

FRANCHISE DISCLOSURE DOCUMENT



Casa Franchising, LLC
a Minnesota limited liability company
6301 Wayzata Blvd.
St. Louis Park, MN 55416
612-790-9673
www.casaearlylearning.com
www.casaearlylearning.com/franchising

Casa Franchising, LLC is offering franchises for the operation under the Casa de Corazon® service mark of a Spanish immersion intercultural early childhood learning center that provides educational programs to children between six weeks and five years of age.

The total investment necessary to begin operation of a Casa de Corazon franchise with up to 140 students ranges from \$1,014,800 to \$5,357,600 including the cost of real estate and improvements. This includes \$135,575 to \$151,600 that must be paid to the franchisor or its affiliate. (If you sign a Development Agreement to develop 2 or more Casa de Corazon centers, you will pay us a Development Fee equal to the number of centers you agree to develop multiplied by \$10,000).

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact our Director of Franchise Development at 6301 Wayzata Blvd, St. Louis Park, MN 55416, telephone (612) 790-9673.

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

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

ISSUANCE DATE: April 30, 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 Exhibit D.
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 E 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 Casa de Corazon center in my area?	Item 12 and the “territory” provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What’s it like to be a Casa de Corazon franchisee?	Item 20 or Exhibit D list 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 B.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda (if any).

See the Table of Contents for the location of the State Specific Addenda.

Special Risk(s) 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 mediation, arbitration, and/or litigation only in Minnesota. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to mediate, arbitrate, or litigate with the franchisor in Minnesota than in your own state.
2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement, even if 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.

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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EXHIBIT I:	FRANCHISEE QUESTIONNAIRE

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

To simplify the language in this Franchise Disclosure Document “**Casa de Corazon**,” “**we**,” “**us**,” “**our**” or the “**Franchisor**”, means Casa Franchising, LLC. “**You**”, “**your**” or the “**Franchisee**” means the person, corporation, partnership or other business entity that buys the franchise. If you are a corporation, partnership or other entity, these terms also include your owners who must sign a personal guaranty agreeing to comply with all provisions of the Franchise Agreement.

The Franchisor

We are a Minnesota limited liability company formed on June 20, 2016. Our principal business address is 6301 Wayzata Blvd, St. Louis Park, MN 55416. We do business only under our company name, “Casa de Corazon” and “Casa Franchising”. In the summer of 2016, we began offering franchises for the operation of Casa de Corazon Spanish immersion intercultural early childhood learning centers that provide educational programs to children between six weeks and five years of age. Although our affiliate has operated similar centers, we have never operated a business of the type being franchised. We do not conduct business in any other line of business, nor do we offer franchises in any other line of business.

Our agents for service of process are disclosed on Exhibit B.

The Business

We offer franchises for the establishment, development and operation of Spanish immersion intercultural early childhood learning centers that provide educational programs to children between six weeks and five years of age. These centers are operated under the Casa de Corazon® service mark and logo and other trademarks, trade names, service marks and commercial symbols we may authorize (the “**Marks**”). These centers are referred to in this Disclosure Document as a “**Center**”.

You will operate your Center using our unique operating system, which includes the curriculum we specify, our proprietary supplemental curriculum, food recipes, and other know-how, information, trade secrets and confidential information, as well as our standards, designs, methods of trademark and service mark usage, and research and development (“**System**”). We may change or otherwise modify the System at any time as we see fit. Each Center will follow our “environmentalism” approach, meaning that all meals will be made on-site using natural whole foods that are organic and locally sourced when possible and you must perform recycling and composting that meets our standards. Certain ingredients and food items must be organic, hormone-free, or meet our other specifications. The curriculum is intended to prepare students for kindergarten, assist students with the stages of learning development, and cover the core components of early childhood education as determined by the National Association for the Education of Young Children + (“**NAEYC +**”). Your Center must be large enough and have the facilities to accommodate at least 122 students (30 infants, 32 toddlers and 60 preschoolers).

You must sign our standard franchise agreement if we grant you a Casa de Corazon franchise (“**Franchise Agreement**”). Your Center may only provide the services and products we authorize and may only use the curriculum we specify. You must always use the recipes we provide you for meals and other food you provide to your students. You must also follow all our other policies and procedures when performing services including using the products we specify. We can add to, modify, or delete any services or products that you must offer or sell at any time as we determine, and change and modify our policies.

If we approve you to become a Casa de Corazon developer, and you commit to develop and open at least 2 Casa de Corazon centers, you will sign our Development Agreement in the form attached to this Disclosure Document as Exhibit G (the “**Development Agreement**”) along with our then-current form of Franchise

Agreement for the initial Casa de Corazon center you must develop and open under the Development Agreement. You must sign our then-current form of Franchise Agreement you seek to open under the Development Agreement. This form will differ from the form of Franchise Agreement attached to this Disclosure Document as Exhibit F.

Although you do not need to be an owner-operator, you must be involved in the day-to-day operation of the Center and you must be the license holder as required by applicable state law. If you are an entity, your majority owner must be involved in the day-to-day operation of the Center and this individual or the entity may be the license holder, as permitted by applicable state law. If you are not going to be overseeing the Center on a full-time basis you must retain an Operations Manager to oversee the Center's Operations. Although no prior experience in operating a childcare center is needed, we are looking for franchisees who have some management experience and a college degree. The Operations Manager and the Director of the Center must also have management experience, be Spanish/English bilingual and have a college degree. The Director of the Center will also need to be involved in the day-to-day operation of the Center.

Predecessors and Affiliates

Our owner has been involved in the childcare industry since 2002 when she founded a home-based center. In 2006 she, along with a partner, opened their first bilingual non-home-based center in Minneapolis. Four additional centers were opened between 2010 and 2014 in South Minneapolis, Edina, Eden Prairie, and Maple Grove, Minnesota. In 2015, our owner became the sole owner of our affiliate Casa de Corazon, Inc. ("Casa") and the South Minneapolis, Edina and Maple Grove centers were rebranded as Casa de Corazon centers, an all-new curriculum was instituted, and each center focused on the environmentalism approach. Casa also opened a fourth center in Rochester, Minnesota in early February 2023 and acquired a center in Edina, Minnesota in May 2023. Casa is the owner of the Casa de Corazon service mark and various other trademarks, trade names and intellectual property you will use in your Center, including the supplemental curriculum and recipes. As such, Casa would be considered a predecessor of ours. Casa has the same principal address as we do. It has never offered franchises in any line of business. Casa would also be considered an affiliate of ours, as it will sell items to our franchisees. We have no parent companies. We have no other predecessors or affiliates required to be disclosed in this Item 1.

Market and Competition

The target market for your services is any person in need of childcare services with children between the ages of 6 weeks and 5 years. We have found that most of Casa's clients are made up of dual income upper to middle class families who are predominately English speakers and usually have 1-2 children. We suggest you focus your marketing efforts on these potential clients.

The market for your services is highly developed and very competitive. You will be competing for clients with larger national childcare centers, local day care providers and nannies offering their services directly to families with children and publicly funded preschool and prekindergarten programs.

Industry Specific Regulations

Your Center and its employees are highly regulated. You, or if you are an entity, your majority owner or the entity, must be the Center's license holder as required by the Department of Human Services or other licensing entity in your state. Each state has laws specific to the childcare industry and education. You must comply with these laws. Each state will make the final determination of a Center's student enrollment capacity. You must also comply with all zoning laws and regulations that apply to your Center as well as those that apply to commercial kitchens since you will be making meals on-site. There may be certain state bonding requirements that apply to your Center. All of your staff, including any Operations Manager, must undergo and pass

background checks and your Directors must meet certain requirements imposed by state and federal law. You must also comply with all laws regarding the protection of children and all transportation laws in connection with the transportation of your students. Your Center must also comply with all applicable state and federal requirements as they relate to childcare centers including minimum number of educational materials per student and minimum amount of food each child must receive each day.

In addition to the specific laws discussed above, your Center will be subject to national, state and local regulations that apply to all businesses, such as the Americans With Disabilities Act, wage and hour laws, occupational health and safety, equal employment opportunity, taxes, business licensing requirements and those laws that allow the government to restrict travel and/or require some businesses to temporarily close during state or national emergencies.

ITEM 2 BUSINESS EXPERIENCE

Chief Executive Officer and Director – Natalie Standridge

Ms. Standridge has been our Chief Executive Officer and our sole Director since our incorporation in June 2016. Ms. Standridge has been the Chief Executive Officer of our predecessor, Casa de Corazon, Inc., located in Minneapolis, Minnesota since October 2002. Casa de Corazon, Inc. owns the existing affiliate-owned Casa de Corazon centers.

Director of Franchise Development – Kelly Undlin

Ms. Undlin has worked with us and our affiliate in various capacities since August 2017. Since June 2025 she has served as our Director of Franchise Development. She served as the Franchise Development and Support Specialist for us and our affiliate from January 2021 to May 2025.

President – Mallory French

Ms. French has served as our President and the President of our affiliate since October 2022. She served as our Marketing Manager and the Marketing Manager of our affiliate from September 2019 to August 2024.

Director of Finance – Jose Julio Milla Martorell

Mr. Milla Martorell has been the Director of Finance for us and our affiliate since September 2025. He served as our Senior Accountant for us and our affiliate from January 2024 to September 2025. From April 2017 to December 2023 he served as Collections Manager, Collections Lead and Collections Specialist for Ascension Point Recovery Services, located in St. Louis Park, Minnesota. Since February 2023 he has also served as the assistant to the Chief Financial officer for Cocina Nova LLC located in Hopkins, Minnesota.

Director of Marketing – Daniel Laux

Mr. Laux has been the Director of Marketing for us and our affiliate since August 2024. From August 2022 to August 2024 he worked at Kula Creative LLC, a marketing services firm that he co-founded located in Waukesha, Wisconsin. From July 2019 to October 2022 he served as the Executive Director of Communications for Life Center Milwaukee, a non-profit organization based in Milwaukee, Wisconsin.

Director of Franchise Support – Daniela R. Tablada Henriquez

Ms. Tablada Henriquez has worked with us and our affiliate in various capacities since June 2018. Since July 2025 she has served as our Director of Franchise Support. She served as the Operations Manager for us and our affiliate from April 2022 to July 2025 and a Center Director for our affiliate owned location located in Minneapolis, Minnesota from June 2018 to April 2022.

Director of Operations & HR – Javiera Royzman

Ms. Royzman has been the Director of Operations & HR for us and our affiliate since June 2025. She served as an HR Specialist for us and our affiliate from November 2018 to June 2025.

**ITEM 3
LITIGATION**

Nicholas Kamp, et al v. Natalie Standridge, Casa Franchising, LLC et al (4th Judicial District (Hennepin County)). This dispute arises out of the relationship of Mr. Kamp and Ms. Standridge, the owner of Casa Franchising, LLC. On April 24, 2023 Mr. Kamp and his related entities including Child Care Core Consulting, LLC, a former Casa de Corazon franchisee, and Ms. Standridge and her related entities, including us, entered into a Confidential Settlement Agreement & Release (the “Settlement Agreement”) resulting in, among other things, the purchase by our affiliate of the assets of the former Casa de Corazon childcare center operated by Kamp and his affiliates and Kamp’s affiliates ownership interest in the landlord of the center, and a full and final release by each party of all claims.

On November 27, 2024, Mr. Kamp began a new lawsuit alleging various matters in an attempt to nullify the Settlement Agreement. Mr. Kamp has alleged that Ms. Standridge’s police report resulting in a Statement of Probable Cause of the Amended Complaint filed March 7, 2023 in the matter of *State of Minnesota v. Nicholas Gary Kamp*, 27-CR-23-4734 was false and that Mr. Kamp signed the Settlement Agreement under duress in light of the report and ongoing criminal investigation and prosecution of Mr. Kamp. He has asserted that the Settlement Agreement is void and unenforceable and otherwise should be rescinded, that Ms. Standridge defamed him by filing a false police report, abused the legal process, engaged in malicious prosecution, caused intentional infliction of emotional distress, tortiously interfered with the contracts and prospective economic advantage of Mr. Kamp and his affiliates, violated the Minnesota Franchise Act and that he allegedly owns an interest in us, along with promissory estoppel and unjust enrichment. Mr. Kamp has also alleged damages in excess of \$50,000. Ms. Standridge and her affiliated entities, including us and our affiliate (collectively, “Defendants”), vehemently deny all of the allegations.

Defendants have asserted 30 counterclaims against Mr. Kamp and his entities seeking injunctive relief and damages in excess of \$50,000. On December 30, 2025, the court granted Defendants motion to bifurcate the litigation to first address the validity of the Settlement Agreement, before proceeding with other claims and counterclaims. On July 14, 2025, the court issued a temporary restraining order against Mr. Kamp and his entities prohibiting them from defaming us and on December 30, 2025, took action to enforce that restraining order.

Except as disclosed above, no litigation is required to be disclosed in this Item.

**ITEM 4
BANKRUPTCY**

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

ITEM 5 INITIAL FEES

Initial Franchise Fee

Our initial franchise fee (“**Initial Franchise Fee**”) for a Center is \$70,000, payable when you sign the Franchise Agreement. The Initial Franchise Fee is due when you sign the Franchise Agreement, is fully earned by us at that time and is nonrefundable.

We will reduce the Initial Franchise Fee in the following situations. First, if you are purchasing your second or subsequent Center we will reduce the Initial Franchise Fee by 50% of the then-current initial franchise fee you would otherwise pay for that Center. We also provide a 20% discount off the Initial Franchise Fee if you qualify for our Veterans Program. To qualify for this program, you must be a current member of the United States military, or a veteran who received an honorable discharge from a branch of the United States military. You may only use one of these discounts at a time. We can modify or terminate these discounts at any time. These discounts apply to the Initial Franchise Fee for Centers opened under the Development Agreement.

Development Fee

When you sign a Development Agreement, you must pay us a Development Fee of \$10,000 multiplied by the number of Casa de Corazon Centers to be developed under your Development Agreement, with a minimum of at least 2 Casa de Corazon Centers. We will then apply this fee on a pro rata basis toward payment of a portion of the Initial Franchise Fee for each Casa de Corazon Center you open under the Development Agreement (but this portion of your Initial Franchise Fee is not subject to refund under any circumstances). The Development Fee is payable in full when you sign the Development Agreement and it is nonrefundable. These amounts are in addition to the payment of the Initial Franchise Fee.

Casa Branded Items

You must buy from our affiliate branded Casa de Corazon items to begin operations, including staff uniforms and printed tour packet materials. The package you must buy before opening ranges from \$7,800 to \$9,300 depending upon the quantity and type of items in the package you purchase. You must also purchase from our affiliate the Casa de Corazon Internal Brand Package which includes internal signage, and other brand identifying materials. The cost for this package ranges from \$37,000 to \$51,000 depending upon the number of classrooms in the Center. You must pay for all of these items upon receipt of an invoice. None of these amounts are refundable.

Introductory Supplemental Curriculum

You must also purchase from our affiliate introductory supplemental curriculum for use in your Center’s pre-school classrooms. The cost for this curriculum ranges depending upon the number of pre-school classrooms you will have in your Center. A typical Center will have 3-5 pre-school classrooms depending upon its size. The cost for the introductory supplemental curriculum for 3 pre-school classrooms is \$775 and \$1,300 for 5 classrooms. You must pay this amount upon receipt of an invoice. This amount is not refundable.

Grand Opening Advertising

You must spend at least \$20,000 on grand opening advertising that will run before the opening of your Center. If you fail to spend this amount you must pay us the difference before opening and we will put it in the Brand Fund.

**ITEM 6
OTHER FEES**

Type of Fee	Amount (Note 1)	Due Date	Remarks
Royalty Fee	7% of monthly Gross Revenue.	Payable on the tenth day of each month for the prior month.	Gross Revenue includes all revenue generated by your Center. (See Note 2)
Brand Fund Contribution	2% of your monthly Gross Revenue.	Payable on the tenth day of each month for the prior month.	
Technology Fee	Currently, \$705 per month.	Payable on the tenth day of each month for the prior month.	(See Note 3)
New Director/Manager Training	Currently, up to \$5,000 depending upon length.	Payable before we provide the training.	Each new Director or Operations Manager must successfully complete this training. Covers up to 5 individuals attending this training.
Curriculum and Assessment Training	No charge for this initial training as long as it is performed within 1 year of Center opening, but you must reimburse us for the travel and living expenses of our trainer, up to \$2,000. After the initial training, \$150 per hour plus travel and living expenses of our trainer.	Payable on demand. Normally at time we book travel and lodging.	The initial training must be completed within 1-year of the opening of your Center. Additional Curriculum and Assessment Training is charged at \$150 per hour, plus travel and living expenses of our trainer. This training is typically 6-8 hours in length.
Operational Training Fee	Currently, \$150 per hour plus travel and living expenses of our trainers if the training is not held at our offices.	Payable before we provide the training.	If you request additional training, the accountant providing you accounting services changes, we require additional training to attempt to maintain competitiveness in the industry or because you do not meet our standards, this training will occur.
Convention Fee (See Note 4)	Up to \$1,000 depending upon location.	120 days before the convention.	If we hold a convention you must pay this fee, regardless of whether you attend the convention.
Annual Local Advertising Expenditure	You must spend at least \$10,000 annually to market your Center.	Upon demand.	If you fail to spend at least \$10,000 per year on local advertising, we approve you must pay us the difference and we will put that amount into the Brand Fund.

Type of Fee	Amount (Note 1)	Due Date	Remarks
Noncompliance Fee	\$1,000 per violation	Upon demand.	If we determine that you have violated the Franchise Agreement we may charge you this fee for each violation of the Franchise Agreement. This is in addition to any other rights we may have under the Franchise Agreement.
Advertising Cooperative	No more than the Brand Fund Contribution, which is currently 2% of Gross Revenue.	Monthly.	This fee would only be paid once we establish a cooperative in your market area.
Renewal Fee	\$9,000	At least 30 days before the term of your Franchise Agreement expires.	You only pay this fee if you want to renew your franchise.
Transfer Fee	Amount equal to then current initial franchise fee. If not selling franchises at time of transfer, fee will be amount of franchise fee paid by franchisee for initial franchise.	Before you transfer the franchise.	You only pay this fee if you sell your franchise or an interest in it, subject to state law.
Audit	Cost of audit, including the charges of any independent accountant and the travel expenses, room and board, and compensation of persons we employ to make the audit.	Upon demand.	Payable only if audit shows an understatement of at least 2% of Gross Revenue for any month.
Indemnification	Will vary under circumstances.	As incurred.	You must reimburse us if we are sued or held liable for claims arising from your business.
Cost of Enforcement or Defense	All costs including accounting and attorneys' fees. Amount will vary under the circumstances.	Immediately after notice from us.	You only pay this amount if we are successful in any legal action we bring against you, or in defending any claim you bring against us.
Interest	Lesser of 1.5% per month or highest rate of interest allowed by applicable law.	As incurred.	Payable on all overdue amounts.
Website Modification Fee	\$500 per modification.	Upon demand.	You only pay this fee if you ask us to modify your web page more than one time per month.
Product Purchases	Varies from \$5 to \$470 per item depending on item and quantity purchased	Upon receipt of an invoice.	You pay these amounts to our affiliate for items you purchase.

Type of Fee	Amount (Note 1)	Due Date	Remarks
Financial Reporting Failure Fee	\$250 per failure.	Upon demand.	If you or any of your owners fail to provide us in a timely manner or in the form we request the required financial information, such as monthly and annual financial statements, tax returns, sales or revenue information, including revenue certifications.
Taxes on Amounts Paid to Us and Our Affiliates	Will vary under circumstances.	As incurred.	If your state, or any governmental body in your state, charges a tax on any fee you owe to us or to our affiliates, then you are required to pay an additional amount equal to the amount of this tax. This does not apply to any federal or Minnesota income taxes we or our affiliates have to pay.
Insurance Reimbursement	Cost of premiums.	Upon demand.	If you fail to maintain, or fail to provide satisfactory evidence of maintaining, any insurance coverage we require, we may obtain the insurance coverage on your behalf and you must reimburse us.
De-Identification Costs	Will vary under circumstances.	Upon demand.	After expiration or termination of your franchise, if you fail to remove from the premises all signage that includes our name and marks, we may remove and destroy the signage at your cost.
Management Fee	5% of Gross Revenues, plus reimbursement of our out-of-pocket expenses.	Upon demand	Only payable if we notify you of our intent to exercise our purchase option under the Franchise Agreement.

All fees and other amounts in the chart above are paid to us or our affiliate as disclosed above and are non-refundable. All fees are uniform for all new franchisees. These fees apply to each Franchise Agreement and Development Agreement that you sign. You must pay fees and other amounts due to us or our affiliates via electronic funds transfer/direct debit or other similar means. You must comply with our procedures and perform all acts and deliver and sign all documents, including authorization (in the form attached to this Disclosure Document as Exhibit H or other form that we may require) so that we may make direct debits from your business bank operating account to pay amounts owed to us. Under this procedure you authorize us to initiate debit entries and/or credit correction entries to a designated checking or savings account for payments of fees and other amounts payable to us and any interest that may be owing. You will make the funds available to us for withdrawal by no later than the payment due date. If the payment due date is not a business day, the date for payment shall be the next immediate business day.

If you have not timely reported the Gross Revenue to us for any reporting period, or you withhold our access to accounting or financial systems or data we use to determine Gross Revenue, we can, at our option, debit your account for: (a) 110% of the fees transferred from your account for the last reporting period for which a report of the Gross Revenue was provided to us; (b) the amount due based on

information we have regarding your business activities; or (c) 110% of the fees transferred from your account for the same period in the prior year. This is in addition to any other rights we may under the Franchise Agreement. You must certify to us your Gross Revenue in the prior month by the 5th of the immediately following month.

Notes:

- (1) **Increases.** Without your consent, we will not, during the term of your Franchise Agreement, modify the Royalty Fee, Brand Fund Contribution, Grand Opening Advertising, Renewal Fee or Transfer Fee from the amounts disclosed in the chart above. However, we can modify any other fees or other amounts charged to you on 30 days' notice, but any modification of the Technology Fee, New Director/Manager Training amount, Curriculum and Assessment Training amount, Convention Fee, Noncompliance Fee, Website Modification Fee and Financial Reporting Fee will be capped at 10% of the then-current fee or other amount, except that we can increase a fee or other amount in any given year by greater than 10% to adjust for prior years when no increase, or an increase of less than 10%, was implemented, regardless of whether the fee or other amount was actually charged or collected. The annual adjustment cap discussed above does not limit our or our affiliates' ability to increase any other fee or amount, or to impose new fees as permitted by the Franchise Agreement.
- (2) **Gross Revenue.** You must pay us a Royalty Fee on the monthly Gross Revenues of your Center. Gross Revenues mean the total amount of revenues, income, receipts and other fees received from all business activities taking place by or through the Center, and all other services and products, if any, sold under the Marks, or otherwise related to the Center.
- (3) **Technology Fee.** This fee covers our provision to you of certain technology services, such as use of an online tool to assist you in your Center's operations, at least 3 email addresses, a project management platform, cloud storage for certain documents and a childcare management software. You will still need to purchase various technology.
- (4) **Convention Fee.** You or your Director or Operations Manager, if any, must attend any conference we decide to have for franchisees. This fee will cover the cost of that registration. If you want to send additional people to the Annual Conference, for each one you will pay an additional registration fee.

ITEM 7 ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure ¹	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee ²	\$70,000	\$70,000	Lump sum	Upon signing the Franchise Agreement	Us
Field Trip Transportation ³	\$3,000	\$55,000	Lump sum	Before opening	Vendor
Real Estate and Improvements ⁴	\$75,000	\$3,980,000	As Incurred	Before opening	Landlord and vendors
Design Fees ⁵	\$60,000	\$120,000	Lump Sum	Before opening	Vendor
Furniture and Equipment ⁶	\$190,000	\$280,000	Lump sum	Before opening	Vendors

Type of Expenditure ¹	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is to be Made
Kitchen Equipment	\$65,000	\$75,000	Lump sum	Before opening	Vendors
Playground Equipment and Safety Surfacing	\$140,000	\$150,000	Lump sum	Before opening	Vendors
Initial Supplies ⁷	\$62,000	\$73,000	Lump sum	Before opening	Us and Vendors
Internal Brand Package ⁸	\$37,000	\$51,000	Lump sum	Before opening	Us
Exterior Signage	\$4,800	\$21,600	Lump sum	Before opening	Vendors
Curriculum ⁹	\$39,000	\$53,000	Lump Sum	Before opening	Us and Vendors
Travel and Living Expenses While Training ¹⁰	\$1,500	\$5,000	As incurred	As incurred during training	Airlines, hotels, restaurants
Grand Opening Advertising ¹¹	\$20,000	\$20,000	As incurred	Before opening of the Center	Vendors or us
Ongoing Advertising ¹²	\$1,500	\$3,000	As incurred	As incurred	Vendors or us
Technology Expenses ¹³	\$12,000	\$17,500	As incurred	Before opening	Vendors
Security System ¹⁴	\$45,000	\$55,000	Before opening	As agreed	Vendor
Insurance ¹⁵	\$7,500	\$12,500	Lump sum	As agreed	Vendor
Permits and Licenses ¹⁶	\$4,000	\$7,000	Lump sum	As incurred	Governmental Agencies
Legal and Professional Fees	\$10,000	\$15,000	Lump sum	As incurred	Vendors
Pre-Opening Payroll Expenses	\$7,500	\$24,000	Before opening	As incurred	Employees
Miscellaneous Expenses ¹⁷	\$10,000	\$20,000	As agreed	As incurred	Vendors
Additional Funds for First 3 Months ¹⁸	\$150,000	\$250,000	As incurred	As incurred	Vendors and governmental agencies
TOTAL¹⁹	\$1,014,800	\$5,357,600			

Notes:

- (1) **Estimates.** The low estimates in the chart above assume a Center with 7 classrooms and the high estimates assume a Center with 11 classrooms. None of these payments are refundable.
- (2) **Initial Fee.** See Item 5 for more information on the Initial Franchise Fee. If you sign a Development Agreement to open and operate at least two Centers, you will pay us a Development Fee determined by multiplying \$10,000 by the number of Centers that you will be opening under your Development Agreement. We will credit the Development Fee on a pro rata basis toward the Initial Franchise Fee for each Center you open and you will pay us the remainder of the Initial Franchise Fee. There are no other incidental expenses you should incur as a developer, as the current expenses to open each Center are accounted for in the chart above. These amounts are in addition to the payment of the Initial Franchise Fee.
- (3) **Field Trip Transportation.** These estimates are for one bus that you will use to transport children to various field trip activities. The low estimate assumes you rent a bus 2 times per month from April to September for field trips and the high estimate assumes you purchase a new bus in full at the time of purchase. In either case, the vehicle must meet our specifications which include that

the minibus does not seat more than 14 passengers, must be equipped with 5 point harness restraints, have a first aid kit on board, be decaled as we require, and meet all legal requirements including those of the Department of Transportation. Each estimate includes the first-aid kit and the high estimate includes required decals.

