fee will be calculated by multiplying the amount of required Franchised Business openings by $48,000 (forty-eight thousand dollars). The total initial fee in this instance will be at least $480,000.

2. If your Area Developer Agreement requires you to open more than five but less than ten Franchised Businesses within five years, or if your Area Developer Agreement requires you to open ten or more Franchised Businesses within ten years, your Area Developer Fee will be calculated by multiplying the amount of required Franchised Business openings by $54,000 (fifty-four thousand dollars). The total initial fee in this instance will be at least $270,000.

3. If your Area Developer Agreement requires you to open five or more, but less than ten, Franchised Businesses within ten years, your Area Developer Fee will be calculated by multiplying the amount of required Franchised Business openings by $57,000 (fifty-seven thousand dollars). The total initial fee in this instance will be at least $285,000.

4. If your Area Developer Agreement requires you to open three Franchised Businesses within five years, your Area Developer Fee will be calculated by multiplying the amount of required Franchised Business openings by $57,000 (fifty-seven thousand dollars). The total initial fee in this instance will be at least $171,000.

3.2 Training Program. The terms of the Franchise Agreement notwithstanding, Franchisor shall provide Area Developer with Franchisor's then-current training program (as defined in the Franchise Agreement) and, in Franchisor's sole discretion, on-site opening assistance for the first two (2) Building Kidz Schools to be developed hereunder. Thereafter, Franchisor shall provide only the training program, and then only for one (1) Managing Owner or Director of each additional Building Kidz School, if necessary, and will not provide on-site assistance. Instead, Area Developer shall, after the opening of its first Building Kidz School, begin assembly of its own Building Kidz School opening assistance team, and said team must be fully trained and in place prior to the opening of the third (3rd) Building Kidz School hereunder. After the opening of the second (2nd) Building Kidz School, Area Developer's Building Kidz School opening team must provide on-site opening assistance as stipulated by Franchisor and continue to provide said assistance for each and every Building Kidz School to be opened by Area Developer under the Development Schedule.

3.3 Franchise Agreement. Area Developer shall not open any Building Kidz School until, among other things, the Launch Fee for said Building Kidz School has been paid in full and the then-current form of Franchise Agreement for such Building Kidz School has been executed by both Area Developer and Franchisor.

4. DEVELOPMENT

4.1 Development Schedule. Area Developer shall open and continuously operate the Building Kidz Schools in accordance with the System, and the Development Schedule set forth in **Schedule B**.

4.2 Excess Building Kidz Schools. In the event that Area Developer opens and operates a greater number of Building Kidz Schools than is required to comply with the current period of the Development Schedule, the requirements of the succeeding period(s) shall be deemed to have been satisfied to the extent of such excess number of Building Kidz Schools. Area Developer will be permitted to open Building Kidz Schools in excess of the number of Building Kidz Schools set forth in the Development Schedule only if Area Developer receives Franchisor's written consent to do so.

4.3 Monthly Reports. Area Developer agrees that it shall provide to Franchisor a monthly report of its activities and progress in developing and establishing Building Kidz Schools as provided herein. The monthly reports shall be submitted no later than the fifth (5th) day following the end of the preceding month during the term of this Agreement. Area Developer's failure to submit required monthly reports in a timely manner shall constitute a default of this Agreement.

5. LOCATION OF BUILDING KIDZ SCHOOLS

5.1 Site Approval. With respect to each Building Kidz School to be developed under this Agreement:

(a) As soon as Area Developer locates a site within the Development Territory that it believes is suitable for a Building Kidz School, Area Developer shall submit to Franchisor such information about the proposed location including, without limitation, lease terms, land acquisition terms, demographic criteria and preliminary site plans showing building orientation, proposed unit location, parking layout, and certain other information, as Franchisor may require from time to time. If Area Developer proposes that another entity will operate the Building Kidz School, Area Developer must also submit information to Franchisor regarding the proposed franchisee entity. Franchisor reserves the right to request as much additional information regarding the site and the proposed franchisee entity as it deems necessary, in its sole discretion, and Area Developer agrees to provide such information immediately upon request. Franchisor may approve or reject, in its sole discretion, any location or franchisee entity submitted by Area Developer.

(b) The approval of the site location or franchisee entity shall not constitute final approval of the site for the Building Kidz School, or of the entity proposed as franchisee. Upon receipt of the site location approval, Area Developer should make an offer to secure the site via purchase or lease, which offer must be contingent upon final approval by Franchisor of the site and of the proposed franchisee entity.

(c) Should Franchisor provide final site approval and approve of the proposed franchisee entity for a Building Kidz School, Franchisor and Area Developer (or its affiliate) shall promptly enter into a Franchise Agreement for such Building Kidz School before the date Area Developer signs a lease for the approved site location, which agreement shall be in the form of Franchisor's then-current form of Franchise Agreement. The terms of the Franchise Agreement will then govern the further development and build-out of the Building Kidz School.

5.2 Building Kidz School Location. The location of each Building Kidz School shall be selected by Area Developer, within the Development Territory, subject to Franchisor's prior approval as set forth in this Section 5, which approval shall take into account all relevant demographic information then available to Franchisor. The establishment of any proposed site by Area Developer prior to approval of Franchisor shall be the sole risk and responsibility of Area Developer and shall not obligate Franchisor in any way to approve the same. The approval of a proposed site by Franchisor does not in any way constitute a warranty or representation by Franchisor as to the suitability of such site for location of a Building Kidz School.

6. DEFAULT AND TERMINATION

6.1 Conditions for Default. Area Developer shall be in default under this Agreement should Area Developer (or its affiliate):

(a) fail to comply with the Development Schedule;

(b) fail to perform any of its obligations under this Agreement or any Franchise Agreement;

(c) cease to be a Franchisee of Franchisor in good standing; or

(d) fail to comply with the provisions on transfer contained in this Agreement.

6.2 Remedies and Termination Rights. Upon such default, Franchisor shall have the right, at its option, and in its sole discretion, to do any or all of the following:

(a) terminate this Agreement;

(b) terminate the territorial exclusivity granted to Area Developer;

(c) reduce the size of Area Developer's Development Territory or the number of Building Kidz Schools Area Developer may develop in the Development Territory; or

(d) accelerate the Development Schedule on immediate written notice.

In addition, if any Franchise Agreement issued to Area Developer, whether or not issued pursuant to this Agreement, is terminated for any reason, Franchisor shall have the right to terminate this Agreement on immediate written notice to Area Developer. For purposes of this Section 6, any Franchise Agreement issued by Franchisor to Area Developer or its affiliates, or any Entity (as defined in Section 7.7) or joint venture, or their affiliates, in which Area Developer or any stockholder, partner or joint venturer of Area Developer, has any direct or indirect ownership or participation interest, shall be deemed a Franchise Agreement issued to Area Developer.

7. ASSIGNMENT

7.1 By Franchisor. Franchisor shall have the absolute right to transfer or assign all or any part of its rights or obligations hereunder to any person or legal entity that assumes its obligation under this Agreement and Franchisor shall thereby be released from any and all further liability to Area Developer.

7.2 By Area Developer. Area Developer understands and acknowledges that the rights and duties set forth in this Agreement are personal to Area Developer and are granted in reliance upon the personal qualifications of Area Developer or Area Developer's principals. Area Developer has represented to Franchisor that Area Developer is entering into this Agreement with the intention of complying with its terms and conditions and not for the purpose of transferring the development rights hereunder.

(a) Neither Area Developer nor any partner, member, or shareholder thereof shall, without Franchisor's prior written consent, directly or indirectly assign, transfer, convey, give away, pledge, mortgage or otherwise encumber any interest in this Agreement or in Area Developer. Any such proposed assignment occurring by operation of law or otherwise, including any assignment by a trustee in bankruptcy, without Franchisor's prior written consent, shall be a material default of this Agreement.

(b) Any assignment, transfer or other disposition by Area Developer of a Building Kidz School within the Development Territory will be governed by the Franchise Agreement to which such Building Kidz School is bound.

(c) Area Developer acknowledges and agrees that any proposed assignment must be of Area Developer's entire right, title and interest in this Agreement and the Development Territory and that Area Developer may not attempt to retain any development rights for any reason after approval of such assignment by Franchisor without Franchisor's express written permission, which may be granted or denied in Franchisor's sole discretion.

7.3 Assignment Procedure. Subject to the other provisions of this Section 7, if Area Developer wishes to sell, transfer or otherwise assign any portion, or all, of the Development Territory, or this Agreement, Area Developer shall notify Franchisor, which may approve or disapprove the same in its sole discretion, and in addition Franchisor may require any or all of the following as conditions of its approval:

(a) All of Area Developer's accrued monetary obligations and all other outstanding obligations to Franchisor, its affiliates and suppliers must be fully paid and satisfied;

(b) Area Developer must not be in default of any provision of its Franchise Agreements, any amendments thereof or successors thereto, or any other agreement between Area Developer and Franchisor, its subsidiaries, parents, or affiliates;

(c) Area Developer and each of its affiliates, shareholders, members, partners, officers and directors must execute a general release, the consideration for which shall be the approval of the transfer, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its parents, subsidiaries, and affiliates, officers, directors, shareholders and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances;

(d) The transferee must enter into a written assignment in a form satisfactory to Franchisor, assuming and agreeing to discharge all of Area Developer's obligations under the relevant Franchise Agreements and, if deemed necessary by Franchisor, the transferee's principals, individually, shall guaranty the performance of all such obligations in writing in a form satisfactory to Franchisor;

(e) The transferee must demonstrate to Franchisor's satisfaction that the transferee meets Franchisor's educational, managerial and business standards; possesses a good moral character,

business reputation and credit rating; has the aptitude and ability to operate the Building Kidz Schools (as may be evidenced by prior related experience or otherwise); has at least the same managerial and financial acumen required of new area developers and shall have sufficient equity capital, as determined by Franchisor in Franchisor's sole discretion, to operate the Building Kidz Schools; and

(f) At Franchisor's option, the transferee must execute or, upon Franchisor's request, shall cause all interested parties to execute, for a term ending on the expiration date of the Franchise Agreement(s) and with such renewal term as may be provided by the Franchise Agreement(s), the standard form of Franchise Agreement then being offered to new area developers and franchisees, and such other ancillary agreements as Franchisor may require for the Building Kidz Schools, which agreements shall supersede the Franchise Agreements between Area Developer and Franchisor in all respects and the terms of which agreements may materially differ from the terms of the Franchise Agreements, including, without limitation, the implementation of other fees and different royalty rates.

7.4 Liability. Area Developer and its principals must remain liable for all direct and indirect obligations to Franchisor in connection with the Building Kidz Schools prior to the effective date of transfer and will continue to remain responsible for their obligations or nondisclosure, noncompetition and indemnification as provided in the Franchise Agreements and guaranty, and shall execute any and all instruments reasonably requested by Franchisor to further evidence such liability.

7.5 Guaranty. Area Developer and its principals, and, if applicable, Area Developer and its principals' spouses or domestic partners, must personally guaranty the Area Developer's obligations under this Agreement and agree to be bound personally by every contractual provision, whether containing monetary or non-monetary obligations

7.6 Transfer Fee. Area Developer or its approved transferee shall pay to Franchisor, at the time of said transfer, a Transfer Fee equal to $10,000 for each Building Kidz School to be transferred, unless the transferee is already a Building Kidz franchisee, in which case the Transfer Fee is one thousand $1,500 for each Building Kidz School to be transferred, or unless the transferee is the child, parent, sibling, spouse or domestic partner of Area Developer, in which case the Transfer Fee is waived, to cover Franchisor's administrative and other expenses in connection with the transfer of the Building Kidz Schools by Area Developer. The Transfer Fee described in this Section 7.6 is independent of the transfer fee required to transfer each franchise agreement. Therefore, Area Developer or its approved transferee must also pay the then-current transfer fee required by each franchise agreement to be transferred.

7.7 Right of First Refusal. If Area Developer or its principals shall at any time determine to sell, transfer or otherwise dispose of all or part of the rights under this Agreement or an ownership interest in Area Developer, and Area Developer or its principals shall obtain a bona fide, executed written offer from a responsible and fully disclosed purchaser, Area Developer shall notify Franchisor in writing of each such offer, and Franchisor shall have the right and option, exercisable within a period of thirty (30) days from the date of delivery of such offer, by written notice to Area Developer or its owners, to purchase the rights under this Agreement or such ownership interest for the price and on the terms and conditions contained in said purchaser's offer. If Franchisor does not exercise its right of first refusal, Area Developer or its principals may complete the sale of Area Developer or such ownership interest, subject to Franchisor's approval of the purchaser and all other conditions set forth in this Section 7.7, provided that if such sale is not completed within one hundred twenty (120) days after delivery of such offer to Franchisor, Franchisor shall again have the right of first refusal herein provided. In the event that Area Developer wishes to publicly offer its shares in any partnership or corporation that has an ownership interest in Area Developer,

said public offering shall be subject to the approval of Franchisor, such approval to not be unreasonably withheld.

7.8 Entity Ownership. If Area Developer is a corporation, partnership, limited liability company, or any other form of business or association ("**Entity**"), each shareholder, member, manager, or partner ("**Controlling Person**") that is granted the rights to serve as Area Developer hereunder shall be a party to a shareholders agreement, operating agreement, or partnership agreement that shall provide, among other things, that upon any dissolution of the Entity, or upon any divorce decree among the parties who are also Controlling Persons, that ownership of the shares, membership interest, or partnership interest shall be transferred to the Controlling Person, for agreed upon consideration, which has primary responsibility for sales and marketing activities, typically the president, following any such dissolution or decree. The form and content of the shareholders agreement, operating agreement, or partnership agreement must be approved by Franchisor prior to execution.