(4) **Real Estate and Improvements.**

(a) The low estimate assumes you will lease space for your Center and these assumptions are based on the cost to lease and build out Centers in the Minneapolis, Minnesota market. The typical size of a Center is approximately 8,500-10,000 square feet, with 14 parking spaces and an outdoor playground of approximately 3,000 square feet. Rent costs are generally between \$20 - \$32 per square foot in the Minneapolis, Minnesota market, including CAM and taxes, and will vary in other markets. The low estimate assumes a build to suit lease and includes first and last month's rent and a security deposit. If you were to rent the space and fund the renovation costs yourself, we estimate that your costs would be between \$1,600,000 and \$2,100,000, based on the experience of our franchisees.

(b) The high estimate assumes you are purchasing the building or land on which your Center will be located. Assuming a 10,000 square foot building the cost for build-out is approximately \$200-\$250 per square foot in the Minneapolis, Minnesota market plus \$850,000 for land, and will vary in other markets, and includes at a minimum, concrete floors, demised exterior walls, HVAC, roof, exterior signage, playground fencing, and utilities stubbed to the premises sufficient for a Center. Our estimates are based on these assumptions. The high estimate assumes you would pay for all build-out costs. Unless we otherwise approve, each Center roof must be fitted with solar panels that meet our specifications. We have included the cost for these panels in the high estimate. If you were to purchase an existing building and fund the renovation costs yourself, we estimate that your costs would be approximately \$2,600,000 - \$3,980,000, assuming you buy the building at \$800,000 or \$1,780,000 and the renovations cost between \$1,800,000 and \$2,200,000. These amounts are based on the experience of two franchisees purchasing buildings in metropolitan areas located in Wisconsin. The low end of this range is based on a Center that was purchased in 2023, while the high end is based on a Center purchased in 2025. We encourage you to review this information with your professional advisors for assistance.

(5) **Design Fees.** These estimates include architectural, structural, civil and landscaping services. We have included in architectural and structural services creation of detailed construction documents, assistance by the architect or another party in the construction process to ensure your Center is built in compliance with our mandatory specifications, acquisition of required permits, and conforming the premises to applicable law, including local ordinances and building codes. Civil engineering services include grading, drainage, site plans and stormwater management. The estimates assume standard tenant improvements within a structure designed for commercial use. The low estimate assumes renovation of an existing space and the high estimate assumes a ground-up design plan.

(6) **Furniture and Equipment.** These estimates include the purchase of cribs, shelving, changing tables, books, toys, educational materials, area rugs and gym equipment, but excludes kitchen equipment.

(7) **Initial Supplies.** These estimates are for bibs, cloth diapers, arts and crafts, childcare, office and janitorial supplies, including a commercial washer and dryer that you will need to open your Center, and the branded Casa de Corazon items to begin operations including staff uniforms and printed tour packet materials.

- (8) **Internal Brand Package.** The cost for this package depends upon the number of classrooms in the Center. The low estimate assumes there are 7 classrooms in your Center and includes installation and taxes. The high estimate assumes there are 11 classrooms in your Center and includes installation and taxes.
- (9) **Curriculum.** This includes teacher curriculum, including the supplemental curriculum disclosed in Item 5, and the costs of child assessments tools for conferences. We have included 140 child assessment tools for each estimate as that number does not vary based upon the number of classrooms in your Center.
- (10) **Training Expenses.** While we do not charge for our Initial Training Program, you must pay for airfare, meals, transportation costs, salaries, benefits, lodging and incidental expenses for all attendees. The low estimate assumes both you and your Director attend our Initial Training Program. The high estimate assumes you, your Director and your Operations Manager attend our Initial Training Program. This training will be held at our corporate offices in Minnesota or at another location we specify. Your actual costs will vary depending on the distance to be traveled, your method of travel, and your personal circumstances. The low estimate assumes 2 people attend training and the high estimate assumes 3 people attend training.
- (11) **Grand Opening Advertising.** You must spend at least \$20,000 on grand opening advertising before the opening of your Center. If you fail to spend this amount you must pay us the difference before opening and we will put it in the Brand Fund. This is in addition to any other rights we may have against you. We recommend advertising on the Internet as well as in print.
- (12) **Ongoing Advertising.** You must spend at least \$10,000 annually on advertising your Center, in addition to your grand opening spend requirement. If you fail to spend this amount you must pay us the difference and we will put it in the Brand Fund. This estimate is for the first 3 months after your center opens. The low estimate assumes \$500 per month, the high estimate assumes \$1,000 per month. We recommend that you spend significantly more than we have estimated.
- (13) **Technology Expenses.** These estimates are for the minimum technology, including software, you must obtain to open your Center. The low estimates assume 3 personal computers, 1 printer (with color printing, scanning and faxing capabilities), 12 iPads, 8 Bluetooth speaker docks, a wall-hung computer screen, and speakers. The high estimate includes all of the items above except 15 iPads and 11 speaker docks plus labor for setting up equipment and firewall.
- (14) **Security System.** This estimate is for the purchase and installation of a security system in your Center that meets our requirements. It includes a camera and key card entry system and fire alarm system.
- (15) **Insurance.** You must carry the types and amounts of insurance we specify. We currently require you to carry commercial general liability insurance, child accident, vehicle, umbrella/excess liability, business personal property, employee dishonesty, workers compensation and employer's liability, and employment practices insurance. This estimate is for the first three months of these insurance coverages.
- (16) **Permits and Licenses.** These estimates are for a business permit and licenses required by the state agencies that regulate childcare facilities.
- (17) **Miscellaneous Expenses.** These estimates include gas, electric, telephone, waste, composting and recycling removal, landscaping and internet charges.

- (18) **Additional Funds.** This amount includes estimated operating expenses you should expect to incur during the first 3 months of operation, which includes security and fire alarm system costs, maintenance and repair costs, landscaping/snow removal costs, vehicle lease costs, food costs for students, advertising costs, payroll for your staff (based on salaries ranging from \$17 to \$21 for 15 employees for first 3 months after opening). The low estimate also includes real estate lease costs for two months as the first month is covered above in the Real Estate and Improvements category. These estimates exclude any revenue generated by your Center and taxes. The estimates exclude any loan payments you may need to make in connection with the development of your Center. We have relied on the experience of our franchisees to compile this estimate.
- (19) **Total.** This is only an estimate of your initial investment and is based on our estimate of costs and market conditions prevailing as of the issuance date of this Franchise Disclosure Document. It is possible to significantly exceed costs in any of the areas above. You must bear any deviation or escalation in costs from the estimates that we have given. You should review these figures carefully with a business and a legal advisor before making any decision to purchase a franchise. Many factors that are unique to your market can make a dramatic difference in the estimates provided. Except as set forth in Item 10, we do not offer financing for any part of the initial investment. The availability and terms of financing will depend on factors like the availability of financing generally, your credit worthiness, your relationship with local banks, your business experience, and any additional collateral you may offer to a lender to secure the loan. Our estimates do not include any finance charges, interest or debt service obligations. These estimates would not be applicable to a Center opened after a new Franchise Disclosure Document is issued, whether opened under a Development Agreement or otherwise. Those amounts will depend upon market factors at that time and will be included in the Franchise Disclosure Document we provide to you in connection with the purchase of a franchise at that time.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

The equipment, including playground equipment, supplies, curriculum, educational materials, furniture, shelving, food, food stuffs, beverages, meals, books, gifts for Center students and their families, toys, diapers, dishes, landscaping, design and décor, solar panels, vehicles, signage, computer hardware and software, technology and security and fire alarm systems, employee uniforms, client surveys, certain client communication templates, and products you purchase for use or sale at your Center, must meet our specifications. Those specifications may include minimum standards for type, purity, composition, delivery, performance, design, appearance, and quality. We will issue the specifications to you before you begin operating. We may include these specifications in the manual that we provide to you either hard copy or on-line, or we may issue them separately. While we do not have specifications for local advertising you create to promote your Center, you must obtain our prior approval to the use of any advertising materials you prepare, and before establishing or having established any website, application, online directory, web page, social media and/or social networking site, profile, account, or hashtag relating to or making reference to us, your Center, or to the System.

You must join and maintain membership in a state quality assessment organization meeting our standards and obtain a quality assessment approval or rating from that organization that meets our standards. Additionally, you must apply for accreditation by the NAEYC + or another childcare education organization we specify, and obtain accreditation by the organization as specified by us. You must carry the types and amounts of insurance we specify and your insurers must meet standards we specify. We currently require you to carry the following policies and minimum amounts of coverages:

Commercial General Liability	<ul style="list-style-type: none"> • \$1,000,000 limit per occurrence • \$2,000,000 Aggregate
Business Personal Property	<ul style="list-style-type: none"> • Replacement Cost Coverage • Co-insurance of not less than 80%
Business Motor Vehicle Liability	<ul style="list-style-type: none"> • \$1,000,000 combined single limit of liability per occurrence • \$1,000,000 uninsured/underinsured motorist coverage
Employee Dishonesty and Employment Practices	<ul style="list-style-type: none"> • \$250,000 limit per occurrence
Workers' Compensation and Employer's Liability	<ul style="list-style-type: none"> • Policy limits pursuant to applicable state law
Umbrella/Excess Liability	<ul style="list-style-type: none"> • \$1,000,000 limit per occurrence • \$1,000,000 aggregate
Child Accident Insurance	<ul style="list-style-type: none"> • \$25,000 limit per occurrence

You can expect that the items you purchase to meet our specifications will represent over 90% of the total purchases you will make to begin operations. Once you begin operating, we expect the items you purchase that meet our specifications will represent between 80% and 90% of your total annual expenses.

We require you to purchase certain products, food, food stuffs, beverages, supplies, equipment, construction management, architecture, build-out and technology consulting services, and services used or offered by your Center and other items from suppliers we approve, in which case we will provide you with a list of approved suppliers. These suppliers may pay rebates to us or our affiliates. There are no caps or limitations on the amount of rebates we or our affiliates may receive from suppliers as a result of franchisee purchases. They may also provide us and our affiliates with discounts or credits on purchases we and our affiliates make from them based on the volume of purchases our franchisees make from them.

In 2025, we received \$8,866 in revenue from franchisees' purchases and leases of products and services or .5% of our total revenues of \$1,677,000. In 2025, our affiliate received \$27,748 in revenue from franchisees' purchases and leases of products and services. This information was taken from our audited financial statements and our internal financial records and from our affiliate's internal financial records.

If you want to purchase items for your Center that differ from our specifications, or from an unapproved supplier, you must notify us in writing. If we request, you must submit samples and other information we require for testing or to otherwise determine whether the product, material, or supply and supplier meets our specifications and quality standards. We do not impose any fee for our consideration.

Although we do not make available the criteria we review when approving unapproved items or suppliers, we consider various factors including whether the product or service is consistent with our concept and brand; how the supplier and/or their products or services would enhance our brand; if the product or service is already available through other sources, would approval of another vendor enhance competition or dilute our ability to maximize pricing benefits for our franchisees; and is the product of a commercial quality with a proven record of durability. We will generally notify you and the supplier of our approval or disapproval within 30-days of our receipt of all the information and samples we request. If we revoke approval of any supplier or any item offered by a supplier, we will send you written notice of our revocation of an approved supplier or item.

We only have one approved supplier for reusable food storage bags, child assessment tools, curriculum, and certain software you will use at your Center, and for market analysis and site selection services. We do not plan on approving any other suppliers from whom you could purchase these items. If you are located

in an area where there is only one type of supplier we require you to purchase certain items from, you must purchase the items only from that supplier. For example, a local food cooperative.

Your teachers must obtain their curriculum and assessment training from us or a third party trainer we approve and we have approved only one training company for this training. We have one supplier who will provide you with market analysis and site selection services, at no additional charge to you. If you choose not to use this supplier we must approve the supplier(s) you use for these services and you will need to pay their fees for these services. If you choose to purchase additional services beyond those our supplier provides without additional charge, you will need to pay for those services.

Our affiliate is the sole supplier of cloth diapers and all Casa de Corazon branded items bearing any of the Marks, including staff uniforms, supplemental curriculum materials (introductory and on-going), tour packet folders and inserts, business cards, the Casa Graduation Box, graduation attire, thank you, birthday, and blank Casa note cards, letterhead and envelopes, child gifts and gift bags, t-shirts, stickers, the Casa de Corazon branded *La Casita* children’s book, bibs, CDs and desktop applications and all of the items included in the Internal Brand Package. You must use it for the client facing and administrative functionalities we require. We will not approve another supplier for any of these items. We and our affiliates intend to make a profit on any products or services they or we sell to you.

We do not have any purchasing or distribution cooperatives as of the date of this Disclosure Document. We may negotiate purchase arrangements with suppliers and distributors of approved products for the benefit of our franchisees. For example, one of our suppliers provides franchisees with a discount on their purchases and another provides a free month of services. We do not provide material benefits, such as renewing or granting additional franchises to franchisees, based on their use of designated or approved suppliers and distributors.

Other than our affiliates, none of our officers own any interest in any of our suppliers.

ITEM 9 FRANCHISEE’S OBLIGATIONS

This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this Franchise Disclosure Document.

Obligation	Section in Franchise Agreement	Section in Development Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Sections 3(a), (b), (d) and (4)	Section 3	Items 7 and 11
b. Pre-opening purchases/leases	Sections 3(d), (e), (g), (h), 8(d), 10(h) and 13	Section 3	Items 7 and 8
c. Site development and other pre-opening requirements	Sections 3(e), (f), (g), (h), 4, 10(a) and 11(a)	Section 3	Items 7 and 11
d. Initial and ongoing training	Sections 10(a), (b), (c), (d) and 11(a)-(d)	Not Applicable	Item 11
e. Opening	Section 11(a)	Section 3	Items 7 and 11

Obligation	Section in Franchise Agreement	Section in Development Agreement	Disclosure Document Item
f. Fees	Sections 2(c)(ii), 3(i), 6, 7, 8(a), (d), 9(a)(i), 9(f), 10(c) and (l), 11(g), 14(a) and 18(c)(ii)(e)	Sections 2(d) and 2(e)	Items 5, 6 and 7
g. Compliance with standards and policies/operating manual	Sections 2(a), (c), 3(b)-(h), (j)-(m), 8(c)-(f), 10(e), (h), 11(b)-(m), (o), 13(a), (b) and 15	Section 3	Items 8, 11, 15, and 16
h. Trademarks and proprietary information	Sections 8(f)(ii), 11(e), 12, 14(d) and 16	Section 2(e)	Items 13 and 14
i. Restrictions on products/services offered	Sections 10(h)(i) and 13	Not Applicable	Items 5, 8, 11, and 16
j. Warranty and customer service requirements	Sections 11(d), (e) and (p)	Not Applicable	Item 16
k. Territorial development and sales quotas	Section 5(c)	Section 2	Item 12
l. Ongoing product/service purchases	Section 13	Not Applicable	Item 8
m. Maintenance, appearance and remodeling requirements	Sections 3(d), (g), (h), (j-k), 11(e) and (i)	Not Applicable	Item 6
n. Insurance	Section 15	Not Applicable	Item 7
o. Advertising	Sections 3(m), 8(c)-(f), 11(e), 13(a) and 16(b)	Not Applicable	Items 6, 7, and 11
p. Indemnification	Sections 3(i), 18(c), 19(b), and 23(c) and (d)	Not Applicable	Item 6
q. Owner's participation/management/staffing	Sections 10(a), 11(b), (c), (k) and (l)	Not Applicable	Item 15
r. Records and reports	Section 14(a)	Not Applicable	Not Applicable
s. Inspections and audits	Sections 14(b) and (c)	Not Applicable	Not Applicable
t. Transfer	Sections 18(b)-(e)	Section 4	Item 17
u. Renewal	Sections 2(b)-(d), 3(k)	Not Applicable	Item 17
v. Post-termination obligations	Sections 16, 17, 18(c)(ii), 19(b) and 21(c)	Sections 6 and 7	Item 17
w. Non-competition covenants	Section 17	Section 6	Items 15 and 17

Obligation	Section in Franchise Agreement	Section in Development Agreement	Disclosure Document Item
x. Dispute resolution	Sections 22(a), (b) and (e)	Section 9(d)	Item 17
y. Other: guaranty of franchise obligations ¹	Section 14(e) and Personal Guaranty (which follows the Franchise Agreement)	Guaranty (which follows the Development Agreement)	Item 15

**ITEM 10
FINANCING**

We do not offer direct or indirect financing. We do not guarantee your note, lease or obligations. Although we may, we do not currently intend to sell, assign or discount to a third party the financing discussed below.

**ITEM 11
FRANCHISOR’S ASSISTANCE, ADVERTISING,
COMPUTER SYSTEMS, AND TRAINING**

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

Before you open your Center, we will:

(1) Provide you a “search area” in which you must locate your Center (Franchise Agreement – Section 3(a)/Rider), assuming you do not have a site for your Center that we have approved at the time you sign the Franchise Agreement.

(2) Have our supplier provide you with certain market analysis and site selection services (Franchise Agreement – Section 10(l)) at no additional charge to you.

(3) Designate your Designated Territory (Franchise Agreement – Sections 5(a)/Rider). If you are signing a Development Agreement, designate your Development Territory and approve the location for your Center (Development Agreement – Section 2; Development Agreement – Rider). Under the Development Agreement, you must commit to develop at least 2 Centers in the Development Territory, and we will approve or reject each location for a Center that you propose (Development Agreement – Section 2-3).

(4) If you are signing a Development Agreement, we will designate your Development Schedule (Development Agreement – Section 2; Development Agreement – Rider).

(5) Provide you a sample layout of the interior of a typical Casa de Corazon early childhood learning center, including a 3D rendering of a typical center, typical preliminary plans and décor specifications (Franchise Agreement – Section 3(e)).

(6) Review your proposed lease for your Center to confirm that it satisfies the requirements of the Franchise Agreement (Franchise Agreement – Section 4(b)).

(7) Provide you with a webpage on our or our affiliate's website to advertise your Center (Franchise Agreement – Section 8(f)).

(8) Provide for you, your Director if you are not the Director, and your Operations Manager, if any, at our expense, the Initial Training Program (Franchise Agreement – Section 10(a)).

(9) Provide you with electronic access to our manuals that contain various information including mandatory and suggested specifications, standards and procedures. We may modify any manual periodically in our discretion. (Franchise Agreement – Section 10(e)). As of the issuance date of this Disclosure Document, the Operations Brand Standards Manual contains 57 pages. A copy of the table of contents of the Operations Brand Standards Manual is attached to this Disclosure Document as Exhibit C.

(10) Provide you with various forms you may use in the operation of your Center, including a form of enrollment form, parent contract, classroom routines, daily schedules, and a form of parent handbook (Franchise Agreement – Section 10(i)).

(11) Provide you with a list of the approved suppliers for certain equipment, supplies and services for your Center (Franchise Agreement – Section 13(a)).

(12) Cause our affiliate to sell to you certain items you will use in the opening of your Center, including introductory supplemental curriculum materials (Franchise Agreement – Section 10(h) and 13(a)(iii)).

(13) Provide you with 1 day of on-site support at your Center, without additional charge, immediately prior to the opening of your Center for business (Franchise Agreement – Section 10(g)).

During the term of the Franchise Agreement, we will:

(1) Provide you 1 day of on-site support at your Center, without additional charge, during the 14-day period after your Center opens for business (Franchise Agreement – Section 10(g)).

(2) Be available during normal business hours to provide you with telephone support on operating issues you confront (Franchise Agreement – Section 10(g)).

(3) Provide our New Director/Operations Manager Training Program to any new Director or Operations Manager you retain at your Center (Franchise Agreement – Section 10(b)).

(4) Provide you with additional training as discussed below (Franchise Agreement – Sections 10(b) and (e), 11(d)).

(5) Maintain and administer the Brand Fund (Franchise Agreement – Section 8(b)).

(6) Provide you on a monthly basis supplemental curriculum you will use to teach your students (Franchise Agreement – Section 10(h)).

(7) Provide you on a monthly basis a meal preparation guide, including recipes for meals that you will make for your students and an inventory list of foods for the recipes (Franchise Agreement – Section 10(h)).

(8) Cause our affiliate to sell to you certain items you will use in the operation of your Center (Franchise Agreement – Section 13(a)(iii)).

Training

Initial Training Program

You and two of your Directors, and your Operations Manager, if you have one, must successfully complete the Initial Training Program. If you are a Director, then only one Director other than you must attend and successfully complete the Initial Training Program. The Initial Training Program must be completed by you and by your Directors and Operations Manager within the 90-day period before the Center opens. (Franchise Agreement Section – 10(a)). The Initial Training Program will usually be conducted in Minnesota at a location we specify. This training will be held on an as needed basis as we sell franchises. There is no charge to you for this training, but you are responsible for all travel and living expenses you and your attendees incur in attending the training. If you or any other attendee fail this training we can terminate the Franchise Agreement.

Our Initial Training Program as of the date of this Disclosure Document consists of approximately 10 days of training as follows:

INITIAL TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours Of On-The-Job Training	Location
Model, Curriculum, Culture	24	0	Minnesota
Family Relations	8	0	Minnesota
Marketing	8	0	Minnesota
In-Center Director/Operations Manager Training	0	40	Minnesota
Total Training Time	40	40	

The officer in charge of our Initial Training Program is Daniela Tablada. Ms. Tablada has been involved in the early childhood education field since 2018. Each instructor providing this training will have at least 1 year of experience with us or an affiliate of ours and at least 1 year experience in the early childhood education field. Our Operations Brand Standards Manual serves as our primary instructional material during the Initial Training Program. The Initial Training Program along with the training discussed below are for the purpose of protecting the goodwill related to the Casa de Corazon franchise system and the Marks and not to control the day-to-day operation of your Center.

Additional Training

New Director/Operations Manager Training

Any new Director or Operations Manager must attend and successfully complete to our satisfaction our New Director/Operations Manager Training Program within 90 days after they begin to perform services on your behalf. This training is held at our offices (3 days) and a center of ours (2 days). The cost of this training is currently \$5,000 depending upon length for up to 5 attendees but may be adjusted. (Franchise Agreement – Section 10(b)). You are responsible for travel and living expenses of your attendees.

Curriculum and Assessment Training

Each of your teachers must complete to our satisfaction Curriculum and Assessment Training within 1-year of beginning classroom teaching. We do not assess a separate charge for the Curriculum and Assessment

Training we provide for your initial teachers, but you must reimburse us for travel and lodging expenses of our trainer, up to \$2,000. Any additional Curriculum and Assessment Training we provide is currently charged at \$150 per hour, plus the travel and living expenses of our trainer if the training is not held at our offices. Training is typically 8-hours in length.

Operational Training

You and the accountant who will be providing you with accounting services must complete financial training within 30 days after opening. We will provide this training on-line. It lasts approximately 3 hours. There is no additional cost for this training. (Franchise Agreement – Section 11(d)).

If you do not meet our standards and we require additional training, the accountant providing you services changes or we require additional training to help maintain competitiveness in the industry, or you request training that we agree to provide. (Franchise Agreement – Sections 10(d) and 11(d)). Cost of this training is currently \$150 per hour plus the travel and living expenses of our trainers if the training is not held at our offices. This cost may be adjusted. This training may be a mix of in-person and on-line training. If we require this training you must complete it to our satisfaction.

You or a representative approved by us must attend any conferences or conventions we hold and pay any registration fees we require, even if you or your representative fail to attend.

Facility Manager Training

If you request, and we agree, we will provide facility manager training to your facility manager (Franchise Agreement – Section 10(d)). Cost of this training is currently \$150 per hour plus the travel and living expenses of our trainers if the training is not held at our offices. This cost may be adjusted. Training is typically 8-hours in length.

Advertising Programs

We have no obligation to conduct advertising or marketing on your behalf.

System Brand Fund

Under the Franchise Agreement, you must contribute 2% of your monthly Gross Revenue to the Casa de Corazon System Brand Fund. (Franchise Agreement – Section 8(a)). Your contributions to this Fund are due at the same time you pay your Royalty Fee, based on the amount of Gross Revenue your Center generated in the previous month. All our franchisees must contribute to this Fund. Centers operated by us or our affiliates will contribute to this Fund at the same rate as our franchisees.

We account for the contributions to this Fund separately from our other revenues, and we do not use them to pay any of our general operating expenses other than our costs of administering the Fund and the costs, including salaries and overhead, of personnel engaged in administration or operation of the System Brand Fund, including those performing services that benefit, or are on behalf of, the System Brand Fund, including creative services. The purpose of the Fund is to develop programs that benefit the Casa de Corazon brand and promote the Marks. This means we may use monies in the Fund for any purpose that promotes the Casa de Corazon name, including the creation, production and placement of commercial advertising; to pay for agency costs and commissions; to pay the costs to create and produce video, audio and written advertisements; to pay for direct mail and other media advertising, including internet advertising, internet search engine campaigns and the cost to maintain and update our or our affiliate's websites, web pages, social media and social networking sites, profiles and accounts and for the costs of search engine optimization; to pay for salaries, administrative costs, direct expenses, and overhead we incur

in activities related to the operation and administration of the Fund; local and regional promotions; public relations campaigns including the cost of retaining public relations firms; market research; and other advertising and marketing activities.

We may create advertising materials in-house or use international, national, regional and local agencies. Advertising may be placed in local, regional or national media of our choice, including print, direct mail, electronic and online advertising, video, radio or television. We do not guarantee that advertising expenditures from the Fund will benefit you or any other franchisee directly, on a pro rata basis, or at all. It is our responsibility to determine how these monies are spent. We are not required to use monies in this Fund to benefit any individual market. However, we will not spend any portion of these monies for advertising principally designed to solicit the sale of franchises, but we may use monies in the Fund to update and administer our or our affiliate's website, which may contain information on franchise opportunities. In our fiscal year ended December 31, 2025, 5% of expenditures from the Brand Fund were used for media placement, 2% were used for production of advertising, 62% were used for social media and internet marketing, and 31% for administrative expenses.