8. CONFIDENTIALITY

8.1 Scope. Nothing contained in this Agreement shall be construed to require Franchisor to divulge to Area Developer any trade secrets, techniques, methods or processes except the material contained in Franchisor's manuals and training materials ("**Confidential Information**"), and then only pursuant to the terms, conditions and restrictions contained in the applicable Franchise Agreement. Area Developer acknowledges that its knowledge of Franchisor's know-how, processes, techniques, information and other proprietary data are derived entirely from information disclosed to it by Franchisor and that such information is proprietary, confidential and a trade secret of Franchisor. Area Developer agrees to adhere fully and strictly to the confidentiality of such information and to exercise the highest degree of diligence in safeguarding Franchisor's trade secrets during and after the term of this Agreement. Area Developer shall divulge such material only to its employees and agents and only to the extent necessary to permit the efficient operation of the Building Kidz Schools. It is expressly agreed that the ownership of all such items and property is and shall remain vested solely in Franchisor.

8.2 Disclosure. Area Developer agrees that all terms of this Agreement shall remain confidential and that Area Developer shall not make any public announcement, issue any press release or publicity, make any confirmation of statements made by third parties concerning the terms of this Agreement, or make any other disclosures other than the existence of this Agreement without the prior written consent of Franchisor unless compelled by law or ordered to do so by a court of competent jurisdiction. It is agreed and understood that Area Developer may disclose the terms of this Agreement to its professional advisors and lenders. Franchisor shall be free to make such disclosure of the terms of this Agreement as it determines, in its sole discretion, to be in the best interest of Franchisor or the System.

9. NONCOMPETITION

9.1 Competition During Term. Area Developer and its owners, members, managers, partners or shareholders, officers, directors, agents, beneficial owners, principal employees, and immediate family members, including a domestic partner, if any, shall execute Franchisor's standard Nondisclosure and Noncompetition Agreement before beginning any development efforts or otherwise having access to Franchisor's Confidential Information. Area Developer acknowledges that, pursuant to this Agreement, Area Developer will receive valuable specialized Confidential Information and information regarding the business of Franchisor and its System. Area Developer covenants that during the term of this Agreement and subject to the post-term provisions contained herein, except as otherwise approved in writing by

Franchisor, Area Developer shall not, either directly or indirectly, for itself or through, on behalf of or in conjunction with any person, persons, partners or corporations:

(a) Divert or attempt to divert any business or customer of the Building Kidz Schools 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 Franchisor's Marks or the System;

(b) Employ or seek to employ any person who is at that time employed by Franchisor or by Area Developer or any other area developer or franchisee of Franchisor, or otherwise directly or indirectly induce such person to leave his or her employment; or

(c) Own, maintain, engage in, be employed by, advise, assist, invest in, franchise, make loans to or have any interest in any business that is the same as or substantially similar to the Building Kidz School.

9.2 Post-Term Competition. Area Developer covenants that, except as otherwise approved in writing by Franchisor, Area Developer shall not, for a continuous uninterrupted period commencing upon the expiration or termination of this Agreement, regardless of the cause for termination, and continuing for two (2) years thereafter, either directly or indirectly, for itself or through, on behalf of or in conjunction with any person, persons, partnership or corporation, own, maintain, engage in, be employed by, advise, assist, invest in, franchise, make loans to, or have any interest in any business that is the same as or substantially similar to the Building Kidz School and that is located within a radius of twenty five (25) miles of the Development Territory hereunder or the location of any area developer, or any company-owned or franchised Building Kidz School under the System that is in existence on the date of expiration or termination of this Agreement. However, Sections 9.1 and 9.2 shall not apply to ownership by Area Developer of less than a five percent (5%) beneficial interest in the outstanding equity securities of any publicly-held corporation. The parties further agree that this provision shall not apply to the continued ownership and operation of any Building Kidz Schools, by Area Developer or its approved affiliate, which were developed pursuant to the terms of this Agreement for so long as such Building Kidz Schools are operated pursuant to a valid Franchise Agreement.

9.3 Independent Covenants. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If any or all portions of any covenant in this Section 9 is held unreasonable or unenforceable by a court, arbitrator or agency having valid jurisdiction in an unappeased final decision to which Franchisor is a party, Area 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 Section 9.

9.4 Modification. Area Developer understands and acknowledges that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in Sections 9.1 and 9.2 in this Agreement, or any portion thereof, without Area Developer's consent, effective immediately upon receipt by Area Developer of written notice thereof, and Area Developer agrees that it shall forthwith comply with any covenant as so modified, which shall be fully enforceable.

9.5 Defenses. Area 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 Section 9. Area Developer agrees to pay all costs and

expenses (including reasonable attorneys' fees) incurred by Franchisor in connection with the enforcement of this Section 9 provided Franchisor prevails in any or all of its claims against Area Developer.

9.6 Irreparable Injury. Area Developer acknowledges that Area Developer's violation of the terms of this Section 9 would result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and Area Developer accordingly consents to the issuance of an injunction, without the requirement of posting a bond, by any court of competent jurisdiction or arbitrator having jurisdiction over this Agreement prohibiting any conduct by Area Developer in violation of the terms of this Section 9.

9.7 Additional Covenants. At Franchisor's request, Area Developer shall require and obtain execution of covenants similar to those set forth in this Section 9 (including covenants applicable upon the termination of a person's relationship with Area Developer) from any or all of the following persons:

(a) all directors and Managers of the Building Kidz School;

(b) all officers, directors and holders of a beneficial interest of five percent (5%) or more of the securities of Area Developer and of any corporation directly or indirectly controlling Area Developer if Area Developer is a corporation; and

(c) the members or general partners and any limited partners (including any corporation, and the officers, directors and holders of a beneficial interest of five percent (5%) or more of the securities of any corporation that controls, directly or indirectly, any general or limited partner) if Area Developer is a limited liability company or general or limited partnership.

9.8 Form. All covenants required by this Section 9 must be in forms satisfactory to Franchisor, including, without limitation, specific identification of Franchisor as a third party beneficiary of such covenants with the independent right to enforce them.

10. DISPUTE RESOLUTION

10.1 Arbitration. The parties agree that all controversies, claims and disputes between them arising out of or relating to this Agreement, the rights and obligations of the parties hereto, or any other claims or causes of action relating to the performance of either party, and the purchase of the franchise by Area Developer shall be finally resolved by submitting such matter to binding arbitration under the Streamlined Arbitration Rules and Procedures of JAMS ("**JAMS**"). The arbitrator shall be selected in accordance with standard JAMS procedure. In accordance with the terms of the Federal Arbitration Act, the Arbitrator shall hear the dispute in San Francisco, California. Each party shall bear its own costs and attorney fees and one-half of the arbitrator's expenses. The decision of the arbitrator shall be final and binding. Area Developer knows, understands, and agrees that it is the intent of the parties that any arbitration between Franchisor and Area Developer shall be of Area Developer's individual claims and that the claims subject to arbitration shall not be arbitrated in conjunction with the claims of other area developers or franchisees or on a class-wide basis, and Area Developer hereby waives any right it may assert to have its claims arbitrated in conjunction with the claims of other area developers or franchisees or on a class-wide basis.

10.2 Preliminary Injunction. Notwithstanding any provision contained in this Section 10, Franchisor may, at its sole option, institute an action or actions for temporary or preliminary injunctive relief or seeking any other temporary or permanent equitable relief against Area Developer that may be

necessary to protect its trademarks or other rights or property. However, in Franchisor's sole discretion, the final right of determination of the ultimate controversy, claim or dispute shall be decided by arbitration as aforesaid and recourse to the courts shall thereafter be limited to seeking an order to enforce an arbitral award. In no event shall Area Developer be entitled to make, Area Developer shall not make, and Area Developer hereby waives, any claim for money damages by way of set-off, counterclaim, defense or otherwise based upon any claim or assertion by Area Developer that Franchisor has unreasonably withheld or unreasonably delayed any consent or approval to a proposed act by Area Developer under any of the terms of this Agreement. Area Developer's sole remedy for any such claim shall be an action or proceeding to enforce any such provisions, for specific performance or declaratory judgment.

11. CONSTRUCTION, MODIFICATION, ENFORCEMENT

11.1 Entire Agreement. This Agreement constitutes the entire understanding of the parties with respect to the development of the Development Territory, and there are no other representations, warranties, or other agreements expressed or implied; provided, however, nothing in any agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments. This Agreement shall supersede all prior existing agreements between the parties concerning the subject matter of this Agreement.

11.2 Modification. This Agreement shall not be modified except by a written agreement signed by the parties hereto.

11.3 Conflict. Where this Agreement and any Franchise Agreement between the parties conflict with respect to initial training, the amount or payment terms of Initial Franchise Fees or equity interests held by Area Developer or operating partners and Managers, the terms of this Agreement shall govern.

11.4 Force Majeure. In the event that Area Developer is unable to comply with the Development Schedule due to strike, riot, civil disorder, war, failure to supply, fire, natural catastrophe or other similar events beyond its control, and upon notice to Franchisor, the Development Schedule and this Agreement shall be extended for a corresponding period, not to exceed ninety (90) days.

11.5 Subfranchise. Under no circumstances do the parties intend that this Agreement be interpreted in such a way as to grant Area Developer any rights to grant sub-franchises in the Development Territory.

11.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California, which laws shall govern in the event of any conflict of laws, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 *et. seq*.). The parties expressly consent to personal jurisdiction in the State of California and agree that, except as otherwise set forth in Section 10, the state and federal court(s) located in Los Angeles, California will have exclusive jurisdiction for the purposes of carrying out this provision. Anything to the contrary in this Section 11.6 notwithstanding, the parties expressly agree that this Agreement is not intended to confer on any area developer that is not a resident of the State of California the benefit of the California Franchise Investment Law, the California Franchise Relations Law, or any other California law providing specific protection to franchisees residing or operating in the State of California.

12. RELATIONSHIP OF PARTIES

12.1 Independent Contractor. It is acknowledged and agreed that Area Developer and Franchisor are independent contractors and nothing contained herein shall be construed as constituting Area Developer as the agent, partner or legal representative of Franchisor for any purpose whatsoever. Area Developer shall enter into contracts for the development of the Development Territory contemplated by this Agreement at its sole risk and expense and shall be solely responsible for the direction, control and management of its agents and employees. Area Developer acknowledges that it does not have authority to incur any obligations, responsibilities or liabilities on behalf of Franchisor, or to bind Franchisor by any representations or warranties, and agrees not to hold itself out as having such authority.

12.2 Indemnification. Area Developer agrees to protect, defend, indemnify and hold Franchisor harmless from and against all claims, actions, proceedings, damages, costs, expenses and other losses and liabilities, directly or indirectly incurred as a result of, arising from, out of, or in connection with Area Developer's carrying out its obligations hereunder. Area Developers have no obligation to indemnify or hold harmless a indemnified party for losses to the extent that they are determined to have been caused solely and directly by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. MISCELLANEOUS

13.1 Compliance with Applicable Laws. Area Developer shall develop all Building Kidz Schools in the Development Territory in accordance and compliance with all applicable federal, state and local statutes, laws, ordinances and regulations and agrees to promptly pay all financial obligations incurred in connection therewith.

13.2 System Modification. Franchisor may modify and update its Operations Manual, the Marks and the System unilaterally under any conditions and to any extent that Franchisor, in the exercise of its sole discretion, deems necessary to meet competition, protect its trademarks or trade name, or improve the quality of the products or services provided through the Building Kidz Schools and Area Developer shall exclusively incur the costs of any such change in the Building Kidz School or the System that has been caused by such modification, unless stated otherwise in Area Developer's Franchise Agreement. In the event that any improvement or addition to the Operations Manual, the System or the Marks is developed by Area Developer and approved in writing by Franchisor, then Area Developer agrees to grant to Franchisor an irrevocable, world-wide, exclusive, royalty free license, with the right to sub-license such improvement or addition.

13.3 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and their heirs, successors, permitted assigns and personal representatives.

13.4 Notice. Whenever this Agreement requires notice, it shall be in writing and shall be sent by registered or certified mail, return receipt requested, to the other party at the addresses set forth below, unless written notice is given of a change of address.

13.5 Severability. Each provision herein will be considered severable. If, for any reason, any provision is determined to be invalid and contrary to any existing or future law, such invalidity will not impair the operation of or affect those portions of this Agreement which are valid, and such provision shall be curtailed and limited only to the extent necessary to bring it within the requirements of the law.

13.6 Notice. Whenever this Agreement requires notice, it shall be in writing and shall be sent by registered or certified mail, return receipt requested, to the other party at the addresses set forth below, unless written notice is given of a change of address.

All notices to Area Developer shall be conclusively deemed to have been received by Area Developer upon the delivery or attempted delivery of such notice to Area Developer's address listed herein, or such changed address.

Notices to Franchisor:	Building Kidz Worldwide, LLC 303 Vintage Park Drive, Suite 130 Foster City, CA 94404 Attn: President
With a Copy to: (which shall not constitute notice)	Kevin P. Hein, Esq. Akerman LLP 1900 Sixteenth St., Suite 950 Denver, CO 80202
Notices to Area Developer:	_____ _____ _____ _____

13.7 Legal Costs. If either party institutes a legal proceeding, including a court proceeding or arbitration, and prevails entirely or in part in any action at law or in equity against the other party based entirely or in part on the terms of this Agreement, the prevailing party shall be entitled to recover from the losing party, in addition to any judgment, reasonable attorneys' fees, court costs and all of the prevailing party's expenses in connection with any action at law.