Any unused amounts in the Fund in any calendar year will be carried over to the following year. Any interest the Fund earns will be used for advertising before we use any principal. At your request, we will make available to you an annual accounting for the Fund that shows how the Fund proceeds were spent for the previous year, but these statements will not be audited. We may, but have no obligation to, loan amounts to the Fund and can determine the repayment obligation of the Fund, including interest rate of the loan and repayment terms, as we see fit. Currently, we would intend any loan to be due on demand, and until paid in full would accrue compound interest at the prime rate of interest as determined annually.

We do not have an advertising council that advises us on advertising policies.

Local Marketing

You must conduct your own local marketing of your Center. You must spend at least \$20,000 to market the grand opening of your Center on marketing we approve. You must also spend at least \$10,000 per year on local marketing that we approve for your Center, exclusive of the grand opening advertising spend requirement. If you do not meet any of these minimum advertising requirements, in addition to our other rights, you must pay us the difference and we will put that amount in the System Brand Fund. (Franchise Agreement – Section 8(d)).

You must obtain our prior approval of all local marketing you engage in for your Center. Use of the Marks and other materials identifying our brand must be consistent with our approved standards. You may not use the Marks or other materials identifying our brand on items to be sold or services to be provided without our prior written approval. You must also obtain our approval before establishing, or having established, any website, application, online directory, hashtag, profile or account relating to or making reference to us, your Center, or to the System. You are ultimately responsible for ensuring that your advertising complies with all applicable laws before using it. (Franchise Agreement – Section 11(n) and 8(f)).

Although we can require you to, we do not currently require Casa de Corazon franchisees to participate in a local or regional advertising cooperative. If we do, we will define the area of membership of the cooperative and determine how much you must contribute to the cooperative. Generally, the area of membership will be the city or market area in which there are at least 2 Centers and the required contribution will not be more than your Brand Fund Contribution, which is currently 2% of your monthly Gross Revenue. All franchisees in the area of membership will be required to contribute at the same amount. If we establish a cooperative in a market serviced by Centers owned by us or an affiliate, these Centers will not participate in the cooperative. We will administer any cooperatives. The cooperatives will not operate

from governing documents nor will they prepare annual or periodic financial statements. We can form, change, dissolve or merge these cooperatives.

Site Selection and Opening

Development Agreement

Under the Development Agreement, you will have the right to develop, open, and operate 2 or more Centers within the Development Territory according to a mandatory Development Schedule and according to our then-current System standards and other approval requirements. You must sign our then-current form of Franchise Agreement for each Center you develop and open under the Development Agreement (Development Agreement – Section 3), which will contain materially different terms and conditions than the Franchise Agreement attached to this Disclosure Document as Exhibit F. We will determine or approve the location of future Centers and any Designated Territories for those Centers based on our then-current System standards for sites and Designated Territories (Development Agreement – Section 3).

Franchise Agreement

You must operate your Center from one location we approve in your Designated Territory. If you do not have a location that we have approved for your Center at the time you sign the Franchise Agreement, we will assign you a non-exclusive “search area” in which you must locate your Center. (Franchise Agreement – Section 3(a)). We will also have our supplier provide you with certain market analysis and site selection services as discussed above, at no additional charge to you. We do not provide you with any site selection assistance, except as discussed above. Although we provide you with prototypical plans and specification for a typical center including a 3D rendering of a center, we do not conform the premises to local ordinances and building codes or obtain any required permits for you, and we do not construct, remodel or decorate the premises.

You must submit to us information and materials we require and obtain our approval of the site for your Center within 180 days after the date you sign your Franchise Agreement. If you have not obtained our approval of a site within this time period we can terminate your Franchise Agreement and retain any fees you have paid. (Franchise Agreement – Section 3(a)). We take various factors into consideration when reviewing a site, such as whether the site is located in a metropolitan area, the location and proximity of the site to a residential neighborhood and to parks, whether the site is on a main thoroughfare, size of the proposed premises, parking availability, and whether the site is a one level building. The site must generally be at least 8,500 square feet with an outdoor playground area of at least 3,000 square feet. It must also have at least 14 parking spots unless it has on-street parking in close proximity to the Center. The premises must be capable of accommodating 5 age groups – infant, toddler, Preschool A, Preschool B, and Pre-kindergarten and also have adequate space for a laundry room, reception area, office and storage area, a nursing/pumping room with outlet and sink, a kitchen, an indoor play area and a breakroom for your employees.

Unless we otherwise approve, you must enter into a lease or sublease for the premises of the Franchised Center and before signing it you must provide us with a copy of your lease or sublease and the Lease Rider so that we can confirm that they meet the requirements of the Franchise Agreement and then provide us with a fully signed copy of both documents once signed by you and the landlord. (Franchise Agreement – Section 4(b)). If you or an affiliate will own the premises from which the Franchised Center will be operated, each of you must sign a Landlord’s Agreement and a Declaration of Restrictions, Notice of Options (the “Declaration”) restricting the use of the premises for a period of 2 years after the Franchised Center is no longer operated on the premises. During this time period, the premises may not be used as a business or other venture that provides childcare services to children 5 years of age or younger. (Franchise

Agreement – Section 4(c)). The form of Landlord’s Agreement and form of Declaration are attached as an exhibit to the Franchise Agreement.

You may not open your Center until: (1) we notify you in writing that all of your pre-opening obligations have been fulfilled; (2) you and your Director(s) and Operations Manager, if required, have completed our Initial Training Program to our satisfaction and you certify that you have provided all of your employees with the training we require; (3) you have furnished us with copies of all insurance policies and certificates required by the Franchise Agreement, or other documentation of insurance coverage and payment of premiums we request; (4) you notify us that all approvals and conditions in the Franchise Agreement have been met; and (5) you have obtained all required permits and licenses, including those required by the licensing agency having jurisdiction over the Center. If an individual is required to be the license holder you must be that individual. If you are an entity the license holder may be the entity or your majority owner, subject to compliance with state law. You must open your Center within 18 months from the date you sign your Franchise Agreement, but no later than the required opening date provided in the Development Schedule, if applicable (Development Agreement – Section 3(e)). If you do not, we can terminate your Franchise Agreement and retain all amounts you have paid to us.

We estimate that the typical length of time between signing of the Franchise Agreement and the opening of your Center will be between 9 and 18 months. Some factors that may affect this timing are whether you need to remodel your site, the amount of time it takes you to obtain licensure and your ability to secure any necessary financing.

We may require you to remodel, modernize or redecorate your Center at any time according to standards and specifications we determine.

Computer Systems

Computer Hardware

You must purchase and use at a minimum, 3 personal computers with speakers, 1 printer (with color printing, scanning and faxing capabilities), 12-15 iPads, and 8-11 Bluetooth capable iPad speaker docs. All of these items must meet our specifications, including those related to model, brand and functionality, but can be purchased from any vendor. You will use the computers to send invoices, perform accounting functions, process payroll and tuition payments, complete enrollment forms and immunization reporting, play training videos, maintain financial information, produce daily reports, and email correspondence with clients, us and others. The iPads are for use by your students and administrative staff. You must also purchase the hardware required for a building security system, including camera surveillance, a speaker system and a fire alarm system meeting our requirements.

The number of items specified above is based upon a Center with 7-11 classrooms. If the number of classrooms projected for your Center is greater than this number or actual enrollment of your Center is greater, you will need to purchase additional computers to be used by your students and teachers.

Computer Software

You must use the software we require including billing software, training software, content and file storage software, childcare management software, inventory management software and anti-virus software, all of which must meet our specifications. You will need to subscribe for this software. You must also maintain certain music playlists. You must also purchase the software required for a building security system, including a camera and key card system and fire alarm system meeting our requirements. You must renew your licenses on a yearly basis.

We estimate the total cost for the computer hardware and software above, excluding the security system, to be between \$12,000 and \$17,500, with monthly software costs ranging between \$129 and \$400 per month. This does not include music licensing costs, which will vary, nor does it include processing fees. We estimate the cost for the security system, including its software and fire alarm system, to be between \$45,000 and \$55,000. You must also pay us a monthly Technology Fee, which as of the issuance date of this Disclosure Document is \$705 per month.

Ongoing Maintenance and Use

We are not obligated to provide you with ongoing maintenance, repairs, upgrades or updates to the technology discussed above. Although most new computers come with a limited warranty, we are not aware of any third parties with an obligation to repair, update, upgrade or maintain these items. We anticipate that you will be required to upgrade or update your hardware, software or other technology, during the term of the franchise, and there are no contractual limitations on the frequency and cost of the obligation.

You must have access to the Internet and maintain an email account that allows us to communicate with you on a regular basis. We have full and unrestricted independent access to all of your computer and other technology systems, including all information included in them. We can collect and use this information in any manner we choose without compensation to you. There is no contractual limitation on our right to access and of these systems or the information in them, and we may use information in any manner we choose. (Franchise Agreement – Section 11 (f)).

ITEM 12 TERRITORY

Development Agreement

When you sign a Development Agreement, you or your affiliates will commit to develop a specified number of Centers within the “**Development Territory**” according to the Development Schedule. We will determine the size and boundaries of your Development Territory before signing the Development Agreement. The size and boundaries for the Development Territory will vary depending on the number of Centers that we approve you to develop, demographics and population, geographic area, natural boundaries and access to streets and highways, neighborhood character, location and number of competing centers, site availability, and other factors. There is no minimum Development Territory size and the exact size of each Development Territory varies based on the applicable factors. You do not have the right to change your Development Territory. You and we will negotiate the Development Schedule describing the number of Centers that you must develop to keep your development rights and the dates by which you must develop them. You and we will complete the Development Schedule in the Development Agreement before signing it. You will sign our then-current form of Franchise Agreement for each Center you develop and open under the Development Agreement, which may contain materially different terms and conditions than the Franchise Agreement attached to this Disclosure Document as Exhibit F.

For any Center you desire to develop in the Development Territory under your Development Agreement, you must first locate and obtain our approval for the proposed site. We will approve or reject that proposed site based on our then-current standards for franchise sites. Upon approval of the location for the Center, we will complete the Franchise Agreement indicating the address and the Designated Territory granted to you or your affiliate for that Center, but in no event will the Designated Territory be outside the Development Territory.

As long as you and your affiliates are in compliance with the Development Schedule and the Development Agreement and any other agreements between us or our affiliates and you or your affiliates, then during the term of the Development Agreement, we will not operate or grant a third party the right to operate a Spanish immersion intercultural early childhood learning center under the Casa de Corazon mark, that is physically located in your Development Territory. Other than this limitation there are no other prohibitions on us in your Development territory. we may exercise all of the rights that we now reserve in the Franchise Agreement (as described below). Upon termination or expiration of the Development Agreement, regardless of the reason, we may operate or grant to third parties the right to operate early childhood centers under the Casa de Corazon mark or under any other trademarks in the Development Territory, or engage in any other activities within or outside your Development Territory, despite any rights you previously had, subject only to your or your affiliate's rights in any Designated Territory under any Franchise Agreement then in effect.

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.

Except as disclosed above, there are no other restrictions on us or our affiliates under the Development Agreement. You may not develop or operate Centers outside the Development Territory without our written consent. We may terminate the Development Agreement, but not Franchise Agreements, if you do not satisfy your development obligations according to the Development Schedule. Except as described above, continuation of your territorial rights in the Development Territory does not depend on you achieving a certain sales volume, market penetration, or other contingency. During the term of the Development Agreement, we may not alter your Development Territory or your territorial rights without your written consent.

Franchise Agreement

When you sign a Franchise Agreement you will receive the right to operate a single Center at a specific location that we must approve. If the site for your Center has been identified and approved before you sign the Franchise Agreement, then you must operate the Center from that site, which will be identified in the Rider to your Franchise Agreement. If you do not have a site for your Center when you sign your Franchise Agreement, we will list a general "search area" in the Rider to your Franchise Agreement. You do not acquire any exclusive rights in this search area. It is only the search area in which you will look for a site for your Center. We may grant other people a franchise for this area as well. Once you identify a site for your Center in the search area, and we approve that site, we will then update the Rider to your Franchise Agreement to identify this location.

At the time we approve a site for your Center, we will also grant you a territory. We refer to this territory as the "**Designated Territory**" and we describe it in the Rider to your Franchise Agreement. Your Designated Territory will generally encompass an area surrounding your Center that is the lesser of a 3 mile area or an area encompassing 10,000 households. However, the exact size and shape will depend upon various factors including whether your Center is located in a metropolitan area, the size of your Center, and the number of students you are licensed to care for in your Center. We will allow you to relocate your site so long as it continues to be in your market, is not within the Designated Territory of another of our franchisees, and meets our other then-current requirements for a site. If we allow you to relocate your site, we also may change the Designated Territory to conform to our then-current standards for the grant of similar territories.

As long as you are in compliance with your Franchise Agreement and any other agreements with us and any of our affiliates, we will not operate or grant a third party the right to operate under the Casa de Corazon

name an early childhood learning center physically located in your Designated Territory. Other than this limitation there are no other prohibitions on us in your Designated Territory.

While we have no current plans, we or any affiliate of ours, has the right to operate, franchise, or allow others to operate or franchise similar or identical businesses within the Designated Territory if such businesses do not operate under our Marks, and to operate similar or identical business outside of your Designated Territory under any trademarks even if the businesses compete with your Center in your Designated Territory.

We can also operate or allow others to operate businesses inside the Designated Territory under the Marks so long as the businesses are not competitive with your Center. We can sell any products we or our affiliates provide to you for use in your Center to any person, whether in or outside your Designated Territory. We can sell or grant third parties the right to sell goods or services that are competitive with those sold by your Center, whether under the Marks or otherwise under any other trademark, through other channels of distribution such as the Internet, catalog sales, telemarketing or other direct marketing, sales, both inside and outside of your Designated Territory and without compensation to you. We can acquire businesses in the Designated Territory that are similar to your Center or sell our business whether through a sale of assets or stock to anyone, regardless of whether they operate or franchise the operation of businesses similar to your Center. We can also operate or allow others to operate businesses located inside or outside of your Designated Territory that sell to locations in or outside of your Designated Territory our proprietary curriculum, our recipes or both, either under the Marks or otherwise.

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.

If on the 2-year anniversary of the date you opened your Center, the Center does not have actual enrollment equal to 90% of its actual capacity on a full-time equivalency basis or if annually thereafter you do not maintain student enrollment at your Center of at least 90% of its actual capacity on a full-time equivalency basis, in either case determined by the number of students you are licensed to care for, we can decrease the size of your Designated Territory. If we exercise either of these rights we will provide you notice of our decision and the results of that decision. Other than these rights, we cannot unilaterally change your Designated Territory, and there are no minimum quotas required. If you are in compliance with your Franchise Agreement, including satisfaction of the minimum enrollment requirements discussed above, you will retain the rights described above.

Unless you sign a Development Agreement, you will not receive any options, rights of first refusal, or similar rights to acquire additional franchises.

We do not restrict the clients you may serve, and you generally may solicit clients outside your Designated Territory. In fact, aggressive franchisees may solicit clients in your Designated Territory.

Although you can solicit clients outside of your Designated Territory you cannot solicit these clients via the Internet, telemarketing or other direct marketing efforts unless we approve of those efforts. In any event, all of your advertising must be approved by us, and you must obtain our written approval before you establish any website, application, online directory, web page, or social networking or social media site, profile, account or hashtag, relating to or making reference to us, your Center or the System.

ITEM 13 TRADEMARKS

The Franchise Agreement gives you the right to operate a Center under the Marks we authorize you to use. The Development Agreement does not grant you any rights to use the Marks. We consider the Casa de

Corazon word mark and the Casa de Corazon logo to be our principal marks. Our affiliate registered the word mark on the Principal Register of the United States Patent and Trademark Office (“USPTO”) on April 26, 2016, Registration No.’s 4,945,379 and 4,945,381. Our affiliate also registered the Casa de Corazon logo on the Principal Register of the USPTO on September 29, 2020, Registration No. 6163132.

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, any pending infringement, opposition or cancellation proceedings or any pending material litigation involving any of our Marks which are relevant to the use of these Marks. No pending material federal or state court litigation affects our use or rights in any of these Marks. No currently effective agreement limits our right to use or license the use of these Marks. All affidavits required to preserve and renew the principal mark disclosed above have been or will be filed. We do not know of any infringing uses that could materially affect your use of these Marks.

We obtained the rights to use the Casa de Corazon marks and all other marks, logos, commercial symbols and other intellectual property owned by our affiliate, and to license others to use these items, under an Intellectual Property License Agreement dated June 30, 2016, between us and our affiliate. Under the terms of that Agreement, our affiliate may continue to operate its own businesses under these marks, provided it does not do so within any Designated Territory granted to any of our franchisees. We are not restricted in any way in which we use these items and the length of the Agreement is indefinite. We therefore essentially have all the rights as the owner of the intellectual property to license others to use the intellectual property. If this License Agreement were terminated you would have to stop using the Casa de Corazon marks and all other intellectual property licensed to us under the Agreement.

You must follow our standards when you use the Marks. You may not use any of the Marks alone or with modifying words, designs or symbols as part of a corporate or business name or in any form on the Internet, including online directories, URLs, domain names, hash tags, e-mail addresses, locators, links, metatags or search techniques. You may not use any of the Marks for the sale of any unauthorized product or service or in a manner we have not authorized in writing. You are not an officer, director, manager, member, shareholder, other owner or employee of us, our affiliates or the “Casa de Corazon” brand. You may not hold yourself out to anyone in this manner. You must ensure that your employees and anyone else connected with you comply with this requirement.

We will protect and maintain all rights to use the Marks against encroachment, misuse or unauthorized use and against all challenges to any rights of use, as we deem appropriate. You must notify us immediately when you learn about an infringement of or challenge to your use of these Marks. We may take the action necessary, in our sole discretion, to prevent the unauthorized use of the Marks, including bringing actions against third parties regarding the use of any of the Marks, but the Franchise Agreement does not require us to take any specific affirmative action. We will control any administrative proceedings or litigation involving the Marks. While we are not required to defend you against a claim based on your use of the Marks, we will either do so, or we will reimburse you for your liability as long as you properly use the Marks, including against claims of infringement or unfair competition arising out of your use of the Marks.

We may change the Marks and require you to adopt new marks as if they were part of the Franchise Agreement at the time you sign it. You must comply with these changes immediately after we notify you that we have discontinued, modified or changed one or more of the Marks. We will have no liability or obligation because of the discontinuation, modification or change.

ITEM 14
PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

There are no patents or pending patent applications that are material to the franchise. We claim copyright protection for our manuals, our curriculum and recipes, and to advertising and promotional materials, forms, and related materials that we produce, but we have not registered any of these materials with the Copyright Office of the Library of Congress. These materials are proprietary and confidential and are our property. You may use them only as long as you are a franchisee, and only as provided in your Franchise Agreement.

There are currently no effective determinations of the United States Copyright Office or any court regarding any of our copyrighted materials, nor are any proceedings pending, nor are there any currently effective agreements between us and third parties pertaining to our copyrighted materials that will or may significantly limit your use of our copyrighted materials. We are not aware of any infringing uses of these materials that could materially affect your use of these materials. We are not required by any agreement to protect or defend our copyrights.

We will be disclosing to you certain information we believe to be confidential or proprietary information and trade secrets, including our curriculum and recipes. This will be included in our manuals, and in materials we may separately provide you. You may use these materials, in the manner we approve, in the operation of your Center during the duration of your Franchise Agreement. However, you may not use these materials in any other way for your own benefit, or communicate or disclose them to, or use them for the benefit of, any other person or entity. These materials include all trade secrets, knowledge or know-how, confidential information, advertising, marketing, designs, plans, or methods of operation. You may disclose this information to your Director(s), Operations Manager, and teachers but only to the extent necessary to operate the Center, and then only while your Franchise Agreement is in effect. We also own and consider as our confidential information any data, such as client data, click-stream data, user data, hits or other information collected via any website or other electronic medium or social media or social networking site, or application, whether web-based or otherwise, that is related to the System or the Marks. You can use this data if we obtained it from you but only during the term of your Franchise Agreement and only to operate your Center.

You may not use our confidential information or Marks, or any aspect of the System including any of our trade dress, or information contained in our manuals for the purpose of machine learning, augmented human intelligence development, training any artificial intelligence (“AI”) model, algorithm improvement, or similar data aggregation activities. You may not input any of our confidential information, including any aspect of the System, or any information contained in the manuals into any generative AI platform, or disclose this information to any provider or source of generative AI services. You must opt out of allowing any provider or source of generative AI to utilize any of our confidential information, or any aspect of the System, including any of our trade dress or information contained in our manuals, for training of any AI model or for other purposes.

We may take photographs, videos and electronic records of your Center premises, vehicles and signage for use in any advertising or promotional material and in any medium we choose, without your notice or consent and we may use them as we see fit.

If you conceive or develop any improvements to the System, you must notify us, and we will own them. But we will authorize you to utilize any improvement authorized generally for use by other franchisees.

ITEM 15
OBLIGATION TO PARTICIPATE IN THE ACTUAL
OPERATION OF THE FRANCHISE BUSINESS

Development Agreement

You must develop Centers under the Development Agreement according to the Development Schedule. We prefer, but do not require, that you personally supervise the development of Centers under the Development Agreement. You must hire sufficient personnel to manage and supervise the development of Centers under the Development Agreement, who do not need to have an ownership interest in you or complete our Initial Training Program.

If you are a corporation, limited liability company, or partnership or you transfer your Development Agreement to a corporation, limited liability company, or partnership, you and any other owners (and your and their spouses) must sign a personal guaranty of all obligations under the Development Agreement.

We will grant the right to open Centers under the Development Agreement only to you or your affiliates that we approve, and subject to applicable local, state, and federal laws and regulations. The affiliate must generally be a corporation, limited liability company, or partnership, of which you or one or more of your majority owners owns at least 51% of the total authorized ownership interests, but only if you or the owner(s) also has the right to control the day-to-day management of the corporation, limited liability company, or partnership. Any Casa de Corazon franchise that we grant to you or your approved affiliate under the Development Agreement will be granted under our then-current Franchise Agreement, and the Center must be supervised and operated by Directors we approve (as provided below).

Franchise Agreement

You must participate personally, on a full-time basis, in the operation of your Center. You or if you are an entity, the entity or its majority owner, must be the license holder for the Center as required by applicable law. You must have two Directors operate the Center. Both Directors must have successfully completed our Initial Training Program and be licensed, if required by applicable law. The Directors need not have any ownership interest in your Center but must sign a confidentiality agreement that restricts him or her to the same extent as you are restricted under the Franchise Agreement. You can be one of these Directors. If you are not going to be involved in the Center on a full-time basis you must also have an Operations Manager who will oversee its operations. This individual must complete our Initial Training Program, is not required to have an ownership interest in your Center, but must sign a non-competition and confidentiality agreement that restricts the individual to the same extent you are restricted under the Franchise Agreement.

If you are a legal or business entity or you transfer your Franchise Agreement to a corporation, limited liability company or partnership, you and any other owners (and your and their spouses, if any) must sign a personal guaranty of all obligations under the Franchise Agreement. Additionally, your license holder must be one of your owners who owns at least majority control of the entity, if required by applicable state law.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer the services we specify, and you may not sell other products or services in your Center without our prior written approval. This means that we can limit the type of items that you may sell. We can also change the services and products we allow you to offer at any time. You must follow our policies, procedures, methods, and techniques and comply with all of our mandatory standards and specifications

when providing services through your Center. You must follow the curriculum we specify when providing educational services, you must use our recipes for the food you provide at your Center, and you may only use the food we specify at your Center. You must teach all classes in Spanish.

We do not restrict or limit the clients you may serve, and we expect you to market your business throughout a broad trade area. We can also implement pricing policies, such as minimum or maximum price policies, minimum advertised price policies and unilateral minimum price policies, and you must abide by these policies. You cannot operate other businesses from your Center.

**ITEM 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION**

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise, Development Agreement, or Other Agreements	Summary
a. Length of the franchise term	Franchise Agreement - Section 2(a) Development Agreement - Section 5	10 years. Expires on date when last Center under the Development Schedule opens, or should have opened, for business, or the Development Agreement is terminated (subject to applicable state law).
b. Renewal or extension of the term	Franchise Agreement - Section 2(b) Development Agreement - None	If you are in good standing and you meet our conditions, you can renew your franchise for an additional 10-year period. There are no renewal rights under the Development Agreement.
c. Requirements for franchisee to renew or extend	Franchise Agreement - Section 2(c) Development Agreement - None	Give written notice, sign new franchise agreement (which may contain materially different terms and conditions than your original Franchise Agreement); upgrade your Center and update your equipment to comply with then-current standards; provide us with evidence of property control; sign general release, subject to applicable state law; pay renewal fee. Not Applicable

Provision	Section in Franchise, Development Agreement, or Other Agreements	Summary
d. Termination by franchisee	Franchise Agreement - Section 21(f) Development Agreement - None	You may terminate on 10 days' notice to us, if you are in compliance with the Franchise Agreement and we materially breach the agreement and fail to cure the breach within 30 days after you give us notice of the breach. You may not terminate (subject to applicable state law).
e. Termination by franchisor without cause	Franchise Agreement - None Development Agreement - None	Not Applicable Not Applicable
f. Termination by franchisor with cause	Franchise Agreement - Section 21(a) Development Agreement - Section 7	We may terminate only if you default. We may terminate only if you default.
g. "Cause" defined – curable defaults	Franchise Agreement - Section 21(a) Development Agreement - None	Most defaults are curable and you will have 30 days to cure (10 days for monetary defaults). You have no right to cure defaults (subject to applicable state law).

Provision	Section in Franchise, Development Agreement, or Other Agreements	Summary
h. "Cause" defined – non-curable defaults	Franchise Agreement - Section 21(a)	You are liquidated or dissolved; fail to obtain our approval of a site for your Center within 180 days of the date of your Franchise Agreement, fail to open within 18 months of the date of your Franchise Agreement; abandon the business, lose the right to do business or to occupy the Center; lose a license required to operate the Center; unapproved transfers; you or any of your owners engage in fraudulent conduct or are convicted of, or plead guilty or no contest to, certain crimes; you maintain false books or records or submit any false or misleading application, statement or report to us; you misuse the Marks or materially impair the value of, or the goodwill associated with the Marks or the System; fail to successfully complete the Initial Training Program in a timely manner; withhold our access to any accounting or financial systems or data, revoke any electronic-funds transfer/direct debit authorization granted to us, or initiate any stop payment against us or our affiliates; default under your lease or sublease for the Center's premises, default under any loan, financing or other document related to you, your business or the Center, including the Center's premises; or fail to comply with any agreement with us or our affiliates which failure is not cured within 30 days of notice to you, and other stated non-curable defaults.
	Development Agreement - Section 7	Failure to meet Development Schedule; breach of any obligation under the Development Agreement; termination of any Franchise Agreement with you or your affiliate; an assignment for the benefit of creditors; any unauthorized assignment or transfer; conviction of an offense related to the Center; or submitting of any false or misleading application, statement, or report to us.
i. Franchisee's obligations on termination/non-renewal	Franchise Agreement - Section 21(c) Development Agreement - Section 7	Stop operating the business, stop using our names and the Marks, return information to us, assign to us or cancel certain registrations, listings, telephone numbers, websites and domain names, pay all amounts you owe us, and comply with our purchase option, including our right to assume the existing lease or sublease for the Franchised Center or enter into a lease. Your development rights cease, and your rights to use the System and Marks is limited to those Centers in development or in operation pursuant to effective franchise agreements.

Provision	Section in Franchise, Development Agreement, or Other Agreements	Summary
j. Assignment of contract by franchisor	Franchise Agreement - Section 18(a) Development Agreement - Section 4(a)	No restriction on our right to assign. No restriction on our right to assign.
k. "Transfer" by franchisee – defined	Franchise Agreement - Section 18(b) Development Agreement - Section 4(b)	Includes transfer of contract or business, or transfer of majority control of the Franchise Agreement or of the business. Not transferable.
l. Franchisor approval of transfer by franchisee	Franchise Agreement - Section 18(c) Development Agreement - Section 4(b)	We must approve all transfers, but will not withhold our consent if all of the requirements for the transfer are met. No transfers.
m. Conditions for franchisor approval of transfer	Franchise Agreement - Section 18(c) Development Agreement - Section 4(b)	Transferee must meet our requirements, including satisfying any licensure requirements imposed by applicable law and sign a new franchise agreement on our then current form for the remaining term of your Agreement. (The new agreement may provide for different fees or territory than in your Agreement, but we will not require the transferee to pay us a new initial franchise fee.) You must also pay a transfer fee and sign a release (subject to state law). You do not have the right to transfer the Development Agreement or any interest in it without our consent.
n. Franchisor's right of first refusal to acquire franchisee's business	Franchise Agreement - Section 19(a) Development Agreement - None	We can match any offer for your business or an interest in the business, including a sale between owners or between an owner and you, or for the property upon which the Center is located. Not Applicable

Provision	Section in Franchise, Development Agreement, or Other Agreements	Summary
o. Franchisor's option to purchase franchisee's business	Franchise Agreement - Sections 4 and 19(b) Development Agreement - None	We have the option to purchase or lease the assets used in your business after the Franchise Agreement ends, including the real estate. We also have the option to lease your Center's premises after the Franchise Agreement ends. Not Applicable
p. Franchisee's death or disability	Franchise Agreement - Section 18(c) Development Agreement - None	Your heirs can assume your rights, but if they do, they must meet the transfer requirements (subject to applicable state law). Not Applicable
q. Non-competition covenants during the term of the franchise	Franchise Agreement - Section 17(a) Development Agreement - Section 6(a)(1)	No involvement in a business that provides educational services to children of any age between the ages of 6 weeks and 5 years or that franchises or licenses this type of business, no diversion of a client to a competitor, may not interfere with the business activities of us, any of our affiliates or any of our franchisees. (Subject to applicable state law). No involvement in a business that provides educational services to children of any age between the ages of 6 weeks and 5 years or that franchises or licenses this type of business, no diversion of a client to a competitor, may not interfere with the business activities of us, any of our affiliates or any of our franchisees. (Subject to applicable state law).

Provision	Section in Franchise, Development Agreement, or Other Agreements	Summary
r. Non-competition covenants after the franchise is terminated or expires	Franchise Agreement - Section 17(a)	<p>For a period of 2 years, no involvement in any business that provides educational services to children of any age between the ages of 6 weeks and 5 years, and is located or doing business in your Designated Territory, a radius of 10 miles from the Designated Territory or a radius of 10 miles from any other Casa de Corazon Center. During this period, no involvement in a business that is offering or selling franchises or licenses for this type of a business and that is located in or doing business in the prohibited area above, or that is selling franchises or licenses for locations located in or to be located in the prohibited area above. During this period, you may not interfere with the business activities of us, any of our affiliates or any of our franchisees including diversion of any client to a competitor. (Subject to applicable state law).</p> <p>If there is no Designated Territory identified in the Franchise Agreement, the prohibited area means the “search area”, a radius of 10 miles from the search area, and a radius of 10 miles from any other Casa de Corazon Center. The search area is the area we grant you to search for a Center location (see Item 12). (Subject to applicable state law).</p>
	Development Agreement - Section 6(a)(2)	<p>For a period of 2 years, no involvement in any business that provides educational services to children of any age between the ages of 6 weeks and 5 years, and is located or doing business in the Development Territory. During this period, no involvement in a business that is offering or selling franchises or licenses for this type of a business and that is located in or doing business in the Development Territory, or that is located outside the Development Territory but is selling franchises or licenses for locations located in or to be located in the Development Territory. During this period, you may not interfere with the business activities of us, any of our affiliates or any of our franchisees including diversion of any client to a competitor. (Subject to applicable state law).</p>
s. Modification of the agreement	Franchise Agreement - Section 25(i) Development Agreement - Section 9(j)	<p>No modifications without consent by all parties, but our manuals are subject to change.</p> <p>No modifications without consent by all parties, but our manuals are subject to change.</p>

Provision	Section in Franchise, Development Agreement, or Other Agreements	Summary
t. Integration/merger clause	Franchise Agreement - Section 25(c) Development Agreement - Section 9(m)	Only the terms of the Franchise Agreement and other written agreements are binding (subject to applicable state law). Any representations or promises outside of this Disclosure Document and the Franchise Agreement may not be enforceable. Only terms of the Development Agreement and other written agreements are binding (subject to applicable state law). Any representation or promises made outside of this Disclosure Document and Development Agreement may not be enforceable. Notwithstanding the foregoing, nothing in any agreement is intended to disclaim the express representations made in this Disclosure Document, its exhibits, and amendments.
u. Dispute resolution by arbitration or mediation	Franchise Agreement - Section 22(b) Development Agreement - Section 9(d)	Except for certain disputes, all disputes must be mediated, and if not settled by mediation, are then subject to litigation (subject to applicable state law). Except for certain disputes, all disputes must be first mediated.
v. Choice of forum	Franchise Agreement - Section 22(b) and (e) Development Agreement - Section 7(d)	Mediation to be held in a metropolitan area with a population of at least 250,000 people that is not located within 200 miles of your Center or our principal office. In most cases, litigation must be brought in the state or federal courts located in Hennepin County, Minnesota, subject to applicable state law. Subject to applicable state law, mediation to be held in accordance with requirements of franchise agreement.
w. Choice of law	Franchise Agreement - Section 25(a) Development Agreement - Section 9(c)	Subject to applicable state law, Minnesota law generally applies. Subject to applicable state law, Minnesota law generally applies.

**ITEM 18
PUBLIC FIGURES**

We do not currently 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 Center you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about the possible performance at a particular location or under particular circumstances.

This Item 19 is broken into two sections. Section A provides historical Revenue information for the 12-month period ended December 31, 2025 for all of our affiliate-owned and franchised centers that were open and operating for the entire 12-month period ended December 31, 2025. Section B provides historical Revenue, expense, income and other information for the 12-month period ended December 31, 2025 for certain of our affiliate-owned and franchised centers as further explained in Section B.

A. 2025 REVENUE INFORMATION

As of December 31, 2025 there were ten Casa de Corazon Centers open and operating in the Casa de Corazon franchise system (four Affiliate owned centers and six franchised Centers). We have provided the total Revenue for eight of these Centers for the 12-month period ended December 31, 2025, which were all Centers open and operating for the entire 12-month period ended December 31, 2025. We excluded two franchised Centers that opened in 2025 because they were not opening and operating for the entire 12-month period ended December 31, 2025. No Casa de Corazon Centers closed in 2025.

	Affiliate Center 1	Affiliate Center 2	Affiliate Center 3¹	Affiliate Center 4	Franchised Center 1	Franchised Center 2	Franchised Center 3	Franchised Center 4¹
Year Opened	2010	2014	2018	2023	2019	2020	2023	2011
Tuition	\$2,693,260	\$3,540,802	\$2,800,093	\$2,346,055	\$2,668,402	\$2,941,710	\$2,090,390	\$2,669,129
Photography Rebates	\$322	\$626	\$0	\$0	\$222	\$368	\$289	\$180
Total Revenue	\$2,693,582	\$3,541,428	\$2,800,093	\$2,346,055	\$2,668,402	\$2,942,078	\$2,090,679	\$2,669,309

1. Affiliate Center 3 is owned by our affiliate but operated under a Management Agreement by a third-party franchisee. Franchised Center 4 opened in 2011 as an Affiliate Center and was sold to a franchisee in 2024.

All of the Centers are located in the Minneapolis/St. Paul metropolitan area, with the exception of one affiliate-owned center which is located in Rochester, Minnesota, and three of the franchised Centers, one of which is located in Madison, WI and the other two are located in the Milwaukee, WI metropolitan area. The Centers located in the heart of a metropolitan area have a higher population surrounding the Center.

B. 2025 STATEMENTS OF REVENUE, EXPENSES, INCOME AND OTHER INFORMATION

It takes 2-3 years for a Casa de Corazon center to reach maturity, meaning it takes 2-3 years for its expenses to normalize. We have provided statements of actual Revenues, expenses, income and other information for the 12-month period ended December 31, 2025 for the eight Centers in the Casa franchise system that were open as a Casa de Corazon center on or before December 31, 2023 and that operated as a Casa de

Corazon center for the entire 12-month period ended December 31, 2025. These Centers were the same Centers as those in Section A.

We have adjusted the actual results, as described in the notes to the statements, to omit costs incurred by the affiliate-owned Centers that a franchisee would not have incurred, and to add costs that we reasonably expect a franchisee would incur.

	Affiliate Center 1	Affiliate Center 2	Affiliate Center 3	Affiliate Center 4	Franchised Center 1	Franchised Center 2	Franchised Center 3	Franchised Center 4
Year Opened	2010	2014	2018	2023	2019	2020	2023	2011
Full-Time Student Equivalent Enrollment ¹	107	143	113	114	106	124	107	97
Occupancy Rate ²	94%	82%	83%	89%	90%	94%	77%	87%
Revenues								
Tuition	\$2,693,260	\$3,540,802	\$2,800,093	\$2,346,055	\$2,668,180	\$2,941,710	\$2,090,390	\$2,669,129
Photography Rebates	\$322	\$626	\$0	\$0	\$222	\$368	\$289	\$180
Total Revenues^{3,4}	\$2,693,582	\$3,541,428	\$2,800,093	\$2,346,055	\$2,668,402	\$2,942,078	\$2,090,679	\$2,669,309
Direct Expenses								
Educational and Childcare Expenses	\$25,419	\$25,945	\$20,216	\$19,785	\$35,666	\$24,317	\$19,104	\$18,809
Child Assessment Tools ⁵	\$3,190	\$3,443	\$4,761	\$2,935	\$2,029	\$2,025	\$2,565	\$2,920
CPR/First Aid Training	\$1,093	\$1,130	\$1,698	\$1,360	\$1,900	\$1,893	\$42	\$1,550
Field Trips and Activities	\$12,470	\$14,898	\$8,420	\$3,453	\$22,567	\$15,501	\$876	\$13,766
Furniture/Equipment	\$7,410	\$5,131	\$2,114	\$2,349	\$315	\$59	\$5,237	\$2
Food	\$85,152	\$105,596	\$69,948	\$74,255	\$92,682	\$80,204	\$53,994	\$69,043
Hiring/Training ⁶	\$5,464	\$7,411	\$4,929	\$12,529	\$17,290	\$9,931	\$3,252	\$3,540
Janitorial and Kitchen Supplies	\$15,849	\$20,698	\$10,733	\$14,972	\$21,572	\$12,770	\$3,940	\$9,925
Licenses & Permits	\$925	\$1,760	\$790	\$1,878	\$1,266	\$1,474	\$1,047	\$1,453
Staff Payroll, Benefits and Payroll Taxes ⁷	\$1,423,371	\$1,857,119	\$1,207,288	\$1,179,222	\$1,292,647	\$1,592,649	\$1,338,299	\$1,536,543
Payroll Processing	\$10,764	\$10,764	\$8,927	\$10,886	\$11,793	\$6,496	\$0	\$4,415
Uniforms	\$581	\$2,470	\$1,488	\$2,772	\$2,868	\$1,863	\$719	\$1,184

Total Direct Expenses	\$1,591,687	\$2,056,363	\$1,341,312	\$1,326,396	\$1,502,595	\$1,749,182	\$1,429,076	\$1,663,149
Gross Profit	\$1,101,895	\$1,485,064	\$1,458,781	\$1,019,659	\$1,165,806	\$1,192,896	\$661,603	\$1,006,160
Other Expenses								
Accounting ⁸	\$12,000	\$12,000	\$12,000	\$12,000	\$9,789	\$710	\$11,306	\$704
Computer, IT, Software & Website	\$21,892	\$24,395	\$15,274	\$26,107	\$2,451	\$5,036	\$6,154	\$1,021
Human Resources ⁹	\$1,000	\$1,000	\$1,000	\$1,000	\$0	\$0	\$0	\$0
Insurance	\$48,860	\$48,860	\$36,429	\$48,423	\$33,068	\$32,184	\$39,641	\$32,804
Legal & Professional ¹⁰	\$6,931	\$10,397	\$0	\$5,776	\$9,128	\$6,152	\$2,220	\$8,482
Brand Fund Contribution ¹¹	\$53,872	\$70,829	\$56,002	\$46,921	\$53,368	\$58,842	\$41,814	\$53,386
Marketing & Advertising ¹²	\$10,000	\$10,000	\$7,152	\$5,979	\$3,402	\$862	\$8,498	\$4,994
Royalty Fee ¹³	\$188,551	\$247,900	\$196,007	\$164,224	\$186,788	\$205,945	\$146,348	\$186,852
Technology Fee ¹⁴	\$8,050	\$8,050	\$8,050	\$8,050	\$8,050	\$8,050	\$8,050	\$8,050
Accreditation ¹⁵	\$0	\$900	\$0	\$0	\$0	\$900	\$0	\$750
Office Supplies	\$11,200	\$11,652	\$10,045	\$8,220	\$4,850	\$7,463	\$4,601	\$4,189
Rent and Property Taxes	\$204,221	\$333,583	\$408,474	\$339,177	\$281,423	\$223,138	\$0 ¹⁶	\$258,295
Repairs and Maintenance	\$45,409	\$70,284	\$39,879	\$16,904	\$32,140	\$50,957	\$14,227	\$14,565
Utilities ¹⁷	\$52,510	\$76,226	\$49,265	\$26,600	\$35,791	\$52,761	\$37,942	\$38,892
Miscellaneous ¹⁸	\$4,188	\$2,754	\$2,758	\$3,734	\$38,778	\$16,887	\$14,575	\$12,559
Total Other Expenses	\$668,684	\$928,830	\$842,334	\$713,115	\$699,025	\$669,885	\$335,374	\$652,542
Net Operating Income Before Depreciation, Interest, Debt Repayment and Income Taxes^{19, 20}	\$433,211	\$556,234	\$616,447	\$306,544	\$466,782	\$523,011	\$326,228	\$380,617

1. The Full-Time Student Equivalent Enrollment was calculated by adding the total number of students enrolled at a Center each day of the week for the last week of 2025 and dividing the total by five. This number was calculated as of December 31, 2025 for each Center. Students can be enrolled on a 2 day per week, 3 day per week, or full-time schedule and due to part-time enrollments, the total number of children enrolled may be greater than the number of children attending daily.

2. Occupancy Rate was determined as of December 31, 2025 by dividing the student enrollment number applicable to the Center by the Center's enrollment capacity, which is set by the Center's childcare license.

3. Revenues have the same meaning as the definition of Gross Revenues in the Franchise Agreement.
4. All of these Centers also received early childcare education grants in the amounts of \$208,035, \$258,144, \$49,294, \$179,624, \$145,724, \$156,279, \$149,081, and \$137,089 respectfully. However, because we did not charge Royalty Fees on these amounts, we have excluded them from the revenues above. All Centers also received early childcare education grants in 2025. A small portion of the grant income came from revitalization, recycling, and supply grants. These grants were also excluded. We also excluded from Revenue tuition discounts (such as a sibling discount) as Royalty Fees are not charged on them.
5. You must obtain these child assessments through our approved third-party vendor. Each Center will pay an initial fee in the year that they begin using the service.
6. All of the Centers incurred continuing education expenses in 2025. All of the Centers incurred the cost of hiring cultural visa exchange teachers except Affiliate Center 2, Affiliate Center 3, and Franchised Center 3.
7. With respect to the affiliate-owned Centers, the expense for Staff Payroll, Benefits and Payroll Taxes also includes staff gifts, staff meals during monitoring and evaluation, and staff parties. However, it does not include any headquarters payroll that we incurred. Thus, we did not include the salaries of our curriculum writer, event planner, recruiter, internal accountant, human relations director, marketing director, finance director or franchise development directors. You should not need any of these employees for one Center. We also excluded employee bonuses paid based on early childcare education grants. We also did not include our principal owner's salary. Our numbers do, however, include the salaries of 2 full-time Directors at each Center. If you had operated these Centers, and served as a Director and an Operations Manager and filled the other roles at the salary we pay our Directors, then your compensation would have been included in this number. If you had operated these Centers and did not serve as a Director or as the Operations Manager, then your compensation would not be included in these numbers and would have to come from the Center's Net Operating Income. Likewise, if you had hired others to provide operations, recruiting, bookkeeping and/or event planning services, your expenses would have been higher. The amounts incurred by the Franchised Centers include 2 full-time Directors for each Center. Franchised Center 1 had a full-time Operations Manager and HR administrator in 2025 who also performed services for another Franchised Center owned by the owners of Franchised Center 1. The wages for these two people were split between these two Franchised Centers and 50% of them are included in the staff payroll line for Franchised Center 1. In Franchise Center 2 and 4 an Operations Manager was hired and those wages are allocated to both centers. All eight Centers include 401(k) benefits (admin fees and match) but they exclude any 401(k) audit expenses.
8. Our affiliate's accounting expenses were higher than shown because it outsourced a controller and CFO due to more complex accounting issues and maintaining multiple locations. We have adjusted these fees to \$1,000 per month per Center, which is what we expect a franchisee would incur. Franchised Centers 2 and 4 do most of their bookkeeping and accounting work internally, resulting in the lower expense for these Franchised Centers in the chart above.
9. Because we have over 100 employees in our headquarters and our affiliate-owned Centers, we employ a full-time human resource specialist that we would not have had if we were operating only one Center. In lieu of including these expenses, we allocated \$1,000 to human resource consulting for each affiliate-owned Center. Our franchise Centers did not incur this expense.
10. Our affiliate-owned Centers' total legal and professional expenses were from expenses for employee matters, immigration matters, and international teaching program matters. We excluded expenses for commercial property appraisals, software development, actual and proposed sales of centers, employment agreements and updating our employee handbook. Otherwise, the amounts for our affiliate-owned Centers are the actual amounts expended by these Centers.
11. You must make a 2% contribution to the Brand Fund. The amounts above are actual amounts paid for the period ending December 31, 2025, as adjusted based upon actual revenue.
12. The Franchise Agreement requires each franchised Center to spend a minimum of \$10,000 per year on Marketing, Advertising and Promotional Materials. In addition to direct advertising and marketing expenditures, franchisees may also apply toward this requirement amounts spent on promotional materials, sponsorships, charitable contributions, and referral discounts offered to Brand Ambassadors and enrolled families. The amounts shown above reflect actual amounts spent. Where the amount shown is less than \$10,000, it is because the remainder of the required spend was applied to items not directly categorized under marketing, such as the promotional materials, sponsorships, charitable contributions, and referral discounts described above and those amounts are reflected elsewhere in the chart. Because these Centers were not newly opened, they did not incur the separate minimum \$10,000 grand opening advertising expenditure we require, and we have not included it above.
13. Although our affiliate-owned Centers do not pay a Royalty Fee we have used a 7% Royalty Fee for those Centers as that is the Royalty Fee you must pay under the Franchise Agreement. The amounts above for the franchise-Centers are actual amounts paid for the period ending December 31, 2025, as adjusted based upon actual revenue.

14. As the Technology Fee is required to be paid under the Franchise Agreement we have included it for all of the Centers.
15. You must apply for and renew NAEYC + accreditation and state accreditation. The charge for the NAEYC + accreditation is based on the number of children in the Center. The initial accreditation charge is approximately \$2,000. Centers only pay for accreditation at one of their Centers, if multiple Centers are owned. The Centers are not required to pay a fee for the state accreditation as Minnesota does not charge a fee for this process. Depending upon the state you are located in, there may be a charge for this accreditation.
16. This Center is owned by the Franchisee so it does not incur lease costs, and based on its operations it does not pay property taxes. The other Centers incur lease costs because they are either leasing the Center from a third-party landlord or from an affiliate, and certain of these Centers pay property or similar taxes while others have had them abated.
17. This includes telephones (landlines and mobile units), Internet, electric, gas, water, waste removal and alarm service.
18. This includes miscellaneous general and administrative expenses, including tuition processing fees, postage, sales and use taxes, child/family gifts, charitable contributions, subscriptions and travel costs. It also includes bank charges, which we estimated at \$80 per month per Center. Our affiliate's bank charges were higher because it had charges related to the operation of multiple Centers that one Center would not have.
19. We did not include any income or expense for depreciation, amortization, interest, or the repayment of debt from these Centers. Depreciation and amortization expense will depend upon tax decisions made by the owner of the Center. The amount of interest expense, and the cost of repaying debt would depend on how the Center was capitalized.
20. These amounts do not include state or federal income taxes, as those expenses would vary, depending on the other taxable income and expenses that entity may have.

Notes Applicable to this entire Item 19

Some outlets have achieved these revenues and earned these amounts. Your individual results may differ. There is no assurance you'll achieve these revenues or earn as much.

All amounts were rounded to the nearest dollar and percentages to the nearest whole percent.

These figures were prepared without an audit. Prospective franchisees should be advised that no certified public accountant has audited these figures or expressed his/her opinion with regard to the content or form.

Written substantiation for the financial performance representations made in this Item 19 will be made available to you upon request.

Other than as set forth above, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchise Centers. 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 Center, however, we may provide you with the actual records of that Center. 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 our Director of Franchise Development, at 6301 Wayzata Blvd, St. Louis Park, MN 55416, telephone (612) 790-9673, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20
OUTLETS AND FRANCHISEE INFORMATION**

Numbers in the Tables below are as of December 31 of the applicable year.

Table No. 1
Systemwide Outlet Summary
For Years 2023-2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	3	3	0
	2024	3	4	1
	2025	4	6	+2
Company-Owned ¹	2023	3	5	+2
	2024	5	4 ²	-1
	2025	4	4	4
Total Outlets	2023	6	8	+2
	2024	8	8	0
	2025	8	10	+2

1. These outlets are owned by our affiliate.
2. Affiliate-owned Center was sold to a franchisee.

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2023-2025¹

State	Year	Number of Transfers
All States	2023	0
	2024	0
	2025	0
Totals	2023	0
	2024	0
	2025	0

1. Does not include transfers where beneficial ownership of less than 50% of the franchise did not change, circumstances where an individual transfers to an entity the individual owns or transfers to heirs.

Table No. 3
Status of Franchised Outlets
For Years 2023-2025

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Minnesota	2023	2	0	1	0	1 ¹	0	1
	2024	1	1	0	0	0	0	2
	2025	2	1	0	0	0	0	3
Wisconsin	2023	1	1	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	1	0	0	0	0	3
Totals	2023	3	1	1	0	1 ¹	0	3
	2024	3	1	0	0	0	0	4
	2025	4	2	0	0	0	0	6

1. This Center’s Franchise Agreement was terminated and this Center was subsequently reacquired by our affiliate.

Table No. 4
Status of Company-Owned Outlets
For Years 2023-2025¹

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Minnesota	2023	3	1	1	0	0	5
	2024	5	0	0	0	1	4
	2025	4	0	0	0	0	4
Totals	2023	3	1	1	0	0	5
	2024	5	0	0	0	1	4
	2025	4	0	0	0	0	4

1. These outlets are owned by our affiliate.

Table No. 5
Projected Openings as of
December 31, 2025*

State	Franchise Agreements Signed as of December 31, 2025, But Outlet Not Opened	Projected New Franchised Outlets in 2026	Projected New Company-Owned Outlets in 2026
Minnesota	2	1	0
Wisconsin	1	0	0
Total	3	1	0

* We are looking for prospective franchisees throughout the United States, and cannot know in advance where we might find prospects. Therefore, any projection of this nature is very speculative. We will add franchises wherever we find qualified prospects.

Listed on Exhibit D are the names, addresses and telephone numbers of all of our franchisees as of the close of our fiscal year ended December 31, 2025. Our centers owned by our affiliates are also listed on Exhibit D. We have also listed on Exhibit D the franchisees who have had a Franchise Agreement terminated, canceled, not renewed, or who otherwise voluntarily or involuntarily, ceased to do business under the Franchise Agreement during the fiscal year ended December 31, 2025, or who had not communicated with us within 10 weeks of the issuance date of this Franchise Disclosure Document. There are no franchisees listed on Exhibit D.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience in the Casa de Corazon franchise program. You may wish to speak with current and former franchisees but be aware that not all of such franchisees will be able to communicate with you.

We have not created, sponsored, or endorsed any franchise organization and no independent franchisee organization has asked to be included in this Disclosure Document.

ITEM 21
FINANCIAL STATEMENTS

Attached to this Franchise Disclosure Document at Exhibit E is a copy of our audited financial statements as of December 31, 2025, 2024 and 2023. We have also included at Exhibit E a copy of our unaudited financial statements as of February 28, 2026. THE FINANCIAL STATEMENTS AS OF FEBRUARY 28, 2026 ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENTS AND FORM.