14. ACKNOWLEDGEMENTS

Area Developer acknowledges and recognizes that different terms and conditions, including different fee structures, may pertain to different Area Development Agreements and Franchise Agreements offered in the past, contemporaneously herewith, or in the future, and that Franchisor does not represent that all Area Development Agreements or Franchise Agreements are or will be identical.

Area Developer acknowledges that it is not, nor is it intended to be, a third party beneficiary of this Agreement or any other agreement to which Franchisor is a party.

Area Developer represents to Franchisor that it has the business acumen, corporate authority, and financial wherewithal to enter into this Agreement and to perform all of its obligations hereunder and furthermore that the execution of this Agreement is not in contravention of any other written or oral obligation of Area Developer.

Area Developer acknowledges receipt of the Unit Franchise Disclosure Document, Area Development Agreement, Franchise Agreement, financial statements and other contracts for the Building Kidz School at least fourteen (14) calendar days prior to execution hereof or payment of any monies. Area Developer acknowledges that it received from Franchisor this Agreement with all blanks filled in at least seven (7) calendar days prior to the execution of this Agreement.

AREA DEVELOPER ACKNOWLEDGES THAT THE SUCCESS OF AREA DEVELOPER IN MANAGING AND OPERATING MULTIPLE FRANCHISES IS SPECULATIVE AND WILL DEPEND ON MANY FACTORS INCLUDING, TO A LARGE EXTENT, AREA DEVELOPER'S INDEPENDENT BUSINESS ABILITY. AREA DEVELOPER HAS BEEN GIVEN THE OPPORTUNITY AND BEEN ENCOURAGED TO OBTAIN INDEPENDENT ADVICE FROM LEGAL AND OTHER PROFESSIONALS PRIOR TO ENTERING INTO THIS AGREEMENT. THIS OFFERING IS NOT A SECURITY AS THAT TERM IS DEFINED UNDER APPLICABLE FEDERAL AND STATE SECURITIES LAWS. THE OBLIGATION TO TRAIN, MANAGE, PAY, RECRUIT AND SUPERVISE EMPLOYEES OF THE BUILDING KIDZ SCHOOL RESTS SOLELY WITH AREA DEVELOPER. AREA DEVELOPER HAS NOT RELIED ON ANY WARRANTY OR REPRESENTATION, EXPRESSED OR IMPLIED, AS TO THE POTENTIAL SUCCESS OR PROJECTED INCOME OF THE BUSINESS VENTURE CONTEMPLATED HEREBY. NO REPRESENTATIONS OR PROMISES HAVE BEEN MADE BY FRANCHISOR TO INDUCE AREA DEVELOPER TO ENTER INTO THIS AGREEMENT EXCEPT AS SPECIFICALLY INCLUDED HEREIN. FRANCHISOR HAS NOT MADE ANY REPRESENTATION, WARRANTY OR GUARANTY, EXPRESS OR IMPLIED, AS TO THE POTENTIAL REVENUES, PROFITS OR SERVICES OF THE BUSINESS VENTURE TO AREA DEVELOPER AND CANNOT, EXCEPT UNDER THE TERMS OF THIS AGREEMENT, EXERCISE CONTROL OVER AREA DEVELOPER'S BUSINESS. AREA DEVELOPER ACKNOWLEDGES AND AGREES THAT IT HAS NO KNOWLEDGE OF ANY REPRESENTATION MADE BY FRANCHISOR OR ITS REPRESENTATIVES OR ANY INFORMATION THAT IS CONTRARY TO THE TERMS CONTAINED HEREIN.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Agreement on the day and year first written above.

FRANCHISOR:

BUILDING KIDZ WORLDWIDE, LLC, a California limited liability company

By: _____

_____
(Print Name)

Title: _____

AREA DEVELOPER:

_____

By: _____

_____
(Print Name)

Title: _____

SCHEDULE A

AREA DEVELOPMENT AGREEMENT

DESCRIPTION OF DEVELOPMENT TERRITORY

SCHEDULE A

DESCRIPTION OF THE DEVELOPMENT TERRITORY

The development territory will include the city boundaries for the following _____ cities:

SCHEDULE B

AREA DEVELOPMENT AGREEMENT

DEVELOPMENT SCHEDULE

Franchise Location	Outside Opening Date	Total Number of Building Kidz Schools
Building Kidz School #1	On or before _____ __, _____	___
Building Kidz School #2	On or before _____ __, _____	___
Building Kidz School #3	On or before _____ __, _____	___
Building Kidz School #4	On or before _____ __, _____	___
Building Kidz School #5	On or before _____ __, _____	___
Building Kidz School #6	On or before _____ __, _____	___
Building Kidz School #7	On or before _____ __, _____	___
Building Kidz School #8	On or before _____ __, _____	___
Building Kidz School #9	On or before _____ __, _____	___
Building Kidz School #10	On or before _____ __, _____	___

[_____] Please initial after reading this page

SCHEDULE C

AREA DEVELOPMENT AGREEMENT

GUARANTY

SCHEDULE C

GUARANTY

In consideration of, and as an inducement to, the execution of that certain Area Development Agreement, and any revisions, modifications, addenda and amendments thereto, (hereinafter collectively the "**Agreement**") dated _____, by and between Building Kidz Worldwide, LLC, a California limited liability company ("**Franchisor**"), and _____ ("**Area Developer**"), each of the undersigned Guarantors agrees as follows:

1. The Guarantors do hereby jointly and severally unconditionally guaranty the full, prompt and complete performance of Area Developer under the terms, covenants and conditions of the Agreement, including without limitation, compliance with all confidentiality requirements, protection and preservation of confidential information, compliance with all non-compete provisions, compliance with the terms of any and all other agreements executed by Area Developer in order to open and operate the Building Kidz School, and the complete and prompt payment of all indebtedness to Franchisor under the Agreement. The word "indebtedness" is used herein in its most comprehensive sense and includes without limitation any and all advances, debts, obligations and liabilities of Area Developer, now or hereafter incurred, either voluntarily or involuntarily, and whether due or not due, absolute or contingent, liquidated or unliquidated, determined or undetermined, or whether recovery thereof may be now or hereafter barred by any statute of limitation or is otherwise unenforceable.

2. The obligations of the Guarantors are independent of the obligations of Area Developer and a separate action or actions may be brought and prosecuted against any or all of the Guarantors, whether or not actions are brought against Area Developer or whether Area Developer is joined in any such action.

3. Franchisor shall not be obligated to inquire into the power or authority of Area Developer or its partners or the officers, directors, agents, members or managers acting or purporting to act on Area Developer's behalf and any obligation or indebtedness made or created in reliance upon the exercise of such power and authority shall be guaranteed hereunder. Where the Guarantors are corporations, limited liability companies, or partnerships it shall be conclusively presumed that the Guarantors and the shareholders, members, partners, agents, officers and directors acting on their behalf have the express authority to bind such corporations, limited liability companies, or partnerships and that such corporations, limited liability companies, or partnerships have the express power to act as the Guarantors pursuant to this Guaranty and that such action directly promotes the business and is in the interest of such corporations, limited liability companies, or partnerships.

4. Franchisor, its successors and assigns, may from time to time, without notice to the undersigned: (a) resort to the undersigned for payment of any of the indebtedness, whether or not it or its successors have resorted to any property securing any of the indebtedness or proceeded against any other of the undersigned or any party primarily or secondarily liable on any of the indebtedness; (b) release or compromise any indebtedness of any of the undersigned hereunder or any indebtedness of any party or parties primarily or secondarily liable on any of the indebtedness; (c) extend, renew or credit any of the indebtedness for any period (whether or not longer than the original period); (d) alter, amend or exchange any of the indebtedness; or (e) give any other form of indulgence, whether under the Agreement or otherwise.

5. The undersigned further waive presentment, demand, notice of dishonor, protest, nonpayment and all other notices whatsoever, including without limitation: notice of acceptance hereof;

notice of all contracts and commitments; notice of the existence or creation of any liabilities under the Agreement and of the amount and terms thereof; and notice of all defaults, disputes or controversies between Area Developer and Franchisor resulting from the Agreement or otherwise, and the settlement, compromise or adjustment thereof.

6. This Guaranty shall be enforceable by and against the respective administrators, executors, successors and assigns of the Guarantors and the death of any Guarantor shall not terminate the liability of such Guarantor or limit the liability of the other Guarantors hereunder.

7. If more than one person has executed this Guaranty, the term "the undersigned," as used herein shall refer to each such person, and the liability of each of the undersigned hereunder shall be joint and several and primary as sureties.

(Signature page follows)

IN WITNESS WHEREOF, each of the undersigned has executed this Guaranty under seal effective as of _____.

Signature	Signature
(Printed Name)	(Printed Name)
Signature	Signature
(Printed Name)	(Printed Name)
Home Address	Home Address
Home Telephone	Home Telephone
Business Telephone	Business Telephone
Date	Date
Signature	Signature
(Printed Name)	(Printed Name)
Signature	Signature
(Printed Name)	(Printed Name)
Home Address	Home Address
Home Telephone	Home Telephone
Business Telephone	Business Telephone
Date	Date

NOTE: IF APPLICABLE, SPOUSES AND DOMESTIC PARTNERS OF AREA DEVELOPER AND ITS PRINCIPALS MUST PERSONALLY SIGN THIS GUARANTY.

ATTACHMENT I
CALIFORNIA-SPECIFIC ADDENDUM
TO AREA DEVELOPMENT AGREEMENT

THIS ADDENDUM to the Building Kidz Worldwide Area Development Agreement ("**Agreement**") dated _____ between Building Kidz Worldwide, LLC ("**Franchisor**") and _____ _____ ("**Developer**"), is made effective as of the date of the Agreement.

CALIFORNIA LAW MODIFICATIONS

1. The Agreement is hereby amended to delete the fourth and fifth paragraphs of Section 14, Acknowledgements, as the provisions violate California Corporations Code Section 31512 and Section 31512.1.

2. California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

3. The Agreement and any document signed in connection therewith are supplemented with the following language:

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

IN WITNESS WHEREOF, the parties hereto have duly signed and executed this Addendum as of the day and year first above written.

FRANCHISOR:	**DEVELOPER:**
Building Kidz Worldwide, LLC	
By: _____	By: _____
Print Name: Sanjay Ravi Gehani	Print Name: _____
Title: Partner and CRO	Title: _____

EXHIBIT D

GUARANTY

EXHIBIT D

Personal Guaranty

Guarantor:		Date:	
Franchisee:		Franchisor:	Building Kidz Worldwide, LLC

The Guarantor identified in the table above, to induce Building Kidz Worldwide, LLC, as Franchisor, to enter into the Building Kidz Franchise Agreement with the above named Franchisee, unconditionally, jointly and severally, personally guaranties to Franchisor, its successors, or its assignees, the prompt full payment and performance of all obligations of Franchisee that are or may become due and owing to Franchisor, including all obligations arising out of the Franchise Agreement or any other agreement between the parties and all extensions or renewals of it in the same manner as if the Franchise Agreement was signed between Franchisor and the undersigned directly, as Franchisee.

The undersigned expressly waives notice of the acceptance by Franchisor to or for the benefit of Franchisee, of the purchase of inventory and goods by Franchisee, the maturing of bills and the failure to pay the same, the incurring by Franchisee of any additional future obligations and liability to Franchisor, and any other notices and demands. This Personal Guaranty will not be affected by the modification, extension, or renewal of any agreement between Franchisor and Franchisee, the taking of a note or other obligation from Franchisee or others, the taking of security for payment, the granting of an extension of time for payment, the filing by or against Franchisee of bankruptcy, insolvency, reorganization, or other debtor relief afforded Franchisee under the Federal Bankruptcy Act or any other state or federal statute or by the decision of any court, or any other matter, whether similar or dissimilar to any of the foregoing; and this Personal Guaranty will cover the terms and obligations of any modifications, notes, security agreements, extensions, or renewals. The obligations of the undersigned will be unconditional in spite of any defect in the validity of the Franchisee's obligations or liability to Franchisor, or any other circumstances whether or not referred to in this Guaranty that might otherwise constitute a legal or equitable discharge of a surety or guarantor.

This is an irrevocable, unconditional, and absolute guaranty of payment and performance and the undersigned agrees that liability under this guaranty will be immediate and will not be contingent upon the exercise or enforcement by Franchisor of whatever remedies it may have against the Franchisee or others, or the enforcement of any lien or realization upon any security Franchisor may at any time possess.

The undersigned agrees that any current or future indebtedness by the Franchisee to the undersigned will always be subordinate to any indebtedness owed by Franchisee to Franchisor. The undersigned will promptly modify any financing statements on file with state agencies to specify that Franchisor's rights are senior to those of Guarantor.

The undersigned further agrees that as long as the Franchisee owes any money to Franchisor (other than royalty and advertising fund payments that are not past due), the Franchisee will not pay and the undersigned will not accept payment of any part of any indebtedness owed by Franchisee to any of the undersigned, either directly or indirectly, without the consent of Franchisor.

Any dispute, claim or controversy arising out of or relating to this Guaranty or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this agreement to arbitrate, will be determined by arbitration in the San Francisco Bay Area, California before one arbitrator. The arbitration will be administered by JAMS pursuant to its Streamlined Arbitration Rules and Procedures. Judgment on the award may be entered in any court having jurisdiction.