ITEM 22
CONTRACTS

Attached to this Disclosure Document as Exhibit A are state specific addenda to the Disclosure Document. Attached as Exhibit F is a copy of the form Casa de Corazon Franchise Agreement, state specific addenda to the Franchise Agreement, if any, form of a Guaranty to be signed by shareholders of a corporate

franchisee, members of a limited liability company franchisee (and their spouses), or partners of a partnership franchisee (and their spouses), as a condition to your transfer of the Franchise Agreement to a corporation, limited liability company or partnership, a Statement of Ownership and Management, Lease Rider, and a Declaration of Restrictions, Notice of Option. Also attached is a form of a transfer form if you want to sell, assign or transfer your Franchise Agreement to a corporation, limited liability company, or partnership you own and an example of a release you must sign if you want to sell, assign or transfer your Franchise Agreement to an unrelated third party or to an entity or partnership you do not own or control.

Attached as Exhibit G is a copy of the form Casa de Corazon Development Agreement, state specific addenda to the Development Agreement, if any, a Statement of Ownership and Management and form of a Guaranty to be signed by shareholders of a corporate developer, members of a limited liability company developer (and their spouses), or partners of a partnership developer (and their spouses), as a condition to your transfer of the Development Agreement to a corporation, limited liability company or partnership. Attached as Exhibit I is a Franchisee Questionnaire you must complete at the time you purchase a franchise.

ITEM 23 RECEIPTS

The last 2 pages of this Disclosure Document are detachable documents acknowledging receipt of this Disclosure Document. Please sign both receipt pages and return one to us.

EXHIBIT A

STATE SPECIFIC ADDENDA TO DISCLOSURE DOCUMENT

ADDENDUM TO DISCLOSURE DOCUMENT
FOR THE STATE OF ILLINOIS

Notwithstanding anything to the contrary in the Casa Franchising, LLC Franchise Disclosure Document, the following provisions shall supersede any inconsistent provisions and apply to all Casa de Corazon franchises offered and sold in the state of Illinois:

1. By reading this disclosure document, you are not agreeing to, acknowledging, or making any representations whatsoever to the Franchisor and its affiliates.
2. Illinois law governs the Franchise Agreement.
3. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
4. Your rights upon Termination and Non-Renewal of an agreement are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.
5. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act **or any other law of Illinois** is void. This Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.
6. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
7. Item 7, Note 19 is hereby deleted in its entirety.
8. The following sentence is hereby deleted from Item 11 (Initial Training):

“The Initial Training Program along with the training discussed below are for the purpose of protecting the goodwill related to the Casa de Corazon franchise system and the Marks and not to control the day-to-day operation of your Center.”
9. The following paragraph is hereby deleted from Item 11 (Site Selection and Opening):

“You may not open your Center until: (1) we notify you in writing that all of your pre-opening obligations have been fulfilled; (2) you and your Director(s) and Operations Manager, if required, have completed our Initial Training Program to our satisfaction and you certify that you have provided all of your employees with the training we require; (3)

you have furnished us with copies of all insurance policies and certificates required by the Franchise Agreement, or other documentation of insurance coverage and payment of premiums we request; (4) you notify us that all approvals and conditions in the Franchise Agreement have been met; and (5) you have obtained all required permits and licenses, including those required by the licensing agency having jurisdiction over the Center. If an individual is required to be the license holder you must be that individual. If you are an entity the license holder may be the entity or your majority owner, subject to compliance with state law.”

10. Each provision of this addendum to the FDD shall be effective only to the extent that with respect to such provision, the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to this addendum.

ADDENDUM TO DISCLOSURE DOCUMENT
FOR THE STATE OF MINNESOTA

Notwithstanding anything to the contrary set forth in the Casa de Corazon Disclosure Document, the following provisions shall supersede any inconsistent provisions and apply to all Casa de Corazon franchises offered and sold in the state of Minnesota.

This Minnesota Addendum is only applicable if you are a resident of Minnesota or if your business will be located in Minnesota.

1. **THIS FRANCHISE HAS BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.**
2. **THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.**
3. Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
4. With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

5. To the extent required by the Minnesota Franchise Act, the franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols related to the trademarks or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the trademarks, provided the franchisee is using the names in marks in accordance with the Franchise Agreement.
6. Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
7. NSF checks are governed by Minnesota Statute Section 604.113, which puts a limit of \$30 on service charges.
8. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
9. Each provision of this addendum to the Disclosure Document shall be effective only to the extent that with respect to such provision, the jurisdictional requirements of Minnesota Statutes, Chapter 80C are met independently without reference to this Addendum.

ADDENDUM TO DISCLOSURE DOCUMENT
FOR THE STATE OF WISCONSIN

Notwithstanding anything to the contrary set forth in the Casa de Corazon Disclosure Document, the following provisions shall supersede any inconsistent provisions and apply to all Casa de Corazon franchises offered and sold in the state of Wisconsin.

This Wisconsin Addendum is only applicable if you are a resident of Wisconsin or if your business will be located in Wisconsin.

“The Wisconsin Fair Dealership Law applies to most franchise agreements in the state and prohibits termination, cancellation, non-renewal or substantial change in competitive circumstances of a dealership agreement without good cause. The law further provides that 90 days prior written notice of the proposed termination, etc. must be given to the dealer. The dealer has 60 days to cure the deficiency and if the deficiency is so cured the notice is void. The Disclosure Document and Franchise Agreement are hereby modified to state that the Wisconsin Fair Dealership Law, to the extent applicable, supersedes any provision of the Franchise Agreement that is inconsistent with Wis.Stat.Ch.135, the Wisconsin Fair Dealership Law, § 32.06(3), Wis. Code.”

Each provision of this addendum to the Disclosure Document shall be effective only to the extent that with respect to such provision, the jurisdictional requirements of the Wisconsin Fair Dealership Law are met independently without reference to this addendum.

EXHIBIT B

LIST OF STATE AGENCIES AND AGENTS FOR SERVICE OF PROCESS

EXHIBIT B**LIST OF STATE ADMINISTRATORS AND
AGENTS FOR SERVICE OF PROCESS**

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
CALIFORNIA	Department of Financial Protection and Innovation 651 Bannan Street, Suite 300 Sacramento, CA 95811 866-275-2677 (toll free) Ask.DFPI@dfpi.ca.gov (email)	Commissioner of Financial Protection and Innovation 651 Bannan Street, Suite 300 Sacramento, CA 95811
CONNECTICUT	Securities and Business Investment Division Connecticut Department of Banking 260 Constitution Plaza Hartford, CT 06103 860-240-8299	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 Securities Compliance Branch 335 Merchant Street, Room 205 Honolulu, HI 96813 808-586-2744	Commissioner of Securities Same Address
ILLINOIS	Franchise Division Office of the Attorney General 500 South Second Street Springfield, IL 62701 217-782-4465	Illinois Attorney General Same Address
INDIANA	Indiana Secretary of State Securities Division 302 West Washington Street, Room E 111 Indianapolis, IN 46204 317-232-6681	Securities Commissioner 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

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
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 Maryland Division of Securities 200 St. Paul Place Baltimore, MD 21202 410-576-6360	Maryland Securities Commissioner Same Address
MICHIGAN	Michigan Department of Attorney General Corporate Oversight Division Franchise Section G. Mennen Williams Building, 5th Floor 525 W. Ottawa Street Lansing, MI 48913 517-373-7567	Michigan Department of Commerce Corporate Oversight Division Same Address
MINNESOTA	Minnesota Department of Commerce Registration and Licensing Division 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 651-539-1638	Minnesota Commissioner of Commerce Same Address
NEBRASKA	Department of Banking and Finance 1526 K Street, Suite 300 Lincoln, NE 68508 P.O. Box 95006 Lincoln, Nebraska 68509-5006 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 Street, 21st Floor New York, NY 10005 212-416-8222	New York Secretary of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, New York 12231-0001 518-473-2492

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
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, Dept. 401 Bismarck, ND 58505 701-328-2910	Insurance Commissioner
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
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	Rhode Island Department of Business Regulation Securities Division John O. Pastore Center – Building 68-2 1511 Pontiac Avenue 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 & Regulation Division of Insurance Securities Regulations 124 S. Euclid, Suite 104 Pierre, SD 57501 605-773-3563	Director of 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

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
UTAH	Utah Department of Commerce Consumer Protection Division 160 East 300 South (P.O. Box 45804) Salt Lake City, UT 84145-0804 801-530-6601	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 1300 East Main Street, 1st Floor Richmond, Virginia 23219
WASHINGTON	Department of Financial Institutions Securities Division PO Box 41200 Olympia, WA 98504-1200 360-902-8760	Director, Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, WA 98501 360-902-8700
WISCONSIN	Wisconsin Dept. of Financial Institutions Division of Securities 4822 Madison Yards Way, North Tower Madison, WI 53705 608-266-9555	Administrator, Division of Securities Department of Financial Institutions Same Address

EXHIBIT C

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EXHIBIT D

**LIST OF OUTLETS/FORMER FRANCHISEES
as of December 31, 2025**

FRANCHISEE AND AFFILIATE OWNED CENTERS AS OF DECEMBER 31, 2025

FRANCHISEES:

State	Address
Minnesota	Bilingual Babies, LLC 5101 France Avenue S Minneapolis, MN 55410 (612) 886-2453
	Little Hearts Learning, LLC* 220 1 st Avenue NE Minneapolis, MN 55413 (612) 200-9354
	Uhane Lani, LLC* 18390 58th Ave N Plymouth, Minnesota, 55446 (716) 390-9820
	Bilingual Babies, LLC 770 Howell Street South St. Paul, MN 55116 (651) 456-8608
	Dreams Balandra, LLC 7805 Hudson Rd STE 100 Woodbury, MN 55125 (612) 464-0496
Wisconsin	Olivia, Inc. 4600 North Port Washington Road Glendale, WI 53212 (414) 212-8869
	Tuskerz, Inc. 6 Odana Court Madison, WI 53705 (608) 690-3590
	For Tosh, LLC* 2671 N Wahl Ave Milwaukee, WI 53211 (262) 844-7109
	Olivia, Inc. 4114 N Oakland Ave Shorewood, WI 53211 (414) 436-9227

*Franchise Agreement signed but Outlet not open as of the issuance date of this Disclosure Document.

AFFILIATE OWNED CENTERS:

State	Address
	4000 West 76 th Street, Suite 300 Edina, MN 55435 (952) 846-8656
	8351 Elm Creek Boulevard N. Maple Grove, MN 55369 (763) 416-3992
	3928 Nicollet Avenue Minneapolis, MN 55409 (612) 824-7831
	970 34 th Avenue, NW Rochester, MN 55901 (507) 735-6532

FORMER FRANCHISEES WHO HAD A FRANCHISE AGREEMENT TERMINATED, CANCELED, NOT RENEWED, OR WHO OTHERWISE VOLUNTARILY OR INVOLUNTARILY CEASED TO DO BUSINESS UNDER THEIR FRANCHISE AGREEMENT DURING THE FISCAL YEAR ENDED DECEMBER 31, 2025, OR WHO HAS NOT COMMUNICATED WITH US WITHIN 10 WEEKS OF THE ISSUANCE DATE OF THIS FRANCHISE DISCLOSURE DOCUMENT:

None.

EXHIBIT E

FINANCIAL STATEMENTS

THE FINANCIAL STATEMENTS AS OF, AND FOR THE PERIOD ENDED, FEBRUARY 28, 2026 ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED AN OPINION WITH REGARD TO THE CONTENT OR FORM.

Casa Franchising, LLC
Balance Sheet
As of February 28, 2026

	Total
ASSETS	
Current Assets	
Bank Accounts	321,864.47
Accounts Receivable	225,189.06
Other Current Assets	59,939.44
Total Current Assets	606,992.97
Other Assets	254,051.72
TOTAL ASSETS	861,044.69
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	163,650.74
Long-Term Liabilities	311,854.51
Total Liabilities	475,505.25
Equity	385,539.44
TOTAL LIABILITIES AND EQUITY	861,044.69

Casa Franchising, LLC
Profit and Loss
January - February, 2026

	Total
Income	293,195.42
Cost of Goods Sold	4,321.55
Gross Profit	288,873.87
Expenses	
Accounting	813.45
Advertising & Marketing	44,942.25
Brand Refresh	23,463.75
Commissions & Referrals	295.80
Computer, IT, Software, & Technology	22,395.02
Events	2,407.67
Franchisee Training	2,075.03
HQ Overhead Allocation	15,458.24
Insurance	4,256.76
Legal & Professional	8,554.75
Management Fees	146,979.90
Meals - 50%	300.21
Office Supplies	7.53
Professional Development	7,528.50
Prospecting	927.00
Travel	3,340.59
Total Expenses	283,746.45
Net Operating Income	5,127.42
Other Income	3,281.65
Other Expenses	-
Net Other Income	3,281.65
Net Income	8,409.07



TDHCD

CPAs & Advisors

**Casa Franchising, LLC
Financial Statements
Years Ended
December 31, 2025, 2024, and 2023**



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STEPHEN D. HELLE, CPA
MICHAEL J. CONDON, CPA
RACHEL A. PETERS, CPA, CFE
JOSEPH T. BERNDT, CPA

INDEPENDENT AUDITOR'S REPORT

To the Member and Board of Directors
Casa Franchising, LLC
St. Louis Park 1, Minnesota

Opinion

We have audited the accompanying financial statements of Casa Franchising, LLC (a Minnesota single member Limited Liability Company) which comprise the Balance Sheets as of December 31, 2025, 2024, and 2023 and the related Statements of Income (Loss) and 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 Casa Franchising, 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 Casa Franchising, LLC 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 Casa Franchising, LLC'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 Responsibility 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 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 Casa Franchising, LLC'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 Casa Franchising, LLC'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.

TDHCD, Inc.

Minneapolis, MN
March 20, 2026

FINANCIAL STATEMENTS

Casa Franchising, LLC
Balance Sheets

3

	December 31		
	2025	2024	2023
Assets			
Current assets			
Cash	\$ 306,011	\$ 95,815	\$ 79,747
Accounts receivable, net	217,425	181,020	178,733
Note receivable - current portion	11,724	-	-
Prepaid expenses	25,640	48,534	15,987
Prepaid commissions	15,566	9,243	-
Due from related party	-	6,400	-
Total current assets	576,366	341,012	274,467
Other assets			
Note receivable	239,494	233,120	214,188
Total other assets	239,494	233,120	214,188
Total assets	\$ 815,860	\$ 574,132	\$ 488,655
Liabilities and Member's Equity			
Current liabilities			
Accounts payable	\$ 99,938	\$ 67,619	\$ 136,762
Deferred revenue - brand fund fees	21,978	-	-
Deferred revenue - franchise fees	37,672	130,314	119,931
Due to related party	-	-	160,000
Total current liabilities	159,588	197,933	416,693
Long-term liabilities, less current maturities			
Deferred revenue - franchise fees	277,053	57,673	22,803
Total long-term liabilities	277,053	57,673	22,803
Total liabilities	436,641	255,606	439,496
Member's equity	379,219	318,526	49,159
Total liabilities and member's equity	\$ 815,860	\$ 574,132	\$ 488,655

See Notes to Financial Statements

Casa Franchising, LLC
Statements of Income (Loss) and Member's Equity

4

	Years Ended December 31					
	2025		2024		2023	
	Amount	Percent	Amount	Percent	Amount	Percent
Revenues						
Franchise fees	\$ 83,262	5.0 %	\$ 24,747	2.1 %	\$ 69,111	8.3 %
Brand fund fees	462,460	27.6	386,181	32.9	316,551	38.0
Royalty fees	1,091,917	65.1	747,189	63.7	434,181	52.2
Technology fees	30,495	1.8	10,000	.9	-	-
Training and other fees	8,866	.5	4,678	.4	12,368	1.5
Total revenues	1,677,000	100.0	1,172,795	100.0	832,211	100.0
Cost of goods sold						
Franchise curriculum	31,129	2.0	13,053	1.1	38,869	4.7
Total cost of goods sold	31,129	2.0	13,053	1.1	38,869	4.7
Gross profit	1,645,871	98.0	1,159,742	98.9	793,342	95.3
Operating expenses						
Bank charges	607	-	70	-	25	-
Credit loss expense	-	-	-	-	9,728	1.2
Office supplies	1,588	.1	1,061	.1	1,004	.1
Meals	-	-	76	-	-	-
Dues and memberships	600	-	600	-	-	-
Insurance	24,855	1.5	22,169	1.9	19,165	2.3
Advertising	340,524	20.3	276,136	23.5	264,633	31.8
Background checks	3,626	.2	6,766	.6	8,695	1.0
Business development	-	-	9,000	.8	12,140	1.5
Technology fees	90,899	5.4	77,393	6.6	74,280	8.9
Training	3,582	.2	6,030	.5	8,728	1.0
Commissions	4,677	.3	2,007	.2	-	-
Travel	24,156	1.5	20,539	1.8	16,096	1.9
Miscellaneous	72,406	4.3	32,548	2.8	16,913	2.0
Management fees	820,371	48.9	422,097	36.0	325,909	39.2
Corporate overhead allocation	81,424	4.9	38,744	3.3	-	-
Consulting and professional fees	136,265	8.1	61,552	5.2	188,865	22.7
Total operating expenses	1,605,580	95.7	976,788	83.3	946,181	113.6
Income (loss) from operations	40,291	2.3	182,954	15.6	(152,839)	(18.3)
Other income (expense)						
Rewards income	2,371	.1	2,481	.2	2,704	.3
Interest income	18,098	1.1	18,932	1.6	14,188	1.7
Total other income (expense)	20,469	1.2	21,413	1.8	16,892	2.0
Net income (loss)	60,760	3.5 %	204,367	17.4 %	(135,947)	(16.3) %
Member's equity						
Beginning of year	318,526		49,159		164,697	
Capital contributions	-		65,000		20,409	
Distributions	(67)		-		-	
End of year	\$ 379,219		\$ 318,526		\$ 49,159	

See Notes to Financial Statements

Casa Franchising, LLC
Statements of Cash Flows

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	Years Ended December 31,		
	2025	2024	2023
Cash flows from operating activities			
Net income (loss)	\$ 60,760	\$ 204,367	\$ (135,947)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities			
Credit loss expense	-	-	9,728
Accrued interest on note receivable	(18,098)	(18,932)	(14,188)
Changes in operating assets and liabilities			
(Increase) decrease in:			
Accounts receivable	(36,405)	(2,287)	(77,375)
Prepaid expenses	22,894	(32,547)	1,128
Prepaid commissions	(6,323)	(9,243)	-
Increase (decrease) in:			
Accounts payable	32,319	(69,143)	41,869
Deferred revenue - brand fund fees	21,978	-	-
Deferred revenue - franchise fees	126,738	45,253	70,889
Net cash provided (used) by operating activities	203,863	117,468	(103,896)
Cash flows from investing activities			
Note receivable advance	-	-	(200,000)
Net advances (payments) on due from related party	6,400	(6,400)	4,199
Net cash provided (used) by investing activities	6,400	(6,400)	(195,801)
Cash flows from financing activities			
Member capital contributions	-	65,000	20,409
Member distributions	(67)	-	-
Proceeds (payments) from due to related party - net	-	(160,000)	160,000
Net cash provided (used) by financing activities	(67)	(95,000)	180,409
Net increase (decrease) in cash	210,196	16,068	(119,288)
Cash			
Beginning of year	95,815	79,747	199,035
End of year	\$ 306,011	\$ 95,815	\$ 79,747

See Notes to Financial Statements

Casa Franchising, LLC
Notes to Financial Statements
December 31, 2025, 2024, and 2023

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

Business description

Casa Franchising, LLC (the Company), located in St. Louis Park, Minnesota, is a Minnesota limited liability company formed on June 20, 2016. The Company offers franchises for the establishment, development, and operation of Spanish immersion intercultural early childhood learning centers that provide educational programs to children between six weeks and five years of age. These centers are operated under the Casa de Corazon® service mark and logo.

Basis of presentation

The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) as codified by the Financial Accounting Standards Board (FASB).

Franchising

The Company executes franchise agreements that set the terms of its arrangement with each franchisee. The agreements cover a ten-year period. The franchise agreements require the franchisee to pay an initial, non-refundable fee of \$70,000. Each franchisee is required to pay a monthly royalty fee of 7% of monthly gross revenue. Each franchisee is also required to pay a monthly brand fund fee of 2% of monthly gross revenue and a monthly technology fee of \$705. The monthly royalty fees and the monthly brand fund fees become due following the first full month after the commencement of operations. Subject to the Company's approval and payment of a renewal fee totaling \$7,500, a franchisee may generally renew its agreement upon its expiration subject to satisfaction of certain conditions. Direct costs of sales and servicing of franchise agreements are charged to operating expenses as incurred.

Revenue recognition

The Company accounts for revenue in accordance with FASB Accounting Standards Update (ASU) No. 2019-09, *Revenue from contracts with Customers (Topic 606)*, implemented from inception.

Performance obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the client and is the unit of accounting in Topic 606. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. For contracts with multiple performance obligations, the Company allocates the contract's transaction price to each performance obligation based on the relative standalone selling price. The primary method used to estimate standalone selling price is the expected cost plus a margin approach, under which the Company forecasts their expected costs of satisfying a performance obligation and then add an appropriate margin for that distinct good or service based on margins for similar services sold on a standalone basis. While determining relative standalone selling price and identifying separate performance obligations require judgment, generally relative standalone selling prices and the separate performance obligations are readily identifiable as the Company sells those performance obligations unaccompanied by other performance obligations.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Franchise revenue

Franchise revenues consist of the initial franchise fees and renewal fees. The Company has identified the following performance obligations in connection with the initial franchise fees:

1. Intellectual property license
2. Commission or referral bonus
3. Site selection
4. Curriculum materials
5. Background checks
6. Training
7. Pre-opening services includes providing services (e.g. advertising, budgeting, grand opening, and a food board) to the franchisee to assist in opening and operating for the first three to four months.

Each of the identified performance obligations is considered to be a series of distinct services transferred over time. While the underlying activities may vary from day to day, the nature of the commitments are the same each day, and the franchisee can independently benefit from each day's services.

Under Topic 606, the intellectual property license portion of the initial and renewal fees, and renewal fees are recognized as revenue on a straight-line basis over the term of the respective franchise agreement. Under the previous standard, initial franchise and renewal fees were recognized as revenue when the Company has provided substantially all significant services, which is generally when the location begins operations. Consideration received in advance of performing all significant services is included in deferred revenue and recorded as a liability.

Revenue from brand fund fees is deferred and classified as a liability until earned. Brand fund fees are computed as a percentage of gross revenue earned by the franchisee.

Revenue from royalties is recognized in the period in which the franchisee earns the revenue upon which this fee is based. Royalties are computed as a percentage of gross revenue earned by the franchisee.

Revenue from technology fees is recognized monthly on a straight-line basis over the period the services are provided.

Training fee revenue is considered a separate performance obligation from the franchise fees and is recognized after completion of the training services.

Revenue from product sales is recognized in the period in which the sale is made.

Incremental costs of obtaining a contract

The Company capitalizes direct and incremental costs, principally consisting of commissions, associated with the sale of franchises and amortizes them over the term of the franchise agreement.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and such differences could be material.

Cash and cash equivalents

For purposes of the Statements of Cash Flows, the Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. The Company did not hold any cash equivalents at December 31, 2025, 2024, and 2023.

The Company may be subject to credit risk to its cash and cash equivalent investments, which are placed with high credit-quality financial institutions. From time to time, the Company may have amounts on deposit in excess of FDIC limits. Management believes the Company is not exposed to any significant credit risk on cash. The Company has not experienced any losses from these accounts.

Accounts receivable and allowance for credit losses

Accounts receivable evolve in the normal course of business. It is the policy of management to review the outstanding receivable balance at year end, as well as the credit losses experienced in the past, and establish an allowance for credit losses for amounts deemed uncollectible. The Company believes an allowance for credit losses was necessary at December 31, 2025, 2024, and 2023. Normal accounts receivable are due net 30 days from the invoice date. Extended terms may be offered on a per customer basis. The Company accrues interest on past due accounts based on terms on a per contract basis.

Accounts receivable consists of the following:

	December 31			January 1,
	2025	2024	2023	2023
Accounts receivable, net	\$ 217,425	\$ 181,020	\$ 178,733	\$ 111,086

Income taxes

The Company, with the consent of its member, has elected under the Internal Revenue Code to be an S corporation effective January 1, 2022. In lieu of corporation income taxes, the member is taxed on the Company's taxable income or losses. Therefore, these statements do not include any provision for corporation income taxes, refunds, or deferred income taxes. For state tax purposes the member is taxed on the proportionate share of the Company's taxable income.

Uncertain tax positions

Management has determined that the Company does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Company's tax filings will not be challenged by the taxing authorities and that the Company or its member will not be subject to additional tax, penalties, and interest as a result of such challenge.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

Uncertain tax positions (continued)

Generally, the Company's tax filings remain open for three years. The Company has adopted the policy of expensing any interest or penalties related to uncertain tax positions in other expense on the Statements of Income (Loss) and Member's Equity. For the years ended December 31, 2025, 2024, and 2023, there were no such interest or penalty expenses.

Advertising costs

Advertising and marketing costs are generally charged to operations in the year incurred and amounted to \$340,524, \$276,136, and \$264,633 for the years ended December 31, 2025, 2024, and 2023, respectively.

Financial instruments

The financial instruments of the Company consist of accounts receivable, due from related party, note receivable, accounts payable, deferred revenue, and due to related party. It is management's opinion that the Company is not exposed to significant interest rate or credit risks arising from these instruments. Unless otherwise noted, the fair values of these financial instruments approximate its carrying value.

Leases

ASC 842 requires a lessee to recognize a liability to make lease payments and an asset with respect to its right to use the underlying asset for the lease term.

Leases are to be classified as either finance or operating, with classification affecting the pattern of expense recognition in the Statements of Income (Loss) and Member's Equity.

Topic 842 defines a lease as a contract, or part of a contract, that conveys the right to control the use of identified property, plant, or equipment for a period of time in exchange for consideration. To determine whether a contract conveys the right to control the use of the identified asset for a period of time, the customer must have both (1) the right to obtain substantially all of the economic benefits from the use of the identified asset and (2) the right to direct the use of the identified asset, a contract does not contain an identified asset if the supplier has a substantive right to substitute such asset ("the leasing criteria"). Management only reassesses its determination if the terms and conditions of the contract are changed.

Management determines if an arrangement is a lease at inception. Operating leases are included in right of use (ROU) assets, and lease liability obligations are included in the Balance Sheets, except for those that qualify for the short-term scope exception of 12 months or less. ROU assets represent the right to use an underlying asset for the lease term and lease liability obligations represent the obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term.

As of December 31, 2025, 2024, and 2023 the Company was not party to any lease agreements in which it was the lessor or the lessee.

Casa Franchising, LLC
Notes to Financial Statements (continued)
December 31, 2025, 2024, and 2023

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NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent events

The Company has evaluated subsequent events through March 20, 2026 the date which the financial statements were available to be issued.

NOTE 2 – FRANCHISING

Franchise revenue consisted of the following:

	Years Ended December 31,		
	2025	2024	2023
Franchise revenues:			
Revenue, initial fees	\$ 83,262	\$ 24,747	\$ 69,111
Brand fund fees	234,658	165,968	100,842
Royalty fees	897,184	580,881	352,947
Technology fees	30,495	10,000	-
Training fees	8,866	4,678	12,368
Total franchise revenues	\$ 1,254,465	\$ 786,274	\$ 535,268
Related party franchise revenues:			
Brand fund fees	\$ 227,802	\$ 220,213	\$ 215,709
Royalty fees	194,733	166,308	81,234
Total related party franchise revenues	\$ 422,535	\$ 386,521	\$ 296,943
Total revenues	\$ 1,677,000	\$ 1,172,795	\$ 832,211

Information about the number of franchised offices is as follows:

	Years Ended December 31,		
	2025	2024	2023
Franchised offices:			
Opened	2	0	2
Closed	(0)	(0)	(0)
In operation as of December 31*	10	8	8
Franchise agreements executed not yet opened	3	2	3

* Four of the Company's current locations are owned by an affiliate of the Company. Three of these locations are directly operated by the affiliate, and one location is operated by an independent third party pursuant to a management agreement.

NOTE 3 – NOTE RECEIVABLE

During the year ended December 31, 2023, the Company entered into a note receivable agreement with Tuskerz Inc., a party external to the Company. The Company lent a principal amount of \$200,000 to the borrower.

Casa Franchising, LLC
Notes to Financial Statements (continued)
December 31, 2025, 2024, and 2023

NOTE 3 – NOTE RECEIVABLE (continued)

The note bears interest at an annual rate of 7.5% per annum and is adjusted on January 1 of each calendar year prior to the maturity date to the prime rate of interest published by the *Wall Street Journal* on the last business day prior to such date. The interest rate as of December 31, 2025, 2024, and 2023 was 7.5%, 8.5% and 7.5%, respectively.

Interest that accrues in advance of the initial payment date is capitalized, adding to the principal balance. Monthly payments commence on September 1, 2026, in the amount of \$4,554, which includes principal and interest. The payments are structured to continue until the full amount of the principal and the accrued interest is paid in full. The final loan payment is due on July 1, 2032, at which time any remaining principal and interest on the note is due in full. The receipt of these payments is contingent upon the borrower's financial ability to pay as agreed, and the Company has evaluated the credit risk associated with this note receivable, considering the borrower's financial condition and payment history. The Company evaluated the note for collectability and determined that no allowance for credit loss was necessary as of the reporting date.

This note receivable is accounted for under ASC 310: *Receivables (Topic 310)*, which requires that such financial instruments be recognized at the amount lent and subsequently measured at amortized cost. The note is subject to impairment if it is determined that it is probable that not all contracted payments will be collected. The outstanding balance of the principal and accrued interest as of December 31, 2025, 2024, and 2023, is \$251,218, \$233,120 and \$214,188, respectively. Capitalized accrued interest included in the note receivable balance as of December 31, 2025, 2024, and 2023, was \$51,218, \$33,120 and \$14,188, respectively.

The note receivable repayments expected to be received under the terms of the agreement are as follows:

Years ending December 31,	Amount
2026	\$ 11,724
2027	36,977
2028	39,847
2029	42,941
2030	46,275
Thereafter	86,293
Total	\$ 264,057

The total balance includes capitalized interest over the life of the note of \$64,057.

NOTE 4 – CONTRACT BALANCES

Contract liabilities are comprised of unamortized initial franchise fees received from franchisees, which are presented as deferred revenues on the accompanying Balance Sheets. A summary of significant changes in deferred revenues are as follows:

	December 31,		
	2025	2024	2023
Deferred revenues – beginning of year	\$ 187,987	\$ 142,734	\$ 71,845
Additions for initial franchise fees received	210,000	70,000	140,000
Revenue recognized during the year	(83,262)	(24,747)	(69,111)
Deferred revenues – end of year	\$ 314,725	\$ 187,987	\$ 142,734

Casa Franchising, LLC
Notes to Financial Statements (continued)
December 31, 2025, 2024, and 2023

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NOTE 4 – CONTRACT BALANCES (continued)

As of December 31, 2025, deferred revenues are expected to be recognized as revenue over the remaining term of the associated franchise agreements as follows:

Years ending December 31,	Amount
2026	\$ 37,672
2027	165,256
2028	17,108
2029	17,063
2030	16,838
Thereafter	60,788
Total	\$ 314,725

Deferred revenues consisted of the following:

	December 31,		
	2025	2024	2023
Franchise units not yet opened	\$ 264,556	\$ 169,878	\$ 140,000
Opened franchise units	50,169	18,109	2,734
Total	\$ 314,725	\$ 187,987	\$ 142,734

The direct and incremental costs, principally consisting of commissions, are included in the prepaid commissions in the accompanying Balance Sheets. The direct and incremental costs expected to be recognized over the remaining term of the associated franchise agreements are as follows:

Year Ended December 31,	Amount
2026	\$ 15,566
Total	\$ 15,566

NOTE 5 – RELATED PARTY TRANSACTIONS

As of December 31, 2025, 2024, and 2023, four, four, and five centers were in operation under common ownership, respectively. The Company requires these locations to operate under the terms of the franchise agreement related to the brand fund fees. The Company is also charging one of its locations brand fund and royalty fees while it is in the process of being transitioned to a franchisee location. Sales to these locations comprised 42%, 30% and 36% of total sales for the years ended December 31, 2025, 2024, and 2023, respectively. Accounts receivable relating to these locations totaled \$37,644, \$30,245, and \$34,017 at December 31, 2025, 2024, and 2023, respectively.

Accounts payable due to a related party under common ownership totaled \$70,302, \$9,250, and \$82,352 at December 31, 2025, 2024, and 2023, respectively.

Due to related party

In the ordinary course of business, the Company periodically advances funds to and receives funds from entities affiliated through common ownership. Advances to and from affiliates are noninterest bearing and are payable on demand and, accordingly, have been classified as current liabilities. The balance due to related party amounted to \$0, \$0, and \$160,000 as of December 31, 2025, 2024, and 2023, respectively. The balance due from related party amounted to \$0, \$6,400, and \$0 as of December 31, 2025, 2024, and 2023, respectively.

NOTE 5 – RELATED PARTY TRANSACTIONS (continued)

Management fee and overhead allocation

During the years ended December 31, 2025, 2024, and 2023, the Company was charged a total of \$901,795, \$460,841, \$325,909 by Casa de Corazon, Inc., a related entity under common control, consisting of management fees of \$820,371, \$422,097, and \$325,909 for executive oversight, strategic planning, and administrative support, respectively. Also, an overhead allocation of \$81,424, \$38,744, and \$0 for shared services such as accounting, marketing, HR, and IT infrastructure for the years ended December 31, 2025, 2024, and 2023, respectively. These charges were based on internal cost allocation methodologies determined by management and may not necessarily reflect market-based rates.

EXHIBIT F

**FRANCHISE AGREEMENT AND RELATED
DOCUMENTS**

CASA DE CORAZON FRANCHISE AGREEMENT

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CASA DE CORAZON FRANCHISE AGREEMENT

THIS AGREEMENT is made the ____ day of _____, 20__, by and between CASA FRANCHISING, LLC, a Minnesota limited liability company (“Franchisor”), and _____ (“Franchisee”).

INTRODUCTION

Franchisor and its affiliate have developed certain policies, procedures and techniques for the operation of Spanish immersion intercultural early childhood learning centers under the Casa de Corazon service mark that provide educational programs to children from six (6) weeks to five (5) years of age. These centers are identified by their Spanish immersion curriculum in all classes as well as their natural organic meals made on-site for the students from Franchisor’s proprietary recipes. Franchisor desires to grant to qualified persons franchises to use the concepts, programs and methods of promotion developed by Franchisor and its affiliate to develop and operate a Casa de Corazon center. Franchisee has made application to Franchisor for a franchise and the application has been approved by Franchisor in reliance on all the representations made in the application.

NOW, THEREFORE, in consideration of the mutual promise of the parties hereto, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1.) DEFINITIONS

The terms and phrases specified below shall have, for purposes of this Agreement, the following meanings:

- (a) “Competitive Business” shall mean any business that provides educational services, including child care services, to children of any age between the ages of six (6) weeks and five (5) years.
- (b) “Designated Territory” shall mean the area described as such and identified in the Rider to this Agreement.
- (c) “Franchise” shall mean the right granted to Franchisee by Franchisor to use the System of Operation and to use the Names and Marks selected, used, and promoted by Franchisor to operate a Spanish immersion intercultural early childhood learning center providing educational programs to children from six (6) weeks to five (5) years of age through a Spanish immersion curriculum specified by Franchisor and that provides natural organic meals made on-site for the children from Franchisor’s proprietary recipes or recipes otherwise meeting Franchisor’s standards.
- (d) “Franchised Business” shall mean the business franchised under this Agreement to operate utilizing the System of Operation and the Names and Marks.

(e) “Franchised Center” shall mean the early childhood learning center franchised under this Agreement to operate utilizing the System of Operation and the Names and Marks.

(f) “Gross Revenues” shall mean the total amount of revenues, income, receipts and other fees received from all business activities taking place by or through the Franchised Business, and all other services and products, if any, sold under the Names and Marks, or otherwise related to the Franchised Business. There shall be excluded from “Gross Revenues” amounts collected and remitted by Franchisee to any governmental taxing authority in satisfaction of sales or occupation taxes.

(g) The term “including” shall mean “including, but not limited to.”

(h) “Names and Marks” shall mean the commercial trade names, trademarks, service marks, domain names, and other commercial symbols, including associated logos, now or hereafter selected, used or promoted by Franchisor and licensed to Franchisee for use in connection with the System of Operation.

(i) “Restricted Area” shall mean the Designated Territory, a radius of ten (10) miles from the Designated Territory, and a radius of ten (10) miles from any other Casa de Corazon early childhood learning center in existence as of the date of termination, expiration or assignment of this Agreement. If there is no Designated Territory at the time of termination or assignment of this Agreement, the Restricted Area shall mean the Search Area, a radius of ten (10) miles from the Search Area, and a radius of ten (10) miles from any Casa de Corazon early childhood learning center in existence as of the date of termination or assignment of this Agreement.

(j) “System of Operation” shall mean the business plans and methods developed by Franchisor and its affiliates to be used in connection with a Spanish immersion intercultural early childhood learning center providing educational programs to children from six (6) weeks to five (5) years of age through a Spanish immersion curriculum specified by Franchisor that provides natural organic meals made on-site for the students from the Franchisor’s proprietary recipes or recipes otherwise meeting Franchisor’s standards. The “System of Operation” includes standards, specifications, methods, procedures, techniques, and management systems, all of which may be changed, improved and further developed from time to time by Franchisor, but specifically excludes any employee policies or procedures that Franchisor may make available to Franchisee for its optional use during the Term of the Franchise.

(k) “Term of the Franchise” shall mean the initial term of the Franchise.

2.) GRANT OF FRANCHISE AND RENEWAL OF FRANCHISE

(a) Initial Term - Subject to the provisions of this Agreement, Franchisor grants to Franchisee a Franchise for an initial term of ten (10) years, commencing on the date of this Agreement, to utilize the System of Operation and to use the Names and Marks of Franchisor in the conduct of a Spanish immersion intercultural early childhood learning center providing educational programs to children from six (6) weeks to five (5) years of

age through a Spanish immersion curriculum specified by Franchisor and that provides natural organic meals made on-site for the students from Franchisor's proprietary recipes or recipes otherwise meeting Franchisor's standards.

(b) Renewal - Franchisee may renew the Franchise for an additional term of ten (10) years, subject to the satisfaction of any conditions imposed by Franchisor upon renewal, including those set forth in Section 2(c) below.

(c) Conditions - Franchisee must satisfy such conditions for renewal as Franchisor may impose, including that upon expiration of the Term of the Franchise, Franchisee shall have: (a) complied with all provisions of this Agreement; (b) operated the Franchised Business utilizing and conforming to the System of Operation; (c) utilized exclusively the Names and Marks in the operation of the Franchised Business; (d) upgraded the Franchised Center, including equipment, to meet Franchisor's standards; and (e) provided Franchisor with evidence of control of the premises for the Center for the renewal term. Additionally, Franchisee shall:

- (i) Provided Franchisor at least two hundred ten (210) days prior written notice of its election to renew the Franchise; and
- (ii) Within thirty (30) days after delivery to Franchisee of all agreements and documents required by Franchisor for renewal: (a) executed Franchisor's then current form of franchise agreement offered to prospective new franchisees and all other agreements and legal instruments and documents then customarily employed by Franchisor in the grant of Franchises to prospective new franchisees, including a general release; and (b) paid to Franchisor a renewal fee of Nine Thousand Dollars (\$9,000).

(d) Renewal Acknowledgments - Franchisee acknowledges that the right of renewal set forth herein does not give Franchisee the right to renew any specific provisions of this Agreement, and Franchisee recognizes that the terms of franchise agreements utilized by Franchisor upon renewal are likely to be substantially different than the terms offered by Franchisor as of the date hereof. Franchisee further acknowledges that the failure to meet any conditions of renewal imposed by Franchisor, including those set forth herein, shall be deemed an election by Franchisee not to renew the Franchise.

(e) Holdover - If Franchisee does not sign a new franchise agreement prior to expiration of the Term of the Franchise, and Franchisee continues to accept the benefits of this Agreement after the expiration of this Agreement, then at the option of Franchisor this Agreement shall be deemed to: (i) have expired as of the date of its stated expiration, with Franchisee then operating without a franchise to do so and in violation of Franchisor's rights; or (ii) be continuing on a month-to-month basis (the "Interim Period") until one party provides the other with written notice of such party's intention to terminate the Interim Period, in which case the Interim Period will terminate thirty (30) days after receipt of the notice to terminate the Interim Period. Notwithstanding anything set forth herein to the contrary: (x) all obligations of Franchisee shall remain in full force and effect during the Interim Period as if the Term of the Franchise had not expired; and (y) all obligations

and restrictions imposed on Franchisee upon expiration of this Agreement shall be deemed to take effect upon termination of the Interim Period.

3.) SEARCH AREA; LOCATION; CONSTRUCTION

(a) Search Area - Franchisee will have the right to operate the Franchised Center at one (1) location only. The Franchised Center will be located at a site selected by Franchisee and approved by Franchisor. If the site has not been approved as of the date Franchisor executes this Agreement, the Franchised Center must be located in the non-exclusive "Search Area" set forth in the Rider to this Agreement. Franchisee acknowledges that Franchisor may grant others the right to seek sites within the foregoing area, and that Franchisee acquires no exclusive or priority rights in such area. If Franchisor has not approved a site for the Franchised Center at the time this Agreement is executed, Franchisor may terminate this Agreement if Franchisee fails to obtain Franchisor's approval of a site within one hundred eighty (180) days of the date of this Agreement.

(b) Site Selection - It shall be the responsibility of Franchisee to identify, and ultimately acquire, an appropriate site, acceptable to Franchisor, for the operation of the Franchised Center. As Franchisee identifies prospective sites, it shall notify Franchisor, and Franchisor will review criteria regarding such prospective sites as Franchisor deems appropriate. Franchisee will assist Franchisor by providing Franchisor any information Franchisor may request regarding any prospective sites.

(i) Franchisor may recommend potential sites to Franchisee, but the responsibility to ultimately select a site for the Franchised Center belongs to Franchisee, and Franchisee, in consideration for any assistance Franchisor provides with respect to the identification or approval of potential sites, acknowledges and agrees Franchisor shall not be responsible for Franchisee's results in operating at any particular site that may have been recommended, reviewed, or approved by Franchisor.

(ii) Following Franchisor's approval of the site, Franchisee authorizes Franchisor to amend the Rider to this Agreement, indicating the approved location for the Franchised Center, and the Designated Territory.

(c) Governmental Approvals - Franchisee shall obtain all required municipal and other governmental approvals and permits necessary to construct the Franchised Center in accordance with applicable law.

(d) Location - Franchisee shall operate the Franchised Business from the Franchised Center, the location of which shall be approved by Franchisor upon execution of this Agreement. The Franchised Center must meet Franchisor's requirements, including those related to location, size of the facility, and available parking. Upon approval of the site by Franchisor, Franchisor shall complete the Rider to this Agreement indicating the address of the Franchised Center and the Designated Territory, and Franchisee and Franchisor shall execute the Rider. If Franchisee desires to operate the Franchised Business from a location other than that indicated in the Rider, and Franchisor approves the new location, Franchisee

authorizes Franchisor to amend the Rider to change the location to the address of the new site approved by Franchisor. Franchisee shall not use the Franchised Center to operate any business other than the Franchised Business. Franchisee may not operate the Franchised Business from more than one location.

(e) Design of the Franchised Center - Franchisor shall provide to Franchisee a sample layout for the interior of a typical Casa de Corazon® early childhood learning center, including a 3D rendering of a center and a set of typical preliminary plans and décor specifications. Franchisee shall, at its own expense, employ architects, engineers, or others as may be necessary to complete, adapt, and modify the sample plans and specifications for the Franchised Center to fit the location. Franchisee shall submit to Franchisor a complete set of final plans and specifications prior to commencing construction of the Franchised Center. Franchisor shall review such plans and specifications and approve or provide comments to Franchisee on the plans and specifications. Franchisee shall not commence construction of the Franchised Center until Franchisor approves in writing the final plans and specifications to be used in constructing the Franchised Center. Franchisor shall consult with Franchisee, to the extent that Franchisor deems necessary, on the construction and equipping of the Franchised Center, but it shall be and remain the sole responsibility of Franchisee to diligently design, construct, equip, and otherwise ready and open the Franchised Center on a timely basis.

(f) Construction Obligations of Franchisee; Opening - Franchisee shall use a licensed general contractor satisfactory to Franchisor to perform construction work at the Franchised Center. Franchisor shall not be responsible for delays in the construction, equipping, or decoration of the Franchised Center or for any loss resulting from the center design or construction since Franchisor has no control over the landlord or developer and the numerous construction and/or related problems which could occur and delay the opening of the Franchised Center. Franchisor must approve in writing any and all changes in any center plans prior to construction of the Franchised Center or the implementation of such changes. Franchisor shall have access to the location of the Franchised Center while work is in progress and may require such reasonable alterations or modifications of the construction of the Franchised Center as Franchisor deems necessary. Franchisee shall not open the Franchised Center if the Franchised Center does not conform to the plans and specifications approved by Franchisor, including changes thereof approved by Franchisor. Franchisee shall correct any unauthorized variance from the approved plans and specifications promptly and open the Franchised Center within eighteen (18) months after the date of this Agreement.

(g) Fixtures, Leasehold Improvements and Equipment - Franchisor will provide to Franchisee specifications for leasehold improvements, fixtures and equipment for the Franchised Center. All leasehold improvements used in the Franchised Center shall be constructed according to the exact specifications of Franchisor in effect at the time the improvements are made. All equipment installed in the Franchised Center must also meet the exact specifications of Franchisor, including brand and model number, where designated. Franchisor may designate specific or approved suppliers from whom such items can be purchased. If Franchisor designates a specific supplier for any items,

Franchisee must purchase the items from the specific, designated supplier. Franchisee acknowledges that designated, specific suppliers may include Franchisor or its affiliates.

(h) Exterior and Interior Signs - All signs used in the Franchised Center must conform to Franchisor's sign criteria at the time the signage or display is installed as to type, color, size, design, and location. All signs must be approved in writing by Franchisor prior to installation. Prior to opening the Franchised Center Franchisee shall purchase from Franchisor's affiliate the "Internal Brand Package" which shall contain certain indoor signage and other branded items. All of such items must be installed prior to opening of the Franchised Center. Franchisee shall pay the then-current cost for the Internal Brand Package upon receipt of an invoice from Franchisor or its affiliate.

(i) Indemnification of Franchisor - Franchisee is strictly responsible for the acts or omissions of its contractors regarding compliance with all specifications and requirements provided for by Franchisor, and Franchisor shall have no responsibility for such acts or omissions. Franchisor shall not be liable for any loss or damage arising from the design or plan of the Franchised Center. Franchisee shall indemnify Franchisor for any loss, cost, or expense, including attorneys' fees, that may be sustained by Franchisor because of the acts or omissions of Franchisee's contractors or arising out of the design or construction of the Franchised Center.

(j) Alterations - During the Term of the Franchise, the landscaping, floor plan, interior and exterior design, furnishings and equipment of the Franchised Center shall not be altered or modified, without the prior written approval of Franchisor.

(k) Remodeling - Franchisee shall be required to periodically make reasonable capital expenditures to remodel, modernize and re-decorate the Franchised Center so that the premises reflect the current image intended to be portrayed by Casa de Corazon[®] early childhood learning centers. All remodeling, modernization and redecoration of the Franchised Center must be done in accordance with the standards and specifications prescribed by Franchisor from time to time and with the prior written approval of Franchisor. All replacements must conform to Franchisor's then current quality standards and specifications and must be approved by Franchisor in writing. Franchisor may inspect, but shall not be obligated to inspect, such work at any time to determine that the work is done in accordance with Franchisor's approved plans and specifications. In addition to the remodel which may be required at the time of renewal, Franchisor may require Franchisee to remodel, modernize and re-decorate the Franchised Center at any time during the Term of the Franchise.

(l) Relocation of the Franchised Center - During the Term of the Franchise, Franchisee shall not change the site of the Franchised Center without Franchisor's prior written consent, which consent shall not be unreasonably withheld; provided, however, if Franchisor approves a change in the location of the Franchised Center, Franchisor may also change the Designated Territory to conform to its then current standards for the grant of similar territories.

(m) Franchise Advertising - Franchisor may require Franchisee to display signage in its Franchised Center advertising Franchisor's Casa de Corazon franchises for sale. Franchisor shall pay for any such signage. Franchisee shall, at all times, place and maintain such signage at the location inside its Franchised Center as Franchisor may designate from time to time.

4.) LEASING; PROPERTY RESTRICTIONS; SALE

(a) Lease or Sublease Approval - Franchisee shall provide Franchisor a copy of the lease or sublease for the premises in which the Franchised Center will be operated prior to its execution so that Franchisor can satisfy itself that it meets Franchisor's requirements, including that its terms conform to those in the Lease Rider attached to this Agreement. Franchisor shall have no other responsibility to review said lease or sublease or to make any recommendations regarding the terms thereof.

(b) Lease Rider - Franchisee shall also provide Franchisor within five (5) days of execution or amendment, a copy of the lease or sublease, including the Lease Rider, and any amendments thereto. Franchisee shall ensure that the Lease Rider attached to this Agreement is executed by the Franchisee and the landlord for the Franchised Center contemporaneous with the execution of the lease or sublease for the Franchised Center.

(c) Declaration - If Franchisee or an affiliate will own the real property underlying the Franchised Center, in addition to the Lease Rider, Franchisee or its affiliate, as applicable, shall execute the Declaration of Restrictions, Notice of Option (the "Declaration") attached to this Agreement restricting the use of the premises for a period of two (2) years after the Franchised Center is no longer operated at the location and providing notice of Franchisor's purchase option as set forth herein. The Declaration shall be executed by owner of the property, at the same time the lease or sublease for the premises is executed, and shall be provided to Franchisor for recording immediately after its execution.

(d) Assignment/New Lease; Purchase Option - Franchisor's rights as they relate to assumption of the lease or sublease for the Franchised Center or the execution of a new lease are set forth in Section 19(b)(v) below. Franchisor's rights related to its option to purchase the assets of the Franchised Business and the premises of the Center are set forth in Sections 19(a) and (b) below.

5.) DESIGNATED TERRITORY

(a) Designated Territory - During the term of this Agreement, and provided that Franchisee is not in default under this Agreement or any other agreement between Franchisor and Franchisee or any Franchisor affiliate, and except as provided below, Franchisor will not grant to anyone else a Franchise to operate, and will not itself operate, under the Casa de Corazon name, an early childhood learning center that is physically located in the Designated Territory. Franchisee acknowledges that the foregoing restrictions do not prevent Franchisor or its affiliates from any activity not specifically set forth in such restrictions, including:

- (i) Operating, or allowing others to operate, similar or identical businesses within the Designated Territory if such businesses do not operate under the Names and Marks or operating, or allowing others to operate, similar or identical businesses physically located outside the Designated Territory, whether under the Names and Marks or other trade or service marks even if the businesses compete with the Franchised Business;
- (ii) Operating, or allowing others to operate, businesses inside the Designated Territory under the Names and Marks that are not competitive with the Franchised Business;
- (iii) Selling products that may be provided to Franchisee for use in its Franchised Business to other parties, whether located in the Designated Territory or otherwise and whether under the Names and Marks or otherwise;
- (iv) Selling goods or services, or granting others the right to sell goods or services, similar to or competitive with those sold by the Franchised Business, whether using the Names and Marks or other trademarks or service marks, through other distribution channels (including, the Internet, catalog sales, telemarketing, or other direct marketing) both inside and outside the Designated Territory;
- (v) Acquiring businesses that are similar to the Franchised Business;
- (vi) Operating or allowing other to operate businesses located inside or outside of the Designated Territory that sell to locations inside or outside of the Designated Territory Franchisor's proprietary curriculum, its recipes or both, either under the Names and Marks or otherwise; and
- (vii) The sale of Franchisor or substantially all its assets, to any third party regardless whether such third party operates, or franchises the operation of, businesses similar to the Franchised Business.

(b) Acknowledgments - Franchisee acknowledges: (i) that the restrictions set forth in this Section do not prevent Franchisor or its affiliates from any activity not specifically set forth in such restrictions; (ii) Franchisor cannot prevent another franchisee from soliciting clients inside Franchisee's Designated Territory; and (iii) Franchisee is not prohibited from soliciting clients located outside of its Designated Territory.