This clause will not preclude parties from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction. The parties will share equally in the costs of arbitration; except that each party will be responsible for its own attorney's fees. These arbitration provisions will survive the termination or expiration of this Agreement.

This Guaranty is binding on and benefits the parties and their heirs, successors, and assigns. This Guaranty represents the entire understanding between the parties regarding its subject matter. This Guaranty may not be modified except by a written instrument signed by both parties. Failure by Franchisor to enforce any rights under this Guaranty may not be construed as a waiver of such rights. Any waiver, including a waiver of default, in any one instance may not constitute a continuing waiver or a waiver in any other instance. This Guaranty will be governed by and construed under California law without reference to conflicts of law principles. The prevailing party will be entitled to the recovery of all attorneys' fees and court, arbitration and like costs (including costs of collection) in the event of any suit or other proceeding with respect to the subject matter or enforcement of this Guaranty. If this Guaranty is signed by more than one individual, each person signing this Guaranty will be jointly and severally liable for the obligations created in it. This Guaranty will remain in full force and effect until all obligations arising out of and under the Franchise Agreement, including all renewals and extensions, are fully paid and satisfied.

GUARANTOR

_____

Name: _____

NOTE: IF FRANCHISEE IS A CORPORATION, LIMITED LIABILITY COMPANY, OR OTHER ENTITY, THIS AGREEMENT MUST BE SIGNED INDIVIDUALLY BY THE PRIMARY REPRESENTATIVE OF FRANCHISEE AND ALL OWNERS AND, IF APPLICABLE, SPOUSES OR DOMESTIC PARTNERS OF OWNERS OF FRANCHISEE.

EXHIBIT E

CONFIDENTIALITY AGREEMENT

CONFIDENTIALITY AGREEMENT

Franchisee: _____ Date: _____

This Agreement is made on the date above between Building Kidz Worldwide, LLC ("**Franchisor**") and the Franchisee identified above.

1. **Ownership of System**. Franchisor owns intellectual property rights, including the Building Kidz trade name and business system. It has spent a considerable amount of time, effort, and money to devise, and continues to develop, business methods, technical knowledge, and marketing concepts including trade secrets, commercial ideas, advertising materials, marketing strategies, administrative procedures, business forms, distinctive signs, trade dress, architectural design and uniforms, and employee training techniques that, taken together, comprise a proprietary system for the operation of schools for young children.

2. **Nondisclosure of Trade Secrets and Confidential Information**. Franchisee agrees, in perpetuity commencing the date of this Agreement in the table above, not to disclose, duplicate, sell, reveal, publish, furnish, or communicate, either directly or indirectly, and to protect the confidentiality of, any Trade Secret or other Confidential Information of Franchisor. Franchisee agrees not to use any Trade Secrets or Confidential Information for personal gain or for purposes of others, whether or not the Trade Secret or Confidential Information has been conceived, originated, discovered, or developed, in whole or in part, by Franchisee or represents Franchisee's work product. If Franchisee has assisted in the preparation of any information that Franchisor considers to be a Trade Secret or Confidential Information or has himself or herself prepared or created the information, Franchisee assigns any rights that he or she may have in the information as its creator to Franchisor, including all ideas made or conceived by Franchisee.

3. **Definition of Trade Secrets and Confidential Information**. For purposes of this Agreement, the terms "**Trade Secrets**" and "**Confidential Information**" mean any knowledge, techniques, processes, or information made known or available to Franchisee that Franchisor treats as confidential, whether existing now or created in the future, including but not limited to its manuals and instructional materials describing its methods of operation, including the Operations Manual; products; marketing plans; all concepts or ideas in, or reasonably related to Franchisor's business that have not previously been publicly released by Franchisor; and any other information or property of any kind of Franchisor that may be protected by law as a trade secret, confidential or proprietary. The Trade Secrets and Confidential Information described in this Agreement are the sole property of Franchisor.

4. **Arbitration**. Any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this agreement to arbitrate, will be determined by arbitration in the San Francisco Bay Area, California before one arbitrator. The arbitration will be administered by JAMS pursuant to its Streamlined Arbitration Rules and Procedures. Judgment on the award may be entered in any court having jurisdiction. This clause will not preclude parties from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction. The parties will share equally in the costs of arbitration; except that each party will be responsible for its own attorney's fees. These arbitration provisions will survive the termination or expiration of this Agreement.

5. **Miscellaneous**. The parties agree to sign any other documents and perform any further acts that may be necessary or desirable to carry out the purposes of this Agreement. This Agreement is binding on and benefits the parties and their heirs, successors, and assigns. This Agreement represents the

entire understanding between the parties regarding the subject matter of this Agreement. This Agreement may not be modified except by a written instrument signed by both parties. Failure by Franchisor to enforce any rights under this Agreement may not be construed as a waiver of such rights. Any waiver, including a waiver of default, in any one instance may not constitute a continuing waiver or a waiver in any other instance. This Agreement will be governed by and construed under California law without reference to conflicts of law principles. The prevailing party will be entitled to the recovery of all attorneys' fees and court, arbitration and like costs (including costs of collection) in the event of any suit or other proceeding with respect to the subject matter or enforcement of this Agreement.

IN WITNESS WHEREOF, the parties have signed this Agreement the date first above written.

Building Kidz Worldwide, LLC

By: _____
Name: _____
Title: _____

Franchisee:

_____
Name: _____

If applicable, Franchisee's spouse or domestic partner:

By: _____
Name: _____

NOTE: IF FRANCHISEE IS A CORPORATION, LIMITED LIABILITY COMPANY, OR OTHER ENTITY, THIS AGREEMENT MUST BE SIGNED INDIVIDUALLY BY THE PRIMARY REPRESENTATIVE OF FRANCHISEE AND ALL OWNERS AND, IF APPLICABLE, SPOUSES OR DOMESTIC PARTNERS OF OWNERS OF FRANCHISEE.

EXHIBIT F

FINANCIAL STATEMENTS

BuildingKidzSchool

BUILDING KIDZ WORLDWIDE, LLC

FINANCIAL STATEMENTS

WITH INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2025, 2024, AND 2023

BUILDING KIDZ WORLDWIDE, LLC

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KEZOS & DUNLAVY
Certified Public Accountants
& Business Advisors

Independent Auditor's Report

To the Member
Building Kidz Worldwide, LLC
Foster City, CA

Opinion

We have audited the accompanying financial statements of Building Kidz Worldwide, LLC, which comprise the balance sheets as of December 31, 2025, 2024, and 2023, and the related statements of operations, changes in member's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Building Kidz Worldwide, LLC as of December 31, 2025, 2024, and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

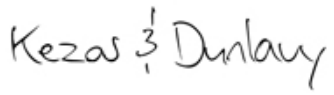
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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



St. George, Utah
April 15, 2026

BUILDING KIDZ WORLDWIDE, LLC

BALANCE SHEETS

As of December 31, 2025, 2024, and 2023

	2025	2024	2023
Assets			
Current assets			
Cash	$ 153,514	$ 390,684	$ 428,653
Accounts receivable	1,307,878	1,117,758	791,823
Deferred commissions, current	187,250	43,500	47,000
Operating notes receivable, current	-	101,310	35,321
Other current assets	18,618	4,274	9,732
Total current assets	1,667,260	1,657,526	1,312,529
Non-current assets			
Property and equipment, net	3,310	13,567	38,184
Goodwill and intangible assets, net	25,873,015	-	-
Right of use assets	212,927	354,419	489,024
Operating notes receivable, non-current	-	690,070	791,417
Notes receivable, related party	474,878	214,676	264,797
Deferred commissions, non-current	355,500	452,250	205,000
Total non-current assets	26,919,630	1,724,982	1,788,422
Total assets	$ 28,586,890	$ 3,382,508	$ 3,100,951
Liabilities and member's equity			
Current liabilities			
Accounts payable	$ 229,660	$ 115,117	$ 119,837
Credit card liability	82,951	70,871	58,869
Note payable, current	-	13,254	11,192
Deferred revenue, current	575,000	315,000	330,000
Operating lease liabilities, current	148,731	141,492	134,606
Total current liabilities	1,036,342	655,734	654,504
Non-current liabilities			
Operating lease liabilities, non-current	64,196	212,927	354,418
Note payable, non-current	-	484,549	501,212
Deferred interest income	-	47,032	53,751
Deferred revenue, non-current	1,660,000	1,855,000	1,185,000
Total non-current liabilities	1,724,196	2,599,508	2,094,381
Total liabilities	2,760,538	3,255,242	2,748,885
Member's equity	25,826,352	127,266	352,066
Total liabilities and member's equity	$ 28,586,890	$ 3,382,508	$ 3,100,951

The accompanying notes are an integral part of these financial statements.

BUILDING KIDZ WORLDWIDE, LLC

STATEMENTS OF OPERATIONS

For the years ended December 31, 2025, 2024, and 2023

	2025	2024	2023
Operating revenue			
Initial franchise fee revenue	$ 735,000	$ 375,000	$ 505,000
Royalty fee revenue	3,147,842	2,885,062	2,438,496
Service revenue	1,253,266	1,388,147	1,159,061
Marketing and technology fees	465,350	425,539	364,193
Other operating revenue	-	626,050	113,361
Total operating revenue	5,601,458	5,699,798	4,580,111
Cost of revenues	1,249,795	1,169,316	828,021
Gross profit	4,351,663	4,530,482	3,752,090
Operating expenses			
General and administrative	2,503,030	2,163,459	2,086,743
Depreciation and amortization	680,358	20,343	23,228
Advertising and marketing	672,967	544,427	484,947
Legal and professional fees	136,845	269,951	66,791
Total operating expenses	3,993,200	2,998,180	2,661,709
Operating income	358,463	1,532,302	1,090,381
Other income (expense)			
Interest expense	(14,794)	(17,163)	(19,491)
Interest income	1,523	9,419	9,119
Other expense	(732,084)	-	-
Total other income (expense)	(745,355)	(7,744)	(10,372)
Net income (loss)	$ (386,892)	$ 1,524,558	$ 1,080,009

The accompanying notes are an integral part of these financial statements.

BUILDING KIDZ WORLDWIDE, LLC

STATEMENTS OF MEMBERS' EQUITY

For the years ended December 31, 2025, 2024, and 2023

Balance as of January 1, 2023	$ 459,609
Distributions to members	(1,187,552)
Net income	1,080,009
Balance as of December 31, 2023	352,066
Distributions to members	(1,749,358)
Net income	1,524,558
Balance as December 31, 2024	127,266
Contributions from members	27,484,947
Distributions to members	(1,398,969)
Net income	(386,892)
Balance as of December 31, 2025	$ 25,826,352

The accompanying notes are an integral part of these financial statements.

BUILDING KIDZ WORLDWIDE, LLC

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2025, 2024, and 2023

	2025	2024	2023
Cash flow from operating activities:			
Net income (loss)	$ (386,892)	$ 1,524,558	$ 1,080,009
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	680,358	20,343	23,228
Changes in operating assets and liabilities:			
Accounts receivable	(190,120)	(325,935)	(179,811)
Deferred commissions	(47,000)	(243,750)	(9,000)
Other current assets	(14,344)	9,732	25,000
Operating notes receivable	791,380	35,358	21,684
Right of use assets	141,492	134,605	240,562
Accounts payable	126,623	7,282	35,480
Operating lease liabilities	(141,492)	(134,605)	(240,854)
Deferred interest income	(47,032)	(6,719)	(6,719)
Deferred revenue	65,000	655,000	190,000
Net cash provided by operating activities	977,973	1,675,869	1,179,579
Cash flows from investing activities:			
Net activity on related party note receivable	(260,202)	50,121	68,025
Purchase of property and equipment	-	-	(45,612)
Net cash provided by investing activities	(260,202)	50,121	22,413
Cash flows from financing activities:			
Contributions from members	941,831	-	-
Distributions to members	(1,398,969)	(1,749,358)	(1,187,552)
Draws (repayments) on note payable	(497,803)	(14,601)	(15,517)
Net cash used in financing activities	(954,941)	(1,763,959)	(1,203,069)
Net change in cash	(237,170)	(37,969)	(1,077)
Cash at the beginning of the year	390,684	428,653	429,730
Cash at the end of the year	$ 153,514	$ 390,684	$ 428,653
Supplementary disclosures of cash flows			
Cash paid for interest	$ 14,794	$ 17,163	$ 19,491
Cash paid for taxes	$ -	$ -	$ -
Non-cash financing and investing activities			
Contribution of goodwill and intangible assets	$ 26,543,116	$ -	$ -

The accompanying notes are an integral part of these financial statements.

(1) Nature of Business and Summary of Significant Accounting Policies

(a) Nature of Business

Building Kidz Worldwide, LLC (the "Company") was formed on August 27, 2015 in the state of California as a Limited Liability Company for the primary purpose of conducting franchise sales, marketing, and management of the Building Kidz School franchise system.

On September 30, 2025, the members of the Company contributed their ownership interests to a newly formed holding company, Building Kidz Worldwide Holdco, LLC (the "Parent") in a transaction that resulted in a change in control. As a result, the Company became a wholly owned subsidiary of the Parent. In connection with the transaction, the Parent applied acquisition accounting in accordance with ASC 805, *Business Combinations*, and the Company's assets and liabilities were recorded at fair value as of the acquisition date. Accordingly, the accompanying financial statements do not reflect any adjustments to the carrying amounts of the Company's asset and liabilities as a result of the transaction. The Parent elected to apply pushdown accounting in accordance with ASC 805-50, resulting in the contribution of goodwill and intangible assets.