(c) Loss of Rights. - If on the second anniversary of the date Franchisee opened its Franchised Center, the Center does not have actual student enrollment equal to 90% of its actual capacity on a full-time equivalency basis or if annually thereafter Franchisee does not maintain student enrollment at the Center of at least 90% of its actual capacity on a full-time equivalency basis, in either case as determined by the number of students Franchisees is licensed for, Franchisor can decrease the size of the Designated Territory. If Franchisor exercises either of these rights it will provide Franchisee with notice of its decision and the results of that decision. The taking of any of the actions permitted in this Section shall not suspend or release Franchisee from any obligation that would otherwise

be owed to Franchisor or its affiliates under the terms of this Agreement or otherwise nor shall Franchisee assert that the taking of any such actions shall act as an actual or constructive termination of this Agreement.

6.) INITIAL FRANCHISE FEE

In consideration for the grant of the Franchise to Franchisee, Franchisee shall pay to Franchisor an initial franchise fee in the amount set forth on the Rider to this Agreement (the "Initial Franchise Fee"). The Initial Franchise Fee shall be due and payable upon execution of this Agreement. The Initial Franchise Fee shall be deemed to have been earned by Franchisor at the time it is due and shall not be refundable.

7.) ROYALTIES

On or before the tenth (10th) day of each month, Franchisee shall pay to Franchisor a monthly nonrefundable royalty fee (the "Royalty Fee") equal to seven percent (7%) of the Gross Revenues of the Franchised Business for the prior month. The Royalty Fee shall be due and payable beginning on the tenth (10th) day of the month following the first full month after the commencement of operation of the Franchised Business for the prior full month and any prior partial month and continuing thereafter for each subsequent month. The Franchised Business shall be deemed to be operating on the date certified as such by Franchisor.

8.) MARKETING AND PROMOTION

(a) Brand Fund Contribution - Franchisee shall pay to Franchisor a monthly "Brand Fund Contribution" equal to two percent (2%) of the previous month's Gross Revenues of the Franchised Business. The Brand Fund Contribution shall be due and payable beginning at the same time the Royalty Fee becomes due and payable.

(b) Use of System Brand Fund - Disbursements from the Casa de Corazon Brand Fund (the "System Brand Fund") may be made for the payment of expenses incurred by Franchisor in connection with the general promotion of the Names and Marks, including: (i) development and production of advertising and promotional materials; (ii) the cost of formulating, developing and implementing advertising campaigns, including Internet advertising and Internet search engine campaigns and the cost to maintain and update Franchisor's or its affiliates websites, web pages, social media and social networking sites, profiles and accounts and search engine optimization; (iii) the cost of formulating, developing and implementing promotional and public relations programs, including advertising in trade publications; (iv) market research; and (v) the cost of administering the System Brand Fund, including professional fees, the cost of salaries and fringe benefits paid to personnel engaged in administration or operation of the System Brand Fund or paid to those performing services that benefit, or on behalf of, the System Brand Fund, including creative services, and overhead related to all such persons; other administrative costs and direct expenses the Franchisor incurs in activities related to the operation and administration of the System Brand Fund. All interest, if any, earned by the System Brand Fund shall be used for the payment of the foregoing expenses in connection with promotion of the Names and Marks, before application of any principal to those expenses. Methods,

media employed, contents of advertising, and terms and conditions of advertising campaigns and promotional programs shall be within the sole discretion of Franchisor. Franchisor reserves the right to engage the professional services of an advertising agency owned by, or affiliated with, Franchisor or any of its principals, to assist in developing and/or placing advertising, and to compensate that agency. Disbursements from the System Brand Fund shall not be made for the production or placement of advertising that is principally for the purpose of marketing franchise licenses. Franchisor reserves the right to dissolve the System Brand Fund but will not do so until all the monies in the System Brand Fund have been expended or until monies have been rebated to the then-existing franchisees operating under the Names and Marks on a pro-rata basis based upon their contributions to the System Brand Fund during the preceding twelve (12) months. Notwithstanding anything set forth herein to the contrary, Franchisor has no obligation to conduct marketing and Franchisor has sole discretion to determine how, if any, monies in the System Brand Fund will be spent. Franchisor is not required to use monies in the System Brand Fund to benefit any individual market or franchisee.

(c) Marketing Materials - Prior to using any marketing or promotional materials, advertisements, or other advertising not prepared by or at the direction of Franchisor, Franchisee shall submit such items to Franchisor for its prior approval. If Franchisor does not object to the use of such materials by Franchisee within ten (10) days after its receipt of such materials, Franchisee shall be free to use such materials. Notwithstanding the foregoing, Franchisee shall purchase from Franchisor or an affiliate of Franchisor all printed tour packet materials used at the Center.

(d) Local Marketing; Minimum Advertising Requirements - At its own expense, Franchisee shall conduct local marketing campaigns and promotional programs designed primarily to promote the Franchised Business (“Local Marketing”). To that end: (a) Franchisee shall spend prior to the opening of the Franchised Business at least Twenty Thousand Dollars (\$20,000) to advertise the opening of the Franchised Business (the “Minimum Opening Advertising Requirement”) on Local Marketing that has been approved by Franchisor; and (b) Franchisee shall spend at least Ten Thousand Dollars (\$10,000) per year (the “Minimum Yearly Marketing Requirement”) on Local Marketing that has been approved by Franchisor. Amounts spent by Franchisee to meet the Minimum Opening Advertising Requirement shall not be credited against the Minimum Yearly Marketing Requirement and shall be in addition to the amounts required to be spent by Franchisee to meet the Minimum Opening Advertising Requirement. Franchisee shall, upon request of Franchisor, provide Franchisor with receipts evidencing Franchisee's expenditure of amounts to meet the Minimum Opening Advertising Requirement or the Minimum Yearly Marketing Requirement, as requested by Franchisor, on Local Marketing approved by Franchisor. If Franchisee fails to meet the Minimum Opening Advertising Requirement within the timeframe set forth above, or the Minimum Yearly Marketing Requirement in any given year, Franchisee shall, upon demand of Franchisor, pay to Franchisor the difference between the total amount required to be spent to meet the Minimum Opening Advertising Requirement or the Minimum Yearly Marketing Requirement, as applicable, and the amount(s) spent by Franchisee, and Franchisor shall place such amount(s) in the System Brand Fund.

(e) Advertising Cooperative - At such time as Franchisor in its sole discretion may determine, Franchisee shall join an advertising cooperative made up of other Casa de Corazon franchisees (the "Local Cooperative"), as determined by Franchisor. In such event, Franchisee shall be required to participate in the Local Cooperative on the terms and conditions required by Franchisor. Franchisor shall have the right to modify or dissolve any Local Cooperative at any time.

(f) Website; Internet

- (i) Franchisor shall provide Franchisee a webpage on Franchisor's or its affiliate's website where Franchisee may advertise its Franchised Business. This webpage shall be a template and Franchisee shall be responsible for completing this page, including the payment of any costs therefor. Franchisee may edit this webpage one time per month. Any and all changes to the webpage must be approved by Franchisor prior to being made and the webpage may contain only such information as Franchisor may approve from time to time. Other than this webpage, Franchisee shall not establish or maintain, or have established or maintained on its behalf, either alone or in concert with others, any other digital or electronic medium or method of communication, including a website, home page, HTML document, Internet site, online directory, online business profile, web page, review and opinion page or site, or social media or social networking site, business networking site, hashtag, profile, avatar, account or username relating to or making reference to Franchisor or the Franchised Business (each, a "Social Media Presence"), unless otherwise approved by Franchisor. Franchisee shall not offer, promote, or sell any products or services or make use of any of Franchisor's Names and Marks, the Franchised Center, or the System of Operation, via any Social Media Presence without Franchisor's prior written approval
- (ii) Franchisee will comply with all directives from Franchisor with respect to any Social Media Presence approved by Franchisor, including those related to materials posted on any Social Media Presence, links to and from any Social Media Presence, the use of the Names and Marks on any Social Media Presence, provision to Franchisor of passwords and any log-in credentials needed to access, remove, delete or modify any Social Media Presence, and security for any Social Media Presence. In addition, any Social Media Presence approved by Franchisor must be operated and maintained by Franchisee in compliance with all provisions of this Agreement, including those regarding the use of Confidential Information, as well as any and all operating procedures, policies, standards and requirements that Franchisor may specify from time to time. Franchisee must also maintain any Social Media Presence approved by Franchisor in compliance with all applicable laws, rules, and regulations, including those applicable to copyright and trademark, privacy, anti-defamation, and advertising and endorsements. Franchisor reserves the right at any time, in its sole discretion, to itself, or require Franchisee to, remove, delete or

modify any Social Media Presence, or any information, content or post thereon. Franchisor will retain sole ownership of any Social Media Presence, as well as any domain name related thereto and all content thereon, which includes all or a portion of any of the Names and Marks, or any word, phrase or symbol confusingly similar thereto or variant thereof, as part of the domain name, username, account name, hashtag, profile or page reference (a “Franchisor Identified Social Media Presence”).

(g) Photos, Videos and Electronic Records - Franchisor shall have the right to take photographs, videos and electronic records of the Franchised Business, including the Franchised Center, and associated vehicles and signage and to use such photographs, videos and electronic records in any advertising or promotional material, in any form or medium now existing or later developed. Franchisor may use the foregoing without providing notice to Franchisee or receiving Franchisee’s consent, and Franchisor shall not be obligated to make attribution or to compensate Franchisee for use of the foregoing. Upon the request of Franchisor, Franchisee shall cooperate with Franchisor in taking and arranging for such photographs, videos and electronic records and for obtaining the necessary consents of or assignments from individuals depicted in or involved in such photographs, videos and electronic records. Franchisee irrevocably assigns to Franchisor its right, title, and interest, if any, in and to all such photographs, videos and electronic records, together with all related intellectual property rights.

9.) METHOD OF PAYMENT/LATE PAYMENT CHARGES

(a) Electronic Funds Transfer - Franchisee shall remit Royalty Fees, Brand Fund Contributions, Technology Fees and other amounts due to Franchisor or its affiliates via electronic-funds transfer/direct debit or other similar means. Franchisee shall comply with all procedures specified by Franchisor in this Section and in the Confidential Manual(s) with respect to such transfers and deliver and execute such documents as may be necessary to facilitate or accomplish payment by the method described in this Section.

(i) On or before the fifth (5th) day of each month throughout the Term of the Franchise, beginning in the month following the first full month after the commencement of operation of the Franchised Business, Franchisee shall report to Franchisor on a form required by Franchisor the true and correct Gross Revenues of the Franchised Business during the preceding month (but in the first month, the report shall include all Gross Revenues received by Franchisee from the date of this Agreement through the end of the preceding month, all of which shall be deemed received in the preceding month). Franchisee shall authorize Franchisor to initiate debit entries and/or credit correction entries to a designated checking or savings account for payments of Royalty Fees, Brand Fund Contributions, Technology Fees and any other amounts payable to Franchisor or its affiliates under this Agreement. Franchisee shall make the funds available to Franchisor for withdrawal by electronic transfer no later than 10:00 a.m. central time on the tenth (10th) day of each month, or if that day is not a banking business day, then by 10:00 a.m. central time on the next banking business day. If

Franchisee fails to timely report Gross Revenues for any period, or Franchisee withholds Franchisor's access to accounting or financial systems or data to determine Gross Revenue, Franchisor may debit Franchisee's account for: (a) one hundred ten percent (110%) of the Royalty Fees and Brand Fund Contributions paid by Franchisee for the last period for which a Gross Revenue report was provided; (b) the amount due for Royalty Fees and Brand Fund Contributions based upon information Franchisor has regarding the Franchised Business; or (c) one hundred ten percent (110%) of the Royalty Fees and Brand Fund Contributions paid by Franchisee for the same period in the prior year.

- (ii) If, at any time, Franchisor determines that Franchisee has under-paid Royalty Fees, Brand Fund Contributions, or other amounts payable to Franchisor or its affiliates, Franchisor shall be authorized to initiate immediately a debit to Franchisee's account in the appropriate amount in accordance with the foregoing procedure, plus late payment charges as provided for in this Agreement. If the amount debited is less than the actual amount owed due to Franchisee's failure to report Gross Revenue or because Franchisee does not have sufficient funds in its account to pay the amounts owed franchisor or its affiliates, Franchisee shall pay the remaining amount owing, plus a late payment charge thereon as set forth in this Agreement. If Franchisor is unable for any reason to debit the full amount permitted under this Agreement, Franchisee shall remit the remaining amount owing within five (5) days from notice by Franchisor, plus a late payment charge thereon as set forth in this Agreement. Any overpayment by Franchisee shall be credited to Franchisee's account through a credit effective as of the first reporting date after Franchisee and Franchisor determine that such credit is due.

(b) Minimum Account Balance - Franchisee shall at all times maintain a minimum balance in the designated checking account for payments of Royalty Fees, Brand Fund Contributions, Technology Fees, and any other amounts payable by Franchisee to Franchisor or its affiliates in an amount specified by Franchisor.

(c) Late Payment Charges - All fees or payments of any type whatsoever owed by Franchisee to Franchisor or its affiliates that are not received when due will be subject to the imposition of late payment charges equal to the maximum rate permitted by law, not to exceed one and one-half percent (1 1/2%) per month.

(d) Noncompliance Fee. If Franchisor determines that Franchisee has violated any of its obligations under this Agreement, including any failure to comply with any standards set forth in the Confidential Manual(s), Franchisor reserves the right to charge Franchisee one or more noncompliance fees of One Thousand Dollars (\$1,000) each (each, a "Noncompliance Fee"). The Noncompliance Fee: (i) may be modified from time to time by Franchisor, and (ii) may be charged repeatedly (as frequently as daily) if the non-compliance is ongoing. The foregoing is in addition to any other rights or remedies of Franchisor hereunder or otherwise.

(e) No Setoff - Franchisee shall not withhold or escrow any amounts due to Franchisor under this Agreement, or set off any such amounts against any amounts claimed to be due to Franchisee.

(f) Timing of Payment - Unless specifically set forth herein to the contrary, all amounts owed to Franchisor or its affiliate shall be due and payable to Franchisor within ten (10) days following Franchisee's receipt of an invoice therefor. Royalty, Brand Fund Contributions, Technology Fees and Noncompliance Fees shall be due and payable as set forth in this Agreement. Any fee or other amount due under this Agreement on a day that is not a business day shall be due and payable on the immediately following business day.

(g) Increases - Without Franchisee's consent, Franchisor will not, during the Term of this Agreement, modify the Royalty Fee, Brand Fund Contribution, Grand Opening Advertising, Renewal Fee, or Transfer Fee as set forth herein. However, Franchisor may modify any other fees or other amounts charged by it or its affiliates to Franchisee on thirty (30) days notice, but any modification of the Technology Fee, New Director/Manager Training amount, Noncompliance Fee, Curriculum and Assessment Training amount, Convention Fee, Website Modification Fee or Financial Reporting Fee, may not be increased by more than ten percent (10%) of the then-current fee or other amount, except that Franchisor may increase such fee or other amount in any given year by greater than ten percent (10%) to adjust for prior years when no increase, or an increase of less than ten percent (10%), was implemented, regardless of whether the fee or other amount was actually charged or collected. The annual adjustment cap discussed above does not limit Franchisor or any affiliate's right or ability to increase any other fee or amount, or to impose new fees as permitted by this Agreement.

(h) Taxes - If any sales, excise, use or privilege tax is imposed or levied by any government or governmental agency on account of any amounts payable under this Agreement, Franchisee shall pay to Franchisor as an additional fee, a sum equal to the amount of such tax (but this provision shall not apply to any federal or Minnesota income taxes imposed upon Franchisor).

10.) ASSISTANCE; TRAINING; ONGOING SUPPORT

(a) Initial Training - Franchisor shall provide, at a suitable location of its choice, an initial training program consisting of approximately ten (10) days of training for Franchisee and at least two of its Directors, and its Operations Manager, if any and any other individuals required by Franchisor (the "Initial Training Program"); provided, however, if Franchisee also acts as a Director then the Initial Training Program must be successfully completed by only one Director, the Operations Manager and Franchisee. The Initial Training Program will be provided without charge, but travel and living expenses incurred by individuals attending training on Franchisee's behalf in connection with the Initial Training Program shall be the responsibility of Franchisee. This Initial Training Program will usually be conducted in Minnesota at a location we specify. Franchisee and all other required attendees shall attend and satisfactorily complete the Initial Training Program within the ninety (90) day period before the Franchised Center opens for business to the

general public. If a required attendee fails to satisfactorily complete the Initial Training Program within such period, Franchisor may terminate the Franchise Agreement.

(b) New Director/Operations Manager Training - Any new Director or Operations Manager must attend and successfully complete to Franchisor's satisfaction Franchisor's New Director/Operations Manager Training Program within 90 days after they begin to perform services on Franchisee's behalf. This training is held at Franchisor's offices or at a center of Franchisor or its affiliate. The cost of this training is currently Five Thousand Dollars (\$5,000) for up to 5 attendees but may be adjusted. Franchisee must pay the charges for such training prior to the beginning of the training. Franchisee is responsible for travel and living expenses of its attendees at this training.

(c) Curriculum and Assessment Training - Each teacher of Franchisee must complete to Franchisor's satisfaction curriculum and assessment training ("CA Training") within 1-year of beginning classroom teaching. Franchisor shall provide the initial CA Training at no additional charge to Franchisee, as long as it is provided within 1-year of the Center opening; provided, however, Franchisee shall reimburse Franchisor for the travel and living expenses incurred by Franchisor's trainer, but such reimbursement shall be capped at Two Thousand Dollars (\$2,000). Any additional CA Training provided by Franchisor shall be charged by Franchisor at its then-current training rates, which as of the date hereof, is One Hundred Fifty Dollars (\$150) per hour, and Franchisee shall reimburse Franchisor for all travel and living expenses of Franchisor's trainer if the training is not held at Franchisor's offices. Franchisee is responsible for travel and living expenses of its attendees at this training. All amounts shall be due to Franchisor at the time it may specify and by the method it may specify.

(d) Additional Optional Training - Upon the request of Franchisee, at reasonable times determined by the parties, Franchisor will provide additional training to Franchisee on topics requested by Franchisee and agreed to by Franchisor, including training of Franchisee's facility manager. Such training shall be held at a location determined by Franchisor or may be provided electronically. Franchisor shall charge such fees as it shall establish from time to time for such training and such fees must be paid prior to the time such training begins. Cost of this training is currently One Hundred Fifty Dollars (\$150) per hour plus the travel and living expenses of Franchisor's trainers if the training is not held at Franchisor's offices. This cost may be adjusted.

(e) Confidential Manual(s) - Franchisor shall provide Franchisee with electronic access to one or more manuals for use in the Franchised Business, which manuals may consist of brand standards, operations, and training manuals or otherwise (the "Confidential Manual(s)"). The Confidential Manual(s) are not to be downloaded or copied in whole or in part, shall remain the property of Franchisor and shall always be kept in safekeeping. Franchisor, from time to time, may add to or modify some or all of the Confidential Manual(s) to supplement or to improve the System of Operation and the contents and methods of promotion franchised hereunder and Franchisee shall at all times maintain the updated Confidential Manual(s). For purposes of this Agreement, the Confidential Manual(s) and all information contained therein are deemed to be the Confidential

Information of Franchisor and shall be subject to all such confidentiality provisions set forth in this Agreement.

(f) Conventions - Franchisor may conduct an annual or bi-annual convention for all franchisees operating under the Names and Marks. If Franchisor chooses to hold such a convention, Franchisee must attend such convention or send a representative approved by Franchisor. Regardless whether Franchisee attends the convention, it shall pay to Franchisor any convention registration fee established by Franchisor for that convention.

(g) On-Site Support; Telephonic Assistance - In addition to its other obligations under this Agreement, Franchisor will, without additional charge, provide Franchisee with two (2) days of on-site support and assistance at the Franchised Business, the first day of which will be provided immediately prior to the Center opening for business to the general public and the second day within the fourteen (14) day period after the opening of the Franchised Business. Franchisor will also be available during normal business hours, and without charge to Franchisee, to provide Franchisee with reasonable telephone support on operating issues concerning the Franchised Business.

(h) Teaching Curriculum and Recipes – Prior to the opening of the Center, Franchisee shall purchase from Franchisor introductory supplemental curriculum for use in Franchisee’s Center’s pre-school classrooms at Franchisor’s affiliates then-current prices. Amounts due for the introductory supplemental curriculum are payable by Franchisee upon receipt of an invoice. Further, during the Term of the Franchise, Franchisor, or its affiliate, shall provide to Franchisee on a monthly basis a supplemental teaching curriculum and meal preparation guide, including proprietary recipes for meals for use by Franchisee in the Franchised Business and an inventory list of foods needed to prepare the recipes. Such items shall be provided by Franchisor at least seven (7) days before the first day of the month in which Franchisee is required to use the curriculum and recipes. All classes shall be taught by Franchisee pursuant to the curriculum specified by Franchisor and all meals shall be prepared in accordance with the meal preparation guide, including recipes, unless in either case prohibited by applicable law. In such event, Franchisee shall immediately notify Franchisor and Franchisor may substitute a modified curriculum, recipe or meal, as applicable. After the first year of operation of the Franchised Center, Franchisee may request modifications to the recipes; provided, however, Franchisee may not institute any such changes or make additions to the meal preparation unless such changes have been approved by Franchisor, which approval may be withheld in its sole and absolute discretion. Franchisee acknowledges and agrees that the supplemental curriculum provided by Franchisor or its affiliate, and recipes are proprietary information of Franchisor and Franchisee shall have no right to use any of such items after the Term of the Franchise. The curriculum specified by Franchisor, including the supplemental curriculum, shall be followed by Franchisee, and all classes taught, in Spanish.

(i) Forms - Franchisor shall provide to Franchisee various forms Franchisee may use in the operation of the Franchised Business, including a form of enrollment form, parent contract, classroom routines, daily schedules, and a form of parent handbook. Franchisee may not provide child care services to a student unless and until the student’s parent or guardian signs a parent contract, the form of which must be approved by Franchisor.

Franchisee shall use all such forms, templates and other materials specified by Franchisor in the operation of the Franchised Business.

Franchisor makes no representation or warranty as to the enforceability of any contracts or other forms provided to Franchisee for use in its Franchised Business, or whether any such forms meet the legal requirements of the jurisdiction in which Franchisee does business. Franchisee acknowledges that it is Franchisee's responsibility to modify such forms, templates and any other materials provided by Franchisor to meet all laws and regulations applicable to the Franchised Business and to use no such item that does not comply with applicable law. Franchisor may from time to time update the forms, templates and other materials provided to Franchisee. Upon provision of updated forms, templates or other materials, to Franchisee, Franchisee must immediately discontinue use of any prior version and only use the new version on a going forward basis.

(j) Level of Performance; Delegation - Franchisor is not obligated to perform any services to Franchisee's particular level of satisfaction, but as a function of Franchisor's experience, knowledge and judgment. In addition, Franchisor shall have the right to subcontract or delegate any of its duties and responsibilities under this Agreement; provided, however, Franchisor shall be responsible for the performance of such duties, notwithstanding such subcontract or delegation, to the same extent as if Franchisor had not subcontracted or delegated such duties, unless such subcontract or delegation is in connection with an assignment pursuant to Section 18(a) below.

(k) Technology Assistance/Fee - Franchisor will provide Franchisee with certain technology services from time to time. Franchisee shall pay Franchisor the then-current "Technology Fee" charged for these services, which fee may change upon 30 days' notice to Franchisee. The Technology Fee shall be due and payable beginning at the same time the Royalty Fee becomes due and payable and shall be due at the same time, in the same manner, and by the same method as the Royalty Fee. Franchisor may modify or terminate these technology services at any time. These are not the only technology or technology services Franchisee will need to operate its Center and Franchisee is responsible for obtaining such technology and services.

(l) Site Selection/Market Analysis Services - Franchisor's designee will provide Franchisee, at no additional cost, with certain market analysis and site selection services, such services to be as determined by Franchisor in its sole discretion. If Franchisee chooses to purchase additional services beyond those provided without additional charge, Franchisee shall pay for those services. These are not all of the site identification or acquisition services Franchisee may need to locate and acquire a site and Franchisee is responsible for obtaining such services.

(m) Notice of Deficiencies - If Franchisee believes Franchisor has failed to adequately provide any services required to be provided to Franchisee or its employees in regard to the training, support or any other matter affecting the establishment of the Franchised Business, Franchisee shall so notify Franchisor in writing within thirty (30) days following opening of the Franchised Center. Absent the timely provision of such notice to Franchisor, Franchisee shall be deemed to conclusively acknowledge that all pre-opening

and opening services required to be performed by Franchisor were sufficient and satisfactory in Franchisee's judgment.

11.) OPERATION OF THE FRANCHISED BUSINESS

(a) Commencement of Operation - Franchisee may not commence operation of the Franchised Business until Franchisee has satisfied all conditions set forth in this Agreement required to be satisfied by Franchisee prior to opening the Franchised Business, including successful completion by Franchisee, its Operations Manager, if any, and its Director(s), of the Initial Training Program, and Franchisor has provided Franchisee with written certification of the completion of all such conditions.

(b) Full Time Basis; Involvement - Although Franchisee may have a Director responsible for the general operation of the Franchised Center, Franchisee (or the majority owner of Franchisee if Franchisee is not an individual) must be involved on a full-time basis in the operation of the Franchised Business. If Franchisee is not going to be involved on a full-time basis in the operation of the Franchised Business, Franchisee must employ an Operations Manager who will be responsible for overseeing the operations of the Franchised Business. Franchisee, its Director(s), and its Operations Manager, if any, shall each have successfully completed Franchisor's Initial Training Program. Notwithstanding the foregoing: (i) Franchisee shall at all times be held responsible for the day-to-day operation and management of the Franchised Business; and (ii) if the Franchised Center is required to be licensed as a child care facility or its equivalent by applicable law, Franchisee shall be the license holder. If Franchisee is not an individual and if applicable law requires the license holder to be an individual, the license holder shall be the majority owner of Franchisee. If Franchisee employs a Director or Operations Manager, such individuals must be Spanish/English bilingual as well as meet any other minimum requirements required by Franchisor.

(c) Training - Franchisee shall provide to each of its staff members an initial training program meeting Franchisor's requirements. Franchisee shall also provide such annual trainings to such individuals as are required by Franchisor. The content of these trainings shall also meet Franchisor's requirements. Franchisee shall provide to Franchisor, upon Franchisor's request, a certification that all of such individuals have successfully completed the initial training program as well as any annual programs. No such individual shall perform services on behalf of Franchisee until such individual has successfully completed the initial training program as well as any applicable annual program and is licensed as required by applicable law.

(d) Maintenance of High Quality Service - Franchisee shall utilize its best efforts, skill and diligence to ensure that Franchisee and Franchisee's employees and agents establish and maintain high quality service to all doing business with the Franchised Business. At all times, Franchisee shall conduct its business in a manner that will preserve and enhance the goodwill associated with the Names and Marks.

Franchisee and the accountant who will be providing the Franchised Center with

accounting services must complete financial training within 30 days after opening. Franchisor will provide this training on-line.

If Franchisor requires additional training to attempt to maintain competitiveness in the industry or Franchisee fails to provide services that meet Franchisor's standards, specifications or procedures, or the accountant providing Franchisee with accounting services changes, Franchisor shall have the right to assign such person or persons that it deems necessary to provide additional training to Franchisee. Cost of this training is currently One Hundred Fifty Dollars (\$150) per hour plus the travel and living expenses of Franchisor's trainers if the training is not held at Franchisor's offices. This cost may be adjusted.

Franchisee shall at all times offer such services through the Franchised Business as are required by Franchisor. Franchisee may not, however, use the Franchised Center to operate any business, or offer any services, that have not been approved by Franchisor.

(e) Compliance with Specifications and Procedures - Franchisee acknowledges that the Confidential Manual(s) are designed to protect Franchisor's standards and systems, and the Names and Marks, and not to control the day-to-day operation of the business. Franchisee shall comply with all rules, regulations, and directives specified by Franchisor, as well as all mandatory standards, specifications and procedures contained in the Confidential Manual(s), as amended from time to time, and shall adopt and adhere to the policies of Franchisor. Franchisor specifically reserves the right to modify or change such rules, regulations and directives.

(f) Internet Usage - Franchisee must subscribe, at Franchisee's expense, to an Internet service provider or other electronic communication provider or service and obtain and use, at Franchisee's expense, and in the manner and form and meeting such minimum standards as Franchisor may approve or require, computer equipment, operating software, communication services, and other electronic and computer systems, and the like, for communicating, reporting and other operations of the Franchised Business. Franchisor shall have full and unrestricted independent access to all of Franchisee's computer systems other technology systems, including all information included in them. Franchisor can collect and use this information in any manner it chooses without compensation to Franchisee. There are no contractual limitations on Franchisor's right to access any of these systems or the information in them, and Franchisor may use all information in any manner, in its sole discretion. Franchisee shall provide Franchisor with any passwords or login ability to access all computer systems, including any software, any other technology systems of Franchisee, and any Social Media Presence. Franchisor may require that any and all communications between Franchisee and Franchisor be made through the Internet or such other electronic medium as Franchisor may designate, and Franchisee may be required to access the Internet or other electronic information on a regular basis to obtain full benefit of the System of Operation. To that end, Franchisee shall maintain a working email address to communicate with Franchisor. Franchisor is not liable for any damage to Franchisee including lost profits, which occur as a result of any outage or delay related to electronic transmission of information, whether by the Internet or otherwise, or as a result

of Franchisee's failure to access the information. Franchisor may, in its sole discretion, make use of any information furnished by it to Franchisee in the conduct of its business.

(g) Technology Upgrades - Franchisee must use the technology Franchisor may specify from time to time, including using all of its functionalities required by Franchisor. Notwithstanding anything set forth in this Agreement to the contrary, Franchisor may require Franchisee to upgrade any technology used by Franchisee in the Franchised Business at any time and without regard to any expenditure limitations. Additionally, there shall be no limit on Franchisor's right to require Franchisee to replace its computer system, to replace or upgrade hardware or software used by Franchisee in the Franchised Business or to require Franchisee to purchase additional hardware or software that Franchisor may select for use in the Franchised Business.

(h) Provision of Information - Franchisee also acknowledges and agrees that any and all information provided to Franchisee by Franchisor under this Agreement may be provided in such manner and by such media as Franchisor may determine, including, without limitation, by electronic and/or computer means. Franchisee also specifically agrees Franchisor may communicate with Franchisee by fax, email, or other electronic communications.

(i) Equipment Maintenance - Franchisee shall maintain all equipment used in the Franchised Business in excellent working condition. As such items become obsolete or mechanically impaired to the extent they require replacement, Franchisee shall replace such items with either the same or substantially similar types and kinds of equipment as are being installed in other, similar businesses franchised by Franchisor, or opened by Franchisor or its affiliates, at the time replacement becomes necessary. All equipment used in the Franchised Business shall meet the specifications of Franchisor and shall be approved by Franchisor prior to installation thereof.

(j) Taxes - Franchisee shall promptly pay when due all taxes levied or assessed by reason of its operation and performance under this Agreement. Franchisee further shall secure and pay premiums on a workers' compensation policy covering all of its employees and, if applicable, shall pay all state unemployment taxes, state sales taxes and all other taxes and expenses of operating the Franchised Business. In the event of any bona fide dispute as to the liability for any taxes assessed against Franchisee, Franchisee may contest the validity or amount of the tax in accordance with procedures of the taxing authority. In no event, however, shall Franchisee permit a tax sale or seizure by levy of execution or similar writ or warrant to occur against the Franchised Business, or any part thereof.

(k) Personnel - All Franchisee's personnel involved in the Franchised Business shall wear apparel meeting Franchisor's standards. Franchisee shall hire all personnel of the Franchised Business, and be exclusively responsible for the terms of their relationships with Franchisee, including compensation. Furthermore, subject to applicable law, Franchisee shall require each Director, as a condition to their employment, to enter into a noncompetition and confidentiality agreement restricting the disclosure of confidential information and competition with Franchisee and Franchisor to the same extent as Franchisee is restricted under this Agreement. If there is a violation of that agreement,

Franchisee shall take all action necessary to enforce that agreement, subject to applicable law. If Franchisee fails to enforce that agreement for a reason other than that it is prohibited to enforce it under applicable law, it shall be liable to Franchisor for any damages, costs and losses suffered by Franchisor, including any attorneys' fees Franchisor may incur if it elects to attempt to enforce that agreement on Franchisee's behalf. In such event, Franchisee shall execute all documents reasonably requested by Franchisor in connection with such enforcement attempt. Franchisee shall provide Franchisor an executed copy of each such agreement immediately upon execution by Franchisee and a Director.

(l) Franchisee Control - Franchisee acknowledges that it is responsible for the day-to-day operation of its Franchised Business, including hiring, setting the conditions of employment, supervising, discipline and termination of all personnel, purchases (or leases) and maintenance of equipment and supplies, preparing Franchisee's own marketing plans and funding and implementing those marketing plans, maintenance of employment records, and daily maintenance, safety, security and the achievement of compliance with the System of Operation. Franchisor's ability to approve certain matters, to inspect the Franchised Center and its operations and to enforce its rights, exists only to the extent necessary to protect its interest in the System of Operation and the Names and Marks. Neither the retention nor the exercise of these rights is for the purpose of establishing any control, or the duty to take control, over those matters that are clearly reserved to Franchisee. Franchisee's employees are not Franchisor's agents or employees and Franchisor is not a joint employer of these individuals. Franchisee is solely responsible for performing all administrative functions at the Franchised Center, including payroll and providing workers' compensation insurance. Franchisee acknowledges that it is not economically dependent on Franchisor, and that Franchisor does not provide facilities, equipment or house or transport Franchisee's employees or provide to Franchisee's employees tools or materials required for Franchisee's employees to perform services for Franchisee.

(m) Programs; Events - Franchisee must participate in, comply with all terms and conditions of, and pay all charges related to, all programs Franchisor may require Franchisee to participate in from time to time. The terms and conditions of any such programs, as well as the programs themselves, may be modified or terminated at any time by Franchisor in its sole and absolute discretion. Franchisee shall hold all events or other activities required by Franchisor to be held at the Franchised Center or in connection with the Franchised Business.

(n) Compliance with Laws - Franchisee shall comply with all laws applicable to its Franchised Business including all laws applicable to a child care facility and a restaurant as well as all zoning laws. For the avoidance of any doubt, Franchisee shall ensure that: (i) the operation of its Franchised Center complies with all applicable laws including those related to the provision of educational materials and food to the students; and (ii) all employees of the Franchised Center are licensed to perform the services they are performing on behalf of Franchisee, including compliance with any child care licensure requirements.

(o) Quality Assessment; Accreditation - No later than the fifth anniversary date after the date of this Agreement, Franchisee shall apply for accreditation with the National Association for the Education of Young Children + or such other child care education organization specified by Franchisor (an "Accreditation Organization"). No later than the sixth anniversary date after the date of this Agreement, Franchisee shall have obtained the accreditation specified by Franchisor for its Franchised Center by the Accreditation Organization. No later than the third anniversary date after the date of this Agreement Franchisee shall have applied for accreditation with a state quality assessment organization meeting Franchisor's standards. Further, no later than the fourth anniversary date after the date of this Agreement, Franchisee shall have obtained from such organization a quality assessment approval or rating meeting Franchisor's standards.

(p) Client Satisfaction/Surveys - Franchisee shall participate in all client satisfaction programs Franchisor requires, including any client surveys and shall provide Franchisor with such assistance and information as reasonably required by Franchisor in connection with such programs and surveys. If Franchisor receives a client complaint, or Franchisee fails to respond to a complaint within the time Franchisor specifies, Franchisor may resolve the complaint or respond for Franchisee.

(q) Modifications. Franchise recognizes that modifications that Franchisor may make to the System of Operation may necessitate that Franchisee make capital expenditures during the Term of the Franchise in amounts that Franchisor cannot forecast. Nothing in this Agreement limits the frequency or cost of future changes to the System of Operation that Franchisor may require. Franchisee understands and agrees that Franchisor has no ability to identify with specificity the nature of these future general improvements or their expected cost and accepts the risk that future general improvements may be imposed that will require significant capital expenditures in an amount that is unknown on the date hereof and that cannot be fully amortized over the period of time then remaining in the Term of the Franchise.

12.) NAMES AND MARKS

(a) Display of Names and Marks - Franchisee shall operate under, and prominently display, the Names and Marks in the operation of the Franchised Business in the manner specified by Franchisor, and pursuant to the standards made available to Franchisee by Franchisor. Franchisee shall use no commercial trade names, service marks, or other commercial symbols, including associated logos, that do not satisfy the criteria established by Franchisor. If this Agreement is assigned to a corporation, partnership, or limited liability company, Franchisee may not use all or part of the Names and Marks as part of the name of the corporation, partnership, or limited liability company, and Franchisee must obtain Franchisor's prior written approval of the name of the corporation, partnership, or limited liability company prior to incorporation, formation or organization, as applicable. Franchisee may not use all or part of any of the Names and Marks, or any similar name, word, symbol or variant thereof, in a domain name, account name, profile or URL, except as specifically approved by Franchisor.

- (i) If Franchisor deems it advisable, Franchisee shall file for and maintain a “Certificate of Trade Name” in the county, or other appropriate jurisdiction, in which the Franchised Business is located.
 - (ii) Franchisee shall not use any of the Names and Marks in combination with other words, letters, prefixes, suffixes, logos or designs, other than in the manner authorized by Franchisor.
- (b) Change of Names and Marks - From time to time, Franchisor may elect to discontinue the use of certain Names and Marks and to commence use of new Names and Marks. Franchisee shall pay all expenses incurred in connection with discontinuing the use of existing Names and Marks in the Franchised Business and commencing the use of new Names and Marks therein.
- (c) Ownership of Marks and Goodwill - Franchisee acknowledges that Franchisor owns the Names and Marks. Franchisee’s right to use the Names and Marks is derived solely from this Agreement and all such usage and any goodwill established thereby shall inure to the exclusive benefit of Franchisor. Franchisee waives any right to challenge Franchisor’s entitlement or ownership of the Names and Marks.
- (d) Cessation of Use - Franchisee agrees that, upon the termination or expiration of the Term of the Franchise for any reason whatsoever, Franchisee shall forthwith discontinue the use of the Names and Marks, and thereafter shall no longer use, or have the right to use, the Names and Marks.
- (e) Notification of Infringement - Franchisee shall immediately notify Franchisor of any infringement of or challenge to Franchisee’s use of present and future Names and Marks and shall not communicate with any other person in connection with any such infringement, challenge or claim. Franchisor shall have sole discretion to take such action as it deems appropriate, including the exclusive control of any litigation or any Trademark Office or other administrative proceeding arising out of any such infringement, challenge or claim relating to any of the Names and Marks.

13.) EQUIPMENT/SUPPLIES/SERVICES

- (a) Equipment; Supplies and Approved Suppliers - All equipment, vehicles, supplies, gifts for families and students of the Franchised Center, furnishings, design and décor of the Center, signage, client surveys, food, food stuffs, beverages, meals, toys, educational materials, curriculum, music, landscaping, computer hardware and software, technology applications, security and fire alarm systems, insurance, advertising and marketing materials, must meet Franchisor’s specifications as they may be provided to Franchisee from time to time, unless otherwise consented to by Franchisor. From time to time, Franchisor shall provide Franchisee a list of approved suppliers of various items and services, including construction management, architecture and build-out services, technology consulting, market analysis and site selection services, other services used or offered by the Center, equipment, food, food stuffs, beverages, supplies, software, hardware, insurance, and other items used in the operation of the Franchised Business. The

approved source of supply for any individual item may be Franchisor, an affiliate of Franchisor, or an independent third party. To that end, Franchisor, an affiliate or an unrelated third party may be the sole source of supply for an item.

- (i) Unless otherwise specified by Franchisor, Franchisee shall not be restricted from using sources of supply other than those previously approved by Franchisor, if the other sources supply items or services of substantially the same quality and specifications as those supplied by the approved suppliers.
- (ii) Franchisor reserves the right to require Franchisee to obtain the written approval of Franchisor prior to the use of any supplier not previously approved by Franchisor and, as a precondition to the granting of such approval, may require the proposed supplier to submit to Franchisor samples of products it proposes to provide to Franchisee for use in the Franchised Business and any other information Franchisor requires. In such event, Franchisor shall have thirty (30) days from its receipt of all such information to approve such supplier. Any supplier not approved in such time period shall be deemed disapproved. Franchisor does not maintain any written criteria for approval of a supplier.
- (iii) Franchisee acknowledges that, as of the date hereof, Franchisor has only approved one supplier of reusable food storage bags, curriculum, child assessment tools, certain software, and for market analysis and site selection services, and that Franchisor is unlikely to approve another supplier for such items. Franchisee acknowledges that, as of the date hereof, Franchisor's affiliate is the sole supplier for various items, including, but not limited to, cloth diapers and all items bearing any of the Names and Marks, including the staff uniforms, supplemental curriculum (introductory and ongoing), tour packet folders and inserts, business cards, the Casa Graduation Box, graduation attire, thank you, birthday, and blank Casa note cards, letterhead and envelopes, child gifts and gift bags, t-shirts, stickers, the Casa de Corazon branded *La Casita* children's book, bibs, CDs and desktop applications and its functionalities, the Internal Brand Package and all items contained in the Package.

(b) Services/Pricing - Franchisee shall not offer or sell any products or services that have not been approved by Franchisor. Franchisee shall set its own pricing and rates for the products and services it offers in the Franchised Business; provided, however, Franchisee shall adhere to any minimum or maximum prices prescribed by Franchisor for services or products offered by Franchisee.

(c) Liability - Franchisor shall not be liable to Franchisee for damages caused by the failure of Franchisor or an approved supplier to make available for purchase any item or service, unless the failure is the result of factors within Franchisor's reasonable control.

14.) INFORMATION, REPORTS, INSPECTIONS AND AUDITS

(a) Books and Records; Reports; Fee - Franchisee shall maintain its books and records in the manner reasonably required by Franchisor. Franchisee shall provide Franchisor with such operational, financial and sales and revenue information relating to the business of Franchisee as from time to time may be reasonably required by Franchisor, which shall include, but is not limited to, enrollment reports and revenue certifications, all in the forms as required by Franchisor. To that end, Franchisee shall provide to Franchisor such monthly and/or annual financial reports as Franchisor may specify. The financial, sales and revenue information shall be delivered to Franchisor, at the time, in the form and by the means of communication authorized by Franchisor. Franchisor may use such financial information in any manner and for any purpose it, in its sole and absolute judgment, deems appropriate. Franchisee, and if Franchisee is a limited liability company, corporation or partnership, the owners of Franchisee, shall also submit to Franchisor, upon request, copies of their annual federal, state, and city, if any, income and sales tax returns, if any. If Franchisee or any owner fails to provide Franchisor with the information, records or reports in such form and at such times as are required by Franchisor from time-to-time, Franchisor may charge Franchisee a “Financial Reporting Failure Fee” in the amount of Two Hundred Fifty Dollars (\$250) per failure. Such Fee shall be due and payable by Franchisee on demand of Franchisor. The foregoing shall be in addition to any other rights of Franchisor hereunder.

(b) Audit Rights - Franchisor shall have the right to audit or cause to be audited the sales reports and financial statements delivered to Franchisor, and the financial books, records and sales and income tax returns of Franchisee, and if Franchisee is a limited liability company, corporation or partnership, the owners of Franchisee. If any audit discloses that Franchisee has failed to pay to Franchisor any Royalty Fees or Brand Fund Contributions owed Franchisor based upon an understatement of Gross Revenues, Franchisee, within ten (10) days of receipt of the audit report, shall pay to Franchisor the Royalty Fees, Brand Fund Contributions and other amounts due Franchisor, plus late payment charges from the due date at the maximum rate permitted by law, not to exceed one and one-half percent (1 1/2%) per month. In addition, if an understatement for any period equals two percent (2%) or more of the Gross Revenues of the Franchised Business for any period, Franchisee shall reimburse Franchisor for the cost of the audit, including the charges of any independent accountant and the travel expenses, room and board, and compensation of persons employed by Franchisor to make the audit.

(c) Inspection Rights - Franchisee shall permit Franchisor and its representatives, whenever Franchisor reasonably may deem necessary, during normal business hours, to enter, remain on and inspect the Franchised Center. Franchisor and its representatives may also, without notice to Franchisee, interview or otherwise communicate with parents of children to whom Franchisee has provided services.

(d) Ownership of Information - All information Franchisor obtains from Franchisee or about or related to the Franchised Business (collectively, the “Information”), and all revenues Franchisor derives from such Information, shall be Franchisor’s property. Franchisee may use information that it acquires from third parties in operating the

Franchised Business, such as client data, at any time during the Term of the Franchise to the extent lawful and at its sole risk and responsibility, but only in connection with operating the Franchised Business for the purposes hereunder. The Information (except for information Franchisee provides to Franchisor with respect to it and its affiliates) shall be deemed the Confidential Information of Franchisor hereunder, which Franchisor may use for any reason it deems necessary or appropriate. Franchisee and Franchisor shall comply with all applicable laws pertaining to the privacy and security of personal information, including, without limitation, local, regional and national requirements applicable to the Franchised Business. Further, Franchisee recognizes and agrees that between Franchisee and Franchisor, Franchisor owns all rights to and all interest in and to any data, whether client data, click-stream data, user data or otherwise, hits or other information collected via any electronic medium or method of communication, including a website, home page, HTML document, Internet site, online directory, web page, or social media or social networking site, or application, whether web-based or otherwise, related to the System or the Names and Marks. Such information is deemed by Franchisor to be and shall constitute Confidential Information hereunder.

(e) Owners - At the time this Agreement is executed by Franchisee, Franchisee shall also complete the Statement of Ownership and Management attached hereto, and, if Franchisee is a corporation, partnership or limited liability company, each owner of any business entity that is the Franchisee, and their spouse, if any, as of the date hereof, as well as any future owners of Franchisee, and their spouses, must sign Franchisor's then-current Guaranty at the time such individual becomes an owner of Franchisee. Franchisee shall immediately notify Franchisor of any change in any of the information in the Statement of Ownership and Management last submitted to Franchisor. Further, upon request of Franchisor, Franchisee shall provide Franchisor with an updated Statement of Ownership and Management.

15.) INSURANCE

(a) Type of Coverage - At all times during the Term of the Franchise, Franchisee shall maintain in force, at its sole expense, commercial general liability insurance against claims for bodily and personal injury, death and property damage caused by, or incurred in conjunction with, the operation of, or conduct of business by, Franchisee; general casualty insurance (including the perils of fire, broad form extended coverage, vandalism and malicious mischief) on the premises of the Franchised Center and its equipment; umbrella/excess liability insurance; business motor vehicle liability insurance; child accident insurance; workers' compensation insurance and employer's liability; employee dishonesty and employment practices, and such other types of insurance and all in such amounts as may be specified by Franchisor from time to time.

(i) The insurance coverage shall be maintained under one (1) or more policies of insurance containing the amounts and types of coverage from time to time prescribed by Franchisor and insured by insurance companies rated A or better by A. M. Best Company.

- (ii) Commercial General Liability, Business Motor Vehicle Liability, and Umbrella/Excess Liability Insurance policies shall name Franchisor as an additional insured and shall provide that Franchisor receive ten (10) days' prior written notice of termination, expiration, reduction or cancellation of any such policy.
- (iii) Franchisee shall submit to Franchisor, annually, a copy of the certificate of or other evidence of the renewal or extension of each such insurance policy.
- (iv) A Waiver of Subrogation in favor of Franchisor must be included on the following policies, where commercially available: Commercial General Liability, Business Motor Vehicle Liability, and Workers' Compensation insurance.

(b) Failure to Obtain - If Franchisee at any time fails or refuses to maintain any insurance coverage required by Franchisor, or fails to furnish satisfactory evidence thereof, Franchisor, at its option and in addition to its other rights and remedies hereunder, may obtain such insurance coverage on behalf of Franchisee, and any costs of premiums incurred by Franchisor in connection therewith shall be paid by Franchisee on demand.

16.) CONFIDENTIALITY AND IMPROVEMENTS BY FRANCHISEE

(a) Confidentiality.

- (i) Definition of Confidential Information. "Confidential Information" means all information, processes, methods, techniques, procedures and knowledge, including know-how (which includes information that is secret and substantial), Manuals and trade secrets (whether or not judicially recognized as a trade secret), developed or to be developed by Franchisor or any of its affiliates relating directly or indirectly to the development or operation of Spanish immersion intercultural early childhood learning centers operated under the Names and Marks. Without limiting the foregoing, Confidential Information includes, but is not limited to:

A. methods, techniques, equipment, specifications, standards, policies, procedures and information relating to the development, operation, and franchising of Spanish immersion intercultural early childhood learning centers operated under the Names and Marks, including the information in the Confidential Manual(s);

B. the identity of suppliers, vendors, financing sources or other parties who provide goods or services to the Franchisor's franchise system, and specifications for materials, equipment, fixtures, furniture, vehicles, supplies, and other items for centers operated under the Names and Marks;

- C. operating results and financial performance of the Franchised Center and other centers operated under the Names and Marks in the Franchisor's franchise system;
- D. Client and student information (including all client and student information that Franchisee collects or that is collected through the Franchised Center);
- E. any and all marketing, promotional or training materials used in the operation of, or relating to, centers operated under the Names and Marks in Franchisor's franchise system or to the franchise system generally;
- F. the System of Operation including any curriculum and recipes, and the concepts and methods of promotion franchised by Franchisor; and
- G. Any other information or materials referred to in this Agreement as confidential or proprietary.

Confidential Information does not include: (i) information that is part of the public domain or becomes part of the public domain through no fault of Franchisee or its personnel; (ii) information disclosed to Franchisee by a third party having legitimate and unrestricted possession of such information; or (iii) information that Franchisee can demonstrate by clear and convincing evidence was within its legitimate and unrestricted possession when the parties began discussing the sale of the franchise contemplated hereby.

- (ii) Ownership. Franchisee acknowledges and agree that Franchisor and its affiliates own all right, title and interest in and to the Confidential Information, which is proprietary and a valuable asset of Franchisor and its affiliates, and all such Confidential Information is derived from Franchisor pursuant to this Agreement. Franchisor will disclose to Franchisee such parts of the Confidential Information as it determines (in its sole judgment) is required for the operation of the Franchised Center during training and in guidance and assistance furnished to Franchisee during the Term of the Franchise, in the Confidential Manual(s), orally, or otherwise. Franchisee and each of its owners acknowledge and agree that neither Franchisee, nor its owners, nor any other party, will acquire any interest in or right to use the Confidential Information, other than Franchisee's right to utilize certain Confidential Information in the operation of the Franchised Center, and that the use or duplication of the Confidential Information in any other business would constitute an unfair method of competition with Franchisor, its affiliates and any franchisees.
- (iii) Use of Confidential Information. Franchisee acknowledges and agrees that the Confidential Information is disclosed to it solely on the condition

that Franchisee and its owners will:

A. Maintain the absolute secrecy and confidentiality of such Confidential Information, not use the Confidential Information, directly or indirectly, in any other business or capacity, or engage in or abet the misappropriation (as the term “misappropriation” is defined in the Minnesota Uniform Trade Secrets Act), or the disclosure, divulgence, or distribution of, all or any part of the Confidential Information, or make unauthorized copies of any portion of the Confidential Information;

B. Not disclose the Confidential Information in judicial or administrative proceedings if Franchisee is legally compelled to disclose such information, unless Franchisee notifies Franchisor prior to disclosure and has used its best efforts to obtain, and has afforded Franchisor the opportunity to obtain, an appropriate protective order or other assurance satisfactory to Franchisor of confidential treatment for the information required to be so disclosed;

C. Adopt, implement and maintain all procedures prescribed from time to time by Franchisor to prevent unauthorized use or disclosure of, or access to, the Confidential Information, including requiring employees who will have access to such information to execute confidentiality agreements in a form reasonably acceptable to Franchisor and provide Franchisor, at its request, executed originals of each such agreement; and

D. Not use any Confidential Information, any of the Names and Marks or any of the information contained in the Confidential Manual(s) or any part of the System of Operation, for the purpose of machine learning, augmented human intelligence development, training any artificial intelligence (“AI”) model, algorithm improvement, or similar data aggregation activities without Franchisor express written consent. Such uses shall not be deemed related to the performance of this Agreement and are expressly prohibited. Franchisee must not, without Franchisor’s prior written consent, input any such items, in whole or in part, into any generative AI platform, or disclose any of such items to any provider or source of generative AI services. Franchisee must opt out of allowing any provider or source of generative AI to utilize any of these items for training of any AI model or for other purposes.

(b) Improvements - If Franchisee, during the Term of the Franchise, conceives or develops any improvements or additions to the System of Operation, new trade names, trade and service marks and other commercial symbols related to the Franchised Business, or any advertising, promotion or marketing ideas related to the Franchised Business, or has any suggestions, comments, or other Feedback with respect to the System of Operation (collectively, “