The Company uses the accrual basis of accounting, and their accounting period is the 12-month period ending December 31 of each year. The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

(b) Accounting Standards Codification

The Financial Accounting Standards Board ("FASB") has issued the FASB Accounting Standards Codification ("ASC") that became the single official source of authoritative U.S. generally accepted accounting principles ("GAAP"), other than guidance issued by the Securities and Exchange Commission ("SEC"), superseding existing FASB, American Institute of Certified Public Accountants, Emerging Issues Task Force and related literature. All other literature is not considered authoritative. The ASC does not change GAAP; it introduces a new structure that is organized in an accessible online research system.

(c) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

(d) Cash and Cash Equivalents

Cash equivalents include all highly liquid investments with maturities of three months or less at the date of purchase.

(e) Accounts Receivable

Accounts receivable represents amounts due from franchisees for initial franchise fees and ongoing royalties, marketing fees, and technology fees. These receivables are carried at original invoice amount less an estimate made for doubtful receivables based on a review of outstanding amounts. When determining the allowance for doubtful receivable, the Company has adopted ASC 326, *Financial Instruments—Credit Losses*. This standard requires that management utilize the Current Expected Credit Losses ("CECL") model to recognize the appropriate allowance for doubtful receivables.

This model requires entities to estimate and recognize expected credit losses over the life of the financial instrument. For trade receivables, management has elected to apply a simplified approach, based on historical loss experience and adjustments for current and forecasted economic conditions. In estimating the allowance for credit losses, management considers historical loss experience, current conditions, and reasonable and supportable forecasts. In addition, as a private company that has elected to early adopt the practical expedient permitted under ASC 326, the Company also considers subsequent cash receipts and collections received after the balance sheet date but prior to the issuance of the financial statements when evaluating the collectability of outstanding receivables.

Management regularly evaluates individual customer receivables, considering their financial condition, credit history and current economic conditions. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded as income when received. For the years ended December 31, 2025, 2024, and 2023, management determined no allowance for doubtful accounts receivable was necessary.

(f) Property and Equipment

In accordance with ASC 360, *Property, Plant and Equipment*, the Company accounts for property and equipment at cost less accumulated depreciation. Items in excess of $1,000 that meet specific guidelines are capitalized. Expenditures for major renewals and improvements are capitalized. Minor replacements, maintenance, and repairs are expensed as incurred. When property and equipment are retired or otherwise disposed of, the cost of the asset and related accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the result of operations for the respective period. Depreciation on property and equipment is calculated on the straight-line method over the estimated useful lives of the assets. The estimated useful lives for significant property and equipment categories are as follows:

Franchise agreements	15 years
Franchisee relationships	12 years
Tradename	15 years
Signed franchise backlog	3 years
Internal-use software	8 years
Training materials	6 years
Training materials	5 years
Goodwill	10 years

(g) Goodwill and Intangible Assets

The Company has acquired goodwill and intangible assets, which consist of trademarks, franchise agreements, and other franchising related intangibles. The Company has elected to implement the private company standards outlined in ASC 805-20, *Business Combinations*, which provides the option not to recognize separate from goodwill: (a) customer-related intangible assets and (b) non-competition agreements. Rather, the value of these intangibles would be included as a part of goodwill. Under the private company standard, goodwill is amortized over a useful life of ten years. Through evaluation of the useful lives of the intangible assets, management has estimated the useful lives between three and fifteen years for the intangible assets. Potential for impairment is considered only upon the occurrence of a triggering event. As of December 31, 2025, the carrying values of goodwill and intangible assets were not considered impaired. The estimated useful lives for significant categories are as follows:

Computer software	3 years
Equipment	5 years
Furniture and fixtures	5 years
Leasehold improvements	Lesser of the useful life or lease term

(h) Leasing

The Company has adopted ASC 842, *Leases*. The Company has operating leases for office space and a corporate-owned store. The lease liabilities reflect the present value of the Company's estimated future minimum lease payments over the lease terms, discounted using a collateralized incremental borrowing rate. The impact of ASC 842 is non-cash in nature and does not affect the Company's cash flows.

The Company has made an accounting policy election not to recognize right-of-use assets and lease liabilities that arise from any of its short-term leases. All leases with a term of 12 months or less at commencement, for which the Company is not reasonably certain to exercise available renewal options that would extend the lease term past 12 months, will be recognized on a straight-line basis over the lease term.

(i) Revenue Recognition

The Company has adopted ASC 606, Revenue from Contracts with Customers. ASC 606 provides that revenues are to be recognized when control of promised goods or services is transferred to a customer in an amount that reflects the considerations expected to be received for those goods or services. In implementing ASC 606, the Company evaluated all revenue sources using the five-step approach: identify the contract, identify the performance obligations, determine the transaction price, allocate the transaction price, and recognize revenue. For each franchised location, the Company enters into a formal franchise agreement that clearly outlines the various components of the transaction price and the Company's performance obligations.

The Company's revenues consist of initial franchise fees, royalties and marketing fees based on a percentage of gross revenues, technology fees, and service revenue.

Royalty and marketing fee revenue

Upon evaluation of the five-step process, the Company has determined that royalty and marketing fees are to be recognized in the same period as the underlying sales, in accordance with the sales-based royalty exception.

Technology fees

The Company provides technology services to its franchisees on a monthly basis. Upon evaluation of the five-step process, the Company has determined that technology fees are to be recognized in the same period as the services are provided.

Service revenue

The Company provides staff support services (both temporary and permanent) to franchisees, which are billed on a monthly basis. Upon evaluation of the five-step process, the Company has determined that service revenues are to be recognized in the same period as the services are provided

Other operating revenue

The Company's other operating revenue consists of settlements reached with former franchisees who requested early termination of their franchise agreements. These settlements resulted in the Company receiving cash payments from the franchisees in exchange for mutual release of obligations under the franchise agreements.

Initial franchise fees

The Company is required to allocate the transaction price associated with initial franchise fees between the franchise license and associated performance obligations. In identifying the associated performance obligations, the Company has elected to adopt the practical expedient for private company franchisors outlined in ASC 952-606, *Franchisors—Revenue from Contracts with Customers*. In addition, the practical expedient allows franchisors to account for pre-opening services as a single distinct performance obligation, which the Company has elected to adopt. These pre-opening services include the following (which the Company may or may not provide all of):

- Assistance in the selection of a site
- Assistance in obtaining facilities and preparing the facilities for their intended use, including related financing, architectural, and engineering services, and lease negotiation
- Training of the franchisee's personnel or the franchisee
- Preparation and distribution of manuals and similar material concerning operations, administration, and record keeping
- Bookkeeping, information technology, and advisory services, including setting up the franchisee's records and advising the franchisee about income, real estate, and other taxes about local regulations affecting the franchisee's business
- Inspection, testing, and other quality control programs

In determining the allocation of transaction price (the initial franchise fee) to either the license or to the pre-opening services, the Company has determined that the standalone selling price of its pre-opening services exceeds the initial franchise fee received; as such, the Company allocates the entire initial franchise fees to those pre-opening services. The franchise fees are then recognized as revenue when those pre-opening services have been completed (which generally occurs upon commencement of the associated franchised location's operations).

(j) Income Taxes

The Company is structured as a limited liability company under the laws of the state of California. Accordingly, the income or loss of the Company will be included in the income tax returns of the member. Therefore, there is no provision for federal and state income taxes.

The Company follows the guidance under ASC 740, *Accounting for Uncertainty in Income Taxes*. ASC 740 prescribes a more-likely-than-not measurement methodology to reflect the financial statement impact of uncertain tax positions taken or expected to be taken in the tax return. If taxing authorities were to disallow any tax positions taken by the Company, the additional income taxes, if any, would be imposed on the member rather than the Company. Accordingly, there would be no effect on the Company's financial statements.

The Company's income tax returns are subject to examination by taxing authorities for a period of three years from the date they are filed. As of December 31, 2025, the 2024, 2023, and 2022 tax years are subject to examination.

(k) Advertising Costs

The Company expenses advertising costs as incurred. Advertising expenses for the fiscal years ending December 31, 2025, 2024, and 2023 were $672,967, $544,427, and $484,947, respectively.

(l) Financial Instruments

For certain of the Company's financial instruments, including cash and cash equivalents, accounts receivable, pre-paid expenses, and accounts payable the carrying amounts approximate fair value due to their short maturities. The amounts shown for notes payable also approximate fair value because current interest rates and terms offered to the Company for similar debt are substantially the same.

(m) Concentration of Risk

The Company maintains its cash in bank deposit accounts that at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risks on cash or cash equivalents.

(n) Reclassification

Certain amounts in the prior period financial statements have been reclassified to conform to the presentation of the current period financial statements. These reclassifications had no effect on the previously reported results of operations.

(2) Operating Notes Receivable

During the year ended December 31, 2019, the Company accepted promissory notes with certain franchisees as part of franchise operations sales. These notes accrued interest at 6% per annum and had maturity dates between 2021 and 2030. During the year ended December 31, 2025, the notes were forgiven, with the outstanding balance as of the termination date recorded as a non-operating expense in the accompanying statements of operations.

(3) Operating Lease

The Company is the lessee in an operating lease for office space, which expires in 2027. During the year ended December 31, 2023, the Company disposed of its Folsom location, resulting in the removal of the right of use asset and operating lease liability from its lease agreement.

As of December 31, 2025, 2024, and 2023, the Company recorded right of use assets of $212,927, $354,419, and $489,024, respectively. As of December 31, 2025, 2024, and 2023, the Company had the following current and non-current operating lease liabilities:

	2025	2024	2023
Operating lease liabilities, current	$ 148,731	$ 141,492	$ 134,606
Operating lease liabilities, non-current	64,196	212,927	354,418
	$ 212,927	$ 354,419	$ 489,024

As of December 31, 2025, the future minimum lease payments under non-cancelable operating leases are as follows:

For the year ended December 31,	
2026	$ 156,000
2027	65,000
Total lease payments	221,000
Less: amounts representing interest (discount rate of 5%)	(8,073)
Total operating lease liability	$ 212,927

(4) Goodwill and Intangible Assets

On October 1, 2025, the Parent was acquired, resulting in the recognition of goodwill and intangible assets in accordance with the acquisition method of accounting under ASC 805, *Business Combinations*. The Parent elected pushdown accounting, resulting in the contribution of goodwill and intangible assets. The following preliminary tables summarizes the Company's goodwill and intangible assets:

	2025
Franchise agreements	$ 8,000,000
Franchisee relationships	4,320,000
Tradename	2,938,776
Signed franchise backlog	1,291,304
Internal-use software	1,987,200
Training materials	885,000
Training materials	527,321
Goodwill	6,593,515
	26,543,116
Less: accumulated amortization	(670,101)
	$ 25,873,015

Amortization expense for the years ended December 31, 2025 was $670,101. As of December 31, 2025, future amortization is expected to be as follows:

2026	$ 2,680,402
2027	2,680,402
2028	2,572,793
2029	2,249,967
2030	2,223,602
Thereafter	13,465,850
	$ 25,873,016

Where provisional values are used in accounting for a business combination, they may be adjusted in subsequent periods, not to exceed twelve months (ASC 805-10-25-13). The primary areas that are subject to change relate to the fair value of the intangible assets acquired and residual goodwill. The Company expects to continue to obtain information to assist in determining the fair value of the net assets acquired during the measurement period.

(5) Property and Equipment

As of December 31, 2025, 2024, and 2023, the Company had the following property and equipment:

	2025	2024	2023
Furniture and equipment	$ 62,466	$ 62,466	$ 62,466
Leasehold improvements	53,459	53,459	53,459
Signs	4,188	4,188	4,188
	120,113	120,113	120,113
Less: accumulated depreciation	(116,803)	(106,546)	(81,929)
	$ 3,310	$ 13,567	$ 38,184

Depreciation expense for the years ended December 31, 2025, 2024, and 2023 was $10,257, $20,343, and $23,228, respectively.

(6) Note Payable

On September 6, 2021, the Company entered into an amended the promissory note with the United States Small Business Administration ("SBA") with a principal balance of $499,900. The note accrued interest at 3.75% per annum, required monthly payments of $2,518 beginning in September 2022, and had a maturity date of September 6, 2052. During the year ended December 31, 2025, the Company repaid the loan in full and there was no outstanding balance as of year end. As of December 31, 2024, the outstanding balance on the promissory note was $497,803. As of December 31, 2023, the outstanding balance on the promissory note was $512,404, which included accrued interest of $12,504.

(7) Franchise Agreements

The Company's franchise agreements generally provide for payment of initial fees as well as continuing royalties, technology fees, and marketing fees to the Company based on a percentage of sales. Under the franchise agreement, franchisees are granted the right to operate a location using the Building Kidz system for a period of ten years. Under the Company's revenue recognition policy, franchise fees and any corresponding commissions are recognized when the pre-opening services are provided to franchisees (generally, upon the commencement of operations). For any franchisees that have not yet begun operations as of year-end, the Company defers both the revenues and related direct costs of obtaining the contracts such as commissions. All locations that are expected to begin operations within the following year are categorized as current, while all others are classified as non-current.

The following table represents the activity of the Company's deferred commissions for the years ended December 31, 2025, 2024, and 2023:

	2025	2024	2023
Beginning deferred commissions	$ 495,750	$ 252,000	$ 243,000
Additions	275,250	286,250	113,500
Expenses recognized	(228,250)	(42,500)	(104,500)
Ending deferred commissions	$ 542,750	$ 495,750	$ 252,000
Deferred commissions, current	$ 187,250	$ 46,000	$ 47,000
Deferred commissions, non-current	355,500	449,750	205,000
	$ 542,750	$ 495,750	$ 252,000

The following table represents the activity of the Company's deferred revenue for the years ended December 31, 2025, 2024, and 2023:

	2025	2024	2023
Beginning deferred revenue	$ 2,170,000	$ 1,515,000	$ 1,220,000
Additions	900,000	1,030,000	800,000
Revenue recognized from beginning deferred revenue	(735,000)	(300,000)	(380,000)
Revenue recognized from contracts executed in the current year	-	(75,000)	(125,000)
Ending deferred revenue	$ 2,335,000	$ 2,170,000	$ 1,515,000
Deferred revenue, current	$ 575,000	$ 340,000	$ 330,000
Deferred revenue, non-current	1,660,000	1,830,000	1,185,000
	$ 2,335,000	$ 2,170,000	$ 1,515,000

(8) Commitments and Contingencies

The Company may be subject to various claims, legal actions and complaints arising in the ordinary course of business. In accounting for legal matters and other contingencies, the Company follows the guidance in ASC 450, *Contingencies*, under which loss contingencies are accounted for based upon the likelihood of incurrence of a liability. If a loss contingency is "probable" and the amount of loss can be reasonably estimated, it is accrued. If a loss contingency is "probable" but the amount of loss cannot be reasonably estimated, disclosure is made. If a loss contingency is "reasonably possible," disclosure is made, including the potential range of loss, if determinable. Loss contingencies that are "remote" are neither accounted for nor disclosed.

In the opinion of management, all matters are of such kind, or involving such amounts of unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

(9) Subsequent Events

Management has reviewed and evaluated subsequent events through April 15, 2026, the date on which the financial statements were available to be issued.

EXHIBIT G

STATE-SPECIFIC ADDENDA

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE CALIFORNIA FRANCHISE INVESTMENT LAW

FOR RESIDENTS OF THE STATE OF CALIFORNIA

The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise be delivered together with the franchise disclosure document.

The following paragraph is added to Item 1 of the FDD under Industry Specific Regulation:

> "Because you collect information from customers, it may contain personal information of individuals which is protected by law. You are responsible for complying with all applicable current and future federal, state, and local laws, regulations and requirements, including the California Consumer Privacy Act (as applicable), pertaining to the collection, protection, use, sale, disposal and maintenance of such personal information. Personal information includes information that identifies, relates to, describes, is capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer, potential consumer, individual or household, as such term may be further defined or amended by applicable federal, state and local laws, regulations and requirements. You may also be required to comply with opt-in requirements on your website."

None of the franchisor, any person or franchise broker in Item 2 of the FDD is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

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

The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law. (11 U.S.C.A. Sec. 101 et seq.).

The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

The franchise agreement requires binding arbitration. The arbitration will occur in the San Francisco Bay Area, California with the costs being borne equally by franchisor and franchisee.

The franchise agreement and any document signed in connection with the franchise are supplemented with the following language:

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

franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The Franchise Agreement requires application of the laws of California. This provision may not be enforceable under the laws of other states.

Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

You must sign a general release if you renew or transfer your franchise. California Corporations Code §31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§31000 through 31516). Business and Professions Code §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043).

California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION at www.dfpi.ca.gov.

Registration of this franchise does not constitute approval, recommendation, or endorsement by the Commissioner.

In California Franchisees are advised to become familiar with the regulations of the State of California concerning childcare centers. In California, topics covered in the regulations include, but are not limited to, daycare or childcare laws, student ratios, hours, health, instructor licensing, fingerprinting, criminal background checks, and other similar requirements. The regulations can be found on the webpage of the California Department of Social Services, entitled "Child Care Regulations" at http://www.cdss.ca.gov/inforesources/Letters-Regulations/Legislation-and-Regulations/Community-Care-Licensing-Regulations/Child-Care. California franchisees are advised to click through the sub-links provided at this webpage and read the regulations of the State of California regarding childcare centers. As of the date of this franchise disclosure document, the relevant sub-links found on this webpage are as follows:

Child Care Centers

Title 22, Div 12, Chap 1, Art 1-2 - Child Care Centers

Title 22, Div 12, Chap 1, Art 3 - Child Care Centers

Title 22, Div 12, Chap 1, Art 4-5, Child Care Centers

Title 22, Div 12, Chap 1, Art 6, Child Care Centers

Title 22, Div 12, Chap 1, Art 6 (Cont.) - Child Care Centers

Title 22, Div 12, Chap 1, Art 7 - Child Care Centers

Title 22, Div 12, Chap 1, Subchapter 2 - Child Care Centers - Infant Centers and Subchap 3, Child Care Centers - School-Age Day Care

Title 22, Div 12, Chap 1, Subchap 4 - Child Care Centers for Mildly Ill Children

Apart from state regulations, franchisees should keep in mind that there may be local zoning laws that might restrict or prohibit running a childcare business in a particular location within a municipality or county in the State of California. These laws can apply to centers which may be classified as "schools" under applicable zoning codes, and may impose additional requirements, such as separate bathrooms for boys and girls, water fountains, special exit doors equipped with panic bars, and accommodations for disabled persons. Each municipality or county will have its own local zoning ordinances and policies regarding the placement of childcare centers and related issues. Even if a childcare center is permissible under the municipal or county zoning ordinance, you may be required to obtain a compliance certificate from the local zoning authority. Franchisees should investigate the zoning regulations of the municipality or county in which the franchisee intends to open a franchise, and franchisees should obtain all necessary permits and compliance certificates before opening a childcare facility. Building Kidz recommends that franchisees read the applicable zoning requirements for the franchisee's intended town, city, county or other locality, and to visit the locality's permitting office, before purchasing a franchise. Franchisees should schedule a meeting with the permitting/zoning department for their locality to clearly understand the local requirements.

DATED this _____ day of _____, 20__.

FRANCHISOR:

BUILDING KIDZ WORLDWIDE, LLC

By: _____

Title: _____

FRANCHISEE:

_____

By: _____

Title: _____

ILLINOIS ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT

(Applies only to Illinois franchisees)

Illinois law governs the Franchise Agreement(s) and Area Development Agreement(s).

The following information applies to franchises and franchisees subject to the Illinois Franchise Disclosure Act of 1987. Item numbers correspond to those in the main body:

Item 5 of the Franchise Disclosure Document, Section 4.1 of the Franchise Agreement and Section 3.1 of the Area Development Agreement are revised to include the following:

Pursuant to an order by the Illinois Office of the Attorney General, we have posted a surety bond in the amount of $50,000. The Illinois Office of the Attorney General imposed this bond requirement due to our financial condition. A copy of the bond is attached to this Addenda.

Item 17

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

Item 17(v) of this Franchise Disclosure Document is revised to include the following: "In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois may is void. However a franchise agreement may provide for arbitration to take place outside of Illinois."

Item 17(w) of the Franchise Disclosure Document is revised to provide that Illinois law governs the Franchise Agreement.

"Any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive requirements with any provisions of the Illinois Franchise Disclosure Act or any other law of the State of Illinois is void. This shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under the provisions of the Illinois Franchise Disclosure Act, nor shall it prevent the arbitration of any claims according to the provisions of Title 9 of the United States Code.

Section 23.8 (*Choice of Law and Choice of Forum*) of the franchise agreement is revised to provide that Illinois law (including the Illinois Franchise Disclosure Act) will govern the Agreement.

The franchise agreement and any document signed in connection with the franchise are supplemented with the following language:

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

Section 11.6 (*Choice of Law*) of the area development agreement is revised to provide that Illinois law (including the Illinois Franchise Disclosure Act) will govern the Agreement.

Sections 22.1 through 22.3 and Section 22.10 of the Franchise Agreement are hereby deleted as the provisions violate the North American Securities Administrators Association Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgments which has been adopted by the Illinois Attorney General's Office.

DATED this _____ day of _____, 20__.

FRANCHISOR:	**FRANCHISEE:**
BUILDING KIDZ WORLDWIDE, LLC	_____
By: _____	By: _____
Title: _____	Title: _____

[REMAINDER OF PAGE BLANK; SURETY BOND ON FOLLOWING PAGE]

Bond No. 107836163

SURETY BOND
Appendix E

We, BUILDING KIDZ WORLDWIDE, LLC (name of franchisor), a corporation with principal offices at 303 VINTAGE PARK DR STE 130, FOSTER CITY, CA 94404-1167 (address of franchisor), as principal, and Travelers Casualty and Surety Company of America (name of surety company), a surety company with principal offices located at One Tower Square, Hartford, CT 06183 (address of Surety) incorporated under the laws of the State of CONNECTICUT and authorized to conduct business in the State of Illinois, as Surety, are indebted to the Administrator, Illinois Attorney General, 500 South Second Street, Springfield, Illinois 62706, Obligee in the sum of $50,000.00 to be paid to the Obligee or its legal representatives, successors, or assigns, for which payment we bind ourselves and our legal representatives and successors, jointly and severally.

WHEREAS, the above-named principal has made application to the Administrator for registration of the offer of its franchises under the Illinois Franchise Disclosure Act and is required pursuant to said law to provide the Administrator with a Surety Bond.

WHEREAS, the Principal proposes to offer in Illinois One (1) franchise(s) within one year from the effective date of the proposed registration under the Illinois Franchise Disclosure Act; and

WHEREAS, the Obligee intends to assign this bond to the respective purchaser(s) of the aforementioned franchise(s) upon sale of the aforementioned franchise(s) to said purchaser(s).

The conditions of this bond are that if the Principal, its agent or employees shall:

1. Comply with the Illinois Franchise Disclosure Act and all rules and orders promulgated thereunder; and

2. Pay all damages suffered by any person by reason of the violation of the Illinois Franchise Disclosure Act or any rules or orders promulgated thereunder or any acts, rules or orders amendatory thereof and/or supplementary thereto, or hereafter enacted, or by reason of any misrepresentation, deceit, fraud or omission to state a material fact necessary in order to make any statement made in the light of the circumstances under which such statement was made, not misleading, including, but not limited to, the failure to disclose, as required by Illinois Franchise Disclosure Act and the rules and regulations promulgated thereunder, the true financial condition of franchisor; and

3. Fully completes its obligations under the Franchise Agreement and all related Agreements to provide real estate, improvements, equipment, inventory, training and other items included in the franchise offering, then this obligation shall be void; otherwise this obligation will remain in full force and effect.

This bond and obligation hereunder shall be deemed to run continuously and shall remain in full force and effect for four full year after the date of execution of this document.

In the event that any action or proceeding is initiated with respect to this bond, the parties agree that the venue thereof shall be the state or province in which the offer or sale of the franchise occurred.

IN WITNESS WHEREOF, Principal and Surety have executed this instrument at _____ **May 17, 2023** this **17** day of **May**, **2023**.

BUILDING KIDZ WORLDWIDE, LLC

Principal

Travelers Casualty and Surety Company of America

Surety **Russell E. Vance**

FormE p.139
4-13-04 MyDocs

TRAVELERS	Travelers Casualty and Surety Company of America Travelers Casualty and Surety Company St. Paul Fire and Marine Insurance Company Farmington Casualty Company

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, St. Paul Fire and Marine Insurance Company, and Farmington Casualty Company are corporations duly organized under the laws of the State of Connecticut (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint **Russell E. Vance**, of **Hartford, CT**, their true and lawful Attorney(s)-in-Fact, to sign, execute, seal and acknowledge the following bond:

Surety Bond No.: 107836163 **Principal: BUILDING KIDZ WORLDWIDE, LLC**

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this **21st** day of **April, 2021.**

State of Connecticut

By: _____
Robert L. Raney, Senior Vice President

City of Hartford ss.

On this the **21st** day of **April, 2021**, before me personally appeared **Robert L. Raney**, who acknowledged himself to be the Senior Vice President of each of the Companies, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of said Companies by himself as a duly authorized officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission expires the **30th** day of **June, 2026**

_____
Anna P. Nowik, Notary Public

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of each of the Companies, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

FURTHER RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

FURTHER RESOLVED, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

FURTHER RESOLVED, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such Power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, **Kevin E. Hughes**, the undersigned, Assistant Secretary of each of the Companies, do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which remains in full force and effect.

Dated this 17 day of May, 2023.

_____
Kevin E. Hughes, Assistant Secretary

To verify the authenticity of this Power of Attorney, please call us at 1-800-421-3880.
Please refer to the above-named Attorney(s)-in-Fact and the details of the bond to which this Power of Attorney is attached.

CONFIDENCE • COMMITMENT • CHARACTER
BuildingKidzSchool

MINNESOTA

Minn. Stat. Sec. 80C.21 and Minn. Rule Part 2860.4400J, may prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Franchise Disclosure Document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

Item 13 of the Franchise Disclosure Document and Section 10.3(a) of the Franchise Agreement are amended to state that we will protect you against claims of infringement or unfair competition regarding your use of the Marks when your right to use the Marks requires protection.

The Franchise Disclosure Document and Franchise Agreement are amended to state that we will comply with Minnesota Statute 80C.14 subdivisions 3, 4, and 5, which require, except in certain specific cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement.

Minnesota Rule 2860.4400D prohibits us from requiring you to assent to a general release. The Franchise Disclosure Document and Franchise Agreement are modified accordingly, to the extent required by Minnesota law.

The disclosure document, franchise agreement, multi-unit development agreement and any document signed in connection with the franchise are supplemented with the following language:

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

The franchise agreement is hereby amended to delete Sections 22.1, 22.2 and 22.10 as the provisions violate the North American Securities Administrators Association Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgments which has been adopted by the Minnesota Department of Commerce.

The multi-unit development agreement is hereby amended to delete the eighth recital paragraph and Section 14 as the provisions violate the North American Securities Administrators Association Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgments which has been adopted by the Minnesota Department of Commerce.

NEW YORK

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

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

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

Except as provided above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, that is significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten years immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

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

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

4. The following language replaces the "Summary" section of Item 17(d), titled "**Termination by franchisee**":

You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the "Summary" sections of Item 17(v), titled "**Choice of forum**", and Item 17(w), titled "**Choice of law**":

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

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

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

8. Sections 22.1 through 22.3 and Section 22.10 of the Franchise Agreement are hereby deleted as the provisions violate the North American Securities Administrators Association Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgments which has been adopted by the NYS Department of Law, Investor Protection Bureau.

The undersigned does hereby acknowledge receipt of this addendum. Dated this _____ day of _____ 20_____.

_____	_____
Franchisor Name	Prospective Franchise

VIRGINIA

The following information applies to franchises and franchisees subject to the Virginia retail Franchising Act. Item numbers correspond to those in the main body of the Franchise Disclosure Document:

Item 17

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it shall be unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

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

The franchise agreement and any document signed in connection with the franchise are supplemented with the following language:

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

Sections 22.1 through 22.3 and Section 22.10 of the Franchise Agreement are hereby deleted as the provisions violate the North American Securities Administrators Association Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgments which has been adopted by the Virginia State Corporation Commission, Division of Securities and Retail Franchising.

WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, AREA DEVELOPER AGREEMENT, AND RELATED AGREEMENTS

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

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

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

3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon a the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of the arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee my bring actions or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind he franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect an d where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likely void except as provided for in RCW 19.100.220(2).

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

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

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

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the

term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

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

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

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

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

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

14. **Noncompetition Covenants.** Pursuant to RCW 49.62.20, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earning from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitation is void and unenforceable in Washington.

15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor.

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

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

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

The undersigned parties to hereby acknowledge receipt of this Addendum.

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _____ day of _____ 20_____.

_____	_____
Franchisor Name	Prospective Franchisee

EXHIBIT H

OPERATIONS MANUAL TABLE OF CONTENTS

OPERATIONS MANUAL TABLE OF CONTENTS

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Estimate page count for Curriculum Books	4,072
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Total # of pgs	4,598

EXHIBIT I

STATEMENT OF FRANCHISEE

EXHIBIT I

STATEMENT OF FRANCHISEE

[Note: Dates and Answers Must be Completed by the Prospective Franchisee]

California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin franchisees should not complete this Statement of Franchisee. If a franchisee in one of these states does so, we will disregard and not rely on the Statement of Franchisee.

Do not sign this Statement of Franchisee if you are a resident of the states of California, Maryland, or Washington or your business will be operated in the states of California, Maryland or Washington.

**

In order to make sure that no misunderstanding exists between you, the Franchisee, and us, Building Kidz Worldwide, LLC (also called "Building Kidz," the "FRANCHISOR" or "we") and to make sure that no violations of law might have occurred, and understanding that we are relying on the statements you make in this document, you assure us as follows:

EXHIBIT IA. The following dates are true and correct:

	Date	Initials A.	
1.	_____	_____	The date on which I received a Franchise Disclosure Document regarding the Franchise.
2.	_____	_____	The date of my first face-to-face meeting with Marketing Representative to discuss a possible purchase of a Building Kidz Business.
3.	_____	_____	The date on which I received a completed copy (other than signatures) of the Franchise Agreement which I later signed.
4.	_____	_____	The date on which I signed the Franchise Agreement.
5.	_____	_____	The earliest date on which I delivered cash, check or other consideration to the Marketing Representative or an officer of Franchisor.

B. Representations.

1. No oral, written, visual or other promises, agreements, commitments, representations, understandings, "side agreements," options, right-of-first-refusal or otherwise have been made to or with me with respect to any matter (including but not limited to advertising, marketing, site location, operational, marketing or administrative assistance, exclusive rights or exclusive or protected territory or otherwise),

nor have I relied in any way on same, except as expressly listed in the Franchise Agreement or an attached written Addendum signed by me and Building Kidz, except as follows:

_____

(If none, fill in NONE and initial.)

Initials: _____

2. No oral, written, visual or other promises, agreements, commitments, representation, understandings, "side agreements" or otherwise which expanded upon or were inconsistent with the Franchise Disclosure Document or the Franchise Agreement or any attached written addendum signed by me and an officer of Building Kidz, were made to me by any person or entity, nor have I relied in any way on same, except as follows:

_____

(If none, fill in NONE and initial.)

Initials: _____

3. No oral, written, visual or other claim or representation (including but not limited to charts, tables, spreadsheets or mathematical calculations to demonstrate actual or possible results based on a combination of variables, such as multiples of price and quantity to reflect gross sales, or otherwise,) which stated or suggested a specific level or range of actual or potential sales, costs, income, expenses, profits, cash flow, tax effects or otherwise (or from which such items might be ascertained) from the Building Kidz Business, except those included or consistent with the Item 19 within the Franchise Disclosure Document, were made to me by any person or entity, nor have I relied in any way on any such, except as follows:

_____

(If none, fill in NONE and initial.)

Initials: _____

4. No contingency, prerequisite, reservation or otherwise exists with respect to any matter (including but not limited to my obtaining financing, or my fully performing any of my obligations), nor have I relied in any way on same, except as described in the Franchise Agreement or any attached written Addendum signed by me and Building Kidz

_____

(If none, fill in NONE and initial.)

Initials: _____

5. The individuals signing for me constitute all of the executive officers, partners, shareholders, investors and/or principals. Each of such individuals has reviewed the Franchise Disclosure Document and all exhibits and carefully read, discussed, understands and agrees to the Franchise Agreement, each attached written Addendum and any personal guaranties.

6. I have had an opportunity to consult with an independent professional advisor, such as an attorney or accountant, prior to signing any binding documents or paying any sums, and Building Kidz has strongly recommended that I obtain such independent advice. I have also been strongly advised by Building Kidz to discuss my proposed purchase of a Building Kidz Business with any existing Building Kidz franchisees prior to signing any binding documents or paying any sums and Building Kidz has supplied me with a list of all existing franchisees if any exist.

7. I understand that a) entry into any business venture necessarily involves some unavoidable risk or loss or failure; b) while the purchase of a franchise may improve the chances for success, the purchase of a Building Kidz Business or any other franchise is a speculative investment; c) investment beyond that outlined in the Franchise Disclosure Document may be required to succeed; d) there exists no guarantee against possible loss or failure in this or any other business; and e) the most important factors in the success of any Building Kidz Business, including the one to be operated by me, are my personal business skills, which include marketing, sales, and management, and require sound judgment and extremely hard work.

8. If there are any matters inconsistent with the statements in this document or if anyone has suggested that you sign this document without all of its statements being true, correct and complete, immediately inform Building Kidz (Phone: (650) 777-5301) and our Chief Executive Officer.

9. You understand and agree that we do not furnish, or authorize our salespersons, brokers or others to furnish any oral or written information concerning actual or potential sales, costs, income, expenses, profits, cash flow, tax effects or otherwise (or information from which such items might be ascertained), from franchise or non-franchised units, that no such results can be assured or estimated, and that actual results will vary from unit to unit.

You understand and agree to all of the foregoing and represent and warrant that all of the above statements are true, correct and complete.

PROSPECTIVE FRANCHISEE:

By: _____

Name: _____

Date: _____

MARKETING REPRESENTATIVE

By: _____

Name: Sanjay Ravi Gehani

Date: _____

REVIEWED BY FRANCHISOR:

By: _____

Name: Sanjay Ravi Gehani

Its: Partner and CRO

Date: _____

EXHIBIT J

LIST OF CURRENT FRANCHISEES AND AFFILIATE-OWNED LOCATIONS

LIST OF CURRENT FRANCHISEES AND AFFILIATE-OWNED LOCATIONS

Current Franchisees:

Current Franchisees as of December 31, 2025:

Franchisees operating one or more Building Kidz Schools:

Franchisee	Owner	Location Address	City	State	Zip	Phone
Sherwood Schools, LLC*	Paul Sherwood	2200 N. Alma School Rd.	Chandler	AZ	85224	(480) 821-9006
Sherwood Schools, LLC*	Paul Sherwood	1451 E Williams Field Rd	Gilbert	AZ	85295	(480) 936-7900
Sherwood Schools, LLC*	Paul Sherwood	323 N Gilbert Rd	Mesa	AZ	85203	(480) 536-7630
NA&A, Inc.	Mercy & Jamal Ishida	8073 Greenback Ln.	Citrus Heights	CA	95610	(916) 735-3165
S3M, Inc.	Sangita Hingorani	5100 Clayton Rd., F36	Concord	CA	94521	(925) 687-9124
Building Kidz of Daly City & San Bruno, Inc.	Mercy Ishida	280 92nd Street	Daly City	CA	94015	(650) 746-8356
Shivaay Schools	Kash Mittal	7421 Amarillo Rd.	Dublin	CA	94568	(925) 261-4192
NA&A, Inc.	Mercy & Jamal Ishida	7511 W. Stockton Blvd.	Elk Grove	CA	95823	(916) 688-5437
JMDS, LLC	Puneet Nathani	231 Blue Ravine Rd.	Folsom	CA	95630	(916) 608-9900
Sweta Mittal	Sweta Mittal	702 Brown Rd.	Fremont	CA	94539	(341) 201-3906
North Star Education Services, LLC	Monika Sharma	29501 & 29503 Mission Blvd.	Hayward	CA	94544	(510) 274-5168
March Forward, LLC	Jolly Walia	24748 Hesperian Blvd.	Hayward	CA	94545	(510) 963-5127
Pacific Pals, LLC	Pranav Mistry	3820 East Ave.	Livermore	CA	94550	(925) 455-5564
Xuereb Enterprises, Inc.	Sylvia Xuereb	490 Willow Rd.	Menlo Park	CA	94025	(650) 324-3668
Eman Isbeih	Eman Isbeih	401 Santa Lucia Ave.	Millbrae	CA	94030	(650) 636 - 4110
Saakaar, LLC	Sapna Jain	195 N. Main Street	Milpitas	CA	95035	(408) 934 - 1540
R&R Learning Center, LLC	Raji Sridhara	250 East Dana Street	Mountain View	CA	94041	(650) 967-8000
Building Kidz of Daly City & San Bruno, Inc. (Linda Mar)	Mercy Ishida	1496 Adobe Dr.	Pacifica	CA	94044	(650) 735-5748
Building Kidz of Daly City & San Bruno, Inc. (Oceana)	Mercy Ishida	830 Rosita Rd.	Pacifica	CA	94044	(650) 557-1256
Nanak Balwadi, LLC	Dibjot Gill	569 San Antonio Rd.	Palo Alto	CA	94306	(650) 966-6400
NA&A, Inc.	Mercy & Jamal Ishida	1941 Zinfandel Dr.	Rancho Cordova	CA	95670	(916) 706-2653
The Triple Lindy Corporation	David Tucker	1485 Eureka Rd. #G710	Roseville	CA	95661	(916) 780-5437

Franchisee	Owner	Location Address	City	State	Zip	Phone
Chugh Partners, LLC	Navin Chugh	1633 Laurel St.	San Carlos	CA	94070	(650) 718-6800
EECH, LLC	Isabel Heredia	143 Clement St.	San Francisco	CA	94118	(415) 702-6465
Stephanie Yeap, LLC	Stephanie Yeap	2540 Taraval Street	San Francisco	CA	94116	(415) 418 - 6161
Xuereb Enterprises, Inc.	Sylvia Xuereb	1214 & 1258 20th Ave.	San Francisco	CA	94122	(415) 504-6513
KushiCare, LLC	Harshil Shukla	196 Martinvale Lane	San Jose	CA	95119	(408) 609-3383
Manali ECE, LLC	Manali Doshi	4115 Jacksol Dr., Bldg 4	San Jose	CA	95124	(408) 559-1003
AB Kids West San Jose LLC	Miao Li	947 Saratoga Ave	San Jose	CA	95129	(408) 758-1883
J & AA, Inc.	Jennifer Massis	39 East 39th Avenue	San Mateo	CA	94403	(650) 212-5439
Kushvi, LLC	Tushar Patel	210 Porter Dr., Ste. 110	San Ramon	CA	94583	(925) 838-4148
AB Kids, LLC	Miao Li	1500 Los Padres Blvd., Suites 110&111	Santa Clara	CA	95050	(408) 758-8804
Ana & Jacqueline Galdamez	Ana & Jacqueline Galdamez	943 El Camino Real	South San Francisco	CA	94080	(650) 636-4425
Neevayau Ventures, LLC	Shruti Jain	878 Lakewood Drive	Sunnyvale	CA	94089	(408) 737 - 7022
Matauranga, Inc.	Tex Vertongen	777 Taylor Street	Vista	CA	92084	(760) 945-9222
Fierce Holdings, LLC	Robert Pierce	8828 Easthaven Court	New Port Richey	FL	34655	(727) 375-7373
The Rodgers School, LLC	Chris Rodgers	11516 Woodstock Rd.	Roswell	GA	30075	(678) 275-8338
Teachable Moments, LLC	Joshua Thomas	9270 Homespun Drive	Columbia	MD	21045	(410) 381-1326
Living Lessons, LLC	Joshua Thomas	5001 Saint Barnabas Rd	Temple Hills	MD	20748	(301) 500-3181
Aaditri, Inc.	Ling Chung	133 Stryker Lane	Hillsborough Township	NJ	08844	(908) 308-5945
Turquoise Glow LLC	Feroze Hassan & Nikhaar Kishnani	7 Luzerne Road	Queensbury	NY	12804	(518) 502 - 1454
Little Learners, Inc.	Chris Brooks	3528 Central Pike	Hermitage	TN	37076	(615) 457-2924
One Continental Capital Group, LLC	Nishanth Kondabolu & Manjusha Ghanta	2629 Palmera Ridge Blvd. Bldg 3	Leander	TX	78641	(512) 337-7323
UP n UP, Inc	Sowah Choi	120 S Birmingham St	Wylie	TX	75098	(972) 442-6495
FTF I LLC	Sasi & Hana Yajamanyam	11240 Waples Mill Rd., Ste 101	Fairfax	VA	22030	(571-407-7724
Nagula Family, LLC	Gangadhar Nagula	15212 Hwy 99	Lynnwood	WA	98087	(425) 742-4192

*Denotes that this Franchisee is a current Area Developer

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Franchisees who have signed a Franchise Agreement, but have not yet opened a Building Kidz School:

Franchisee	Owner	Business Address	City	State	Zip	Phone
Sherwood Schools, LLC*	Paul Sherwood	TBD	Chandler	AZ	85224	(480) 821-9006
Stephanie Harrington	Stephanie Harrington	TBD	Ben Lomond	CA	95005	(831) 435-9276
Andrew Nayar	Andrew Nayar	TBD	Cupertino	CA	95014	(650) 215-8594
Aditi Mittal & Varun Goel	Aditi Mittal & Varun Goel	TBD	Fremont	CA	94538	(090) 610-0950
Mayank Gupta	Mayank Gupta	TBD	Fremont	CA	94539	(408) 464-4384
Jolly Walia	Jolly Walia	TBD	Hayward	CA	94545	(510) 936-5127
Pacific Pals, LLC	Pranav Mistry	TBD	Livermore	CA	94550	(925) 455-5564
Eman Isbeih	Eman Isbeih	TBD	Millbrae	CA	94030	(650) 636-4110
Srilakshmi Putta	Srilakshmi Putta	TBD	Newark	CA	94560	(510) 825 - 8324
KKMN Enterprise LLC	Neha Chandra	TBD	San Carlos	CA	94070	(510) 298-9063
Tushar Patel	Tushar Patel	TBD	San Ramon	CA	94583	(925) 838-4148
Sunvalley Kids Academy, LLC	Aravind Ginjupalli	TBD	San Ramon	CA	94583	(650) 703-0567
Eman Isbeih	Eman Isbeih	TBD	Miami	FL	33196	(650) 636-4110
Belal Associates LLC	Zoha Khan	TBD	Stone Mountain	GA	30087	(470) 636-8979
Gurukul, LLC	Gaurav Chalana	TBD	Dyer	IN	46311	(248) 565-7171
Joshua Thomas	Joshua Thomas	TBD	Temple Hills	MD	20748	(301) 500-3181
Vijaykumar Mahale	Vijaykumar Mahale	TBD	Aubrey	TX	76227	(940) 758-3271
Krupa Patel	Krupa Patel	TBD	Cypress	TX	77433	(256) 714-6782
Ed & Cristiane Pier	Ed & Cristiane Pier	TBD	Denton	TX	76210	(307) 460-1185
Elyonz Tag, LLC	Bikebi & Binatari Akemi	TBD	Frisco	TX	75035	(832) 410-6552
Aaron Hobbs	Aaron Hobbs	TBD	Grand Prairie	TX	75050	(817) 205-2774
Ever Spring Inc	Veena Veeravalli & Venkat Potluri	TBD	Lewisville	TX	75056	(903) 262-4358
VM Quantum Solutions	Venkata Mallu	TBD	McKinney	TX	75071	(224) 595-0565
HMB Early Ed., LLC	Mahesh Rapaka	TBD	Bothell	WA	98012	(425) 647-0409
Karthik Karuppan & Grace Jacob	Karthik Karuppan & Grace Jacob	TBD	Lake Stevens	WA	98258	(425) 499-6404
Maheep Hayer	Maheep Hayer	TBD	Vancouver	WA	98686	(360) 375-3710
Rufat Shabatayev & Artem Verdiyan	Rufat Shabatayev & Artem Verdiyan	TBD	Woodinville	WA	98072	(425) 246-5125

*Denotes current Area Developer

Company- and Affiliate-Owned Building Kidz Schools:

As of December 31, 2025, our Affiliates own and operate the following Building Kidz Schools:

Address of School	Year Opened
600 Grand Ave, South San Francisco, CA 94080	2005
909 Roosevelt Blvd., Redwood City, CA 94061	2020
2426 California Street, San Francisco, CA 94115	2022
120 Lindbergh Street, Unit A, San Mateo, CA 94401	2022
6351 Dublin Boulevard, Dublin, CA 94586	2022
945 Roseville Pkwy., Roseville, CA 95678	2023
1450 Sixth St, Berkeley, CA 94710	2023
106 Vine Hill School Rd, Scotts Valley, CA 95066	2024
415 Lambert Avenue, Palo Alto, CA 94306	2024

EXHIBIT K

LIST OF FORMER FRANCHISEES

LIST OF FORMER FRANCHISEES

The name and last known address of every franchisee who had a Building Kidz School terminated, canceled, not renewed, transferred, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year, ended December 31, 2025, or who has not communicated with us within ten weeks of the issuance date of this Disclosure Document are listed below. If you buy a franchise, your contact information may be disclosed to other buyers when you leave the Building Kidz System.

Franchisee	Owner	Business Address	City	State	Zip	Phone
Michelle Manzano & Jennifer Pinto[1]	Michelle Manzano & Jennifer Pinto	TBD	Miami	FL	33196	(786) 252-2560
Komonans, Inc[2]	Wilson Ko	878 Lakewood Dr	Sunnyvale	CA	94089	(408) 737-7022
Farwa Tirmizi[1]	Farwa Tirmizi	TBD	Haymarket	VA	20169	(571) 216-2173

1 Agreement Signed, transferred to new owner prior to opening
2 Transfer

EXHIBIT L

FORM OF GENERAL RELEASE

RELEASE OF CLAIMS

THIS IS A CURRENT FORM THAT IS SUBJECT TO CHANGE OVER TIME.

For and in consideration of the Agreements and covenants described below, Building Kidz Worldwide, LLC ("**Franchisor**") and _____ ("**Franchisee**") enter into this Release of Claims ("**Agreement**").

RECITALS

A. Franchisor and Franchisee entered into a Franchise Agreement dated _____, ____.

B. [NOTE: Describe the circumstances relating to the release.]

C. Subject to and as addressed with greater specificity in the terms and conditions set forth below, Franchisor and Franchisee now desire to settle any and all disputes that may exist between them relating to the Franchise Agreement.

AGREEMENTS

1. **Consideration**. [NOTE: Describe the consideration paid.]

2-3. [NOTE: Detail other terms and conditions of the release.]

4. **Release of Claims by Franchisor**. In consideration of, and only upon full payment of $_____ to Franchisor, and the other terms and conditions of this Agreement, the receipt and sufficiency of which is hereby acknowledged, Franchisor, for itself and for each of its affiliated corporations, subsidiaries, divisions, insurers, indemnitors, attorneys, successors, and assigns, together with all of its past and present directors, officers, employees, attorneys, agents, assigns and representatives does hereby release and forever discharge Franchisee and each of his heirs, executors, successors, and assigns of and from any and all actions, suits, proceedings, claims (including, but not limited to, claims for attorney's fees), complaints, judgments, executions, whether liquidated or unliquidated, known or unknown, asserted or unasserted, absolute or contingent, accrued or not accrued, disclosed or undisclosed, related to the Franchise Agreement. This release does not release Franchisee from any obligations he may have under this Agreement.

5. **Release of Claims by Franchisee**. In consideration of the other terms and conditions of this Agreement, the receipt and sufficiency of which is hereby acknowledged, Franchisee, for himself and for each of his heirs, executors, administrators, insurers, attorneys, agents, representatives, successors, and assigns, does hereby release and forever discharge Franchisor and each of its respective affiliated corporations, subsidiaries, divisions, insurers, indemnitors, attorneys, successors, and assigns, together with all of their past and present directors, officers, employees, attorneys, agents, assigns and representatives in their capacities as such, of and from any and all actions, suits, proceedings, claims (including, but not limited to, claims for attorney's fees), complaints, charges, judgments, executions, whether liquidated or unliquidated, known or unknown, asserted or unasserted, absolute or contingent, accrued or not accrued, related to the Franchise Agreement.

6. **Reservation of Claims Against Non-Settling Parties**. Franchisor and Franchisee expressly reserve their right and claims against any non-settling persons, firms, corporations, or other

entities for whatever portion or percentage their damages are found to be attributable to the wrongful conduct of said non-settling parties.

7. **Entire Agreement**. This Agreement constitutes the entire agreement between the parties relative to the subject matter contained herein, and all prior understandings, representations and agreements made by and between the parties relative to the contents contained in this Agreement are merged into this Agreement.

8. **Voluntary Nature of Agreement**. The parties acknowledge and agree that they have entered into this Agreement voluntarily and without any coercion. The parties further represent that they have had the opportunity to consult with an attorney of their own choice, that they have read the terms of this Agreement, and that they fully understand and voluntarily accept the terms.

9. **Governing Law and Jurisdiction**. This Agreement will be construed and enforced in accordance with the law of the state of _____.

10. **Attorneys' Fees**. All rights and remedies under this Agreement shall be cumulative and none shall exclude any other right or remedy allowed by law. In the event of a breach of this Agreement that requires one of the parties to enforce the terms and conditions of this Agreement, the non-prevailing party shall pay the prevailing party's attorneys' fees and costs incurred by reason of the breach.

Dated: _____, 20___

BUILDING KIDZ WORLDWIDE, LLC

By _____

Its _____

Dated: _____, 20___

FRANCHISEE: _____

By _____

*This General Release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

EXHIBIT M

STATE EFFECTIVE DATES

STATE EFFECTIVE DATES

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

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

State	Effective Date
California	
Hawaii	Not Registered
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	Not Registered
Rhode Island	Not Registered
South Dakota	Not Registered
Virginia	
Washington	Pending
Wisconsin	April 17, 2026

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

EXHIBIT N

RECEIPTS

Receipt

(Retain This Copy)

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 the franchisor offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

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 and Oregon require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

Washington requires that we give you this disclosure document at least 14 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If the franchisor 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 law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the state agency listed on Exhibit A.

The franchisor is Building Kidz Worldwide, LLC, located at 303 Vintage Park Drive, Suite 130, Foster City, CA 94404. Its telephone number is (650) 777-5301.

Issuance date: April 17, 2026

The franchise sellers for this offering are: Sanjay Gehani, Partner and CRO , 303 Vintage Park Drive, Suite 130, Foster City, CA 94404; (650) 777-5301; or _____.

The franchisor, Building Kidz Worldwide, LLC, authorizes the respective state agencies identified on **Exhibit A** to receive service of process for it in the particular state.

I received a disclosure document dated April 17, 2026 that included the following Exhibits:

A. State Agencies / Agents for Service of Process
B. Franchise Agreement
C. Area Developer Agreement
D. Guaranty
E. Confidentiality Agreement
F. Financial Statements
G. State-Specific Addenda
H. Operations Manual Table of Contents
I. Statement of Franchisee
J. List of Current Franchisees and Affiliate-Owned Locations
K. List of Former Franchisees
L. Form of General Release
M. State Effective Dates & Receipts

(Do not leave blank) Signature of Prospective Franchisee

_____ Date: _____

Print Name

PLEASE RETAIN THIS COPY FOR YOUR RECORDS.

Receipt

(Our Copy)

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 the franchisor offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

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 and Oregon require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

Washington requires that we give you this disclosure document at least 14 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If the franchisor 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 law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the state agency listed on Exhibit A.

The franchisor is Building Kidz Worldwide, LLC, located at 303 Vintage Park Drive, Suite 130, Foster City, CA 94404. Its telephone number is (650) 777-5301.

Issuance date: April 17, 2026.

The franchise sellers for this offering are: Sanjay Gehani, Partner and CRO , 303 Vintage Park Drive, Suite 130, Foster City, CA 94404; (650) 777-5301; or _____.
_____.

The franchisor, Building Kidz Worldwide, LLC, authorizes the respective state agencies identified on **Exhibit B** to receive service of process for it in the particular state.

I received a disclosure document dated April 17, 2026 that included the following Exhibits:

A. State Agencies / Agents for Service of Process
B. Franchise Agreement
C. Area Developer Agreement
D. Guaranty
E. Confidentiality Agreement
F. Financial Statements
G. State-Specific Addenda
H. Operations Manual Table of Contents
I. Statement of Franchisee
J. List of Current Franchisees and Affiliate-Owned Locations
K. List of Former Franchisees
L. Form of General Release
M. State Effective Dates & Receipts

(Do not leave blank) Signature of Prospective Franchisee

_____ Date: _____
Print Name

You may return the signed receipt either by signing, dating, and mailing it to Building Kidz Worldwide, LLC, located at 303 Vintage Park Drive, Suite 130, Foster City, CA 94404, or by faxing a copy of the signed and dated receipt to Building Kidz Worldwide, LLC at (650) 967-8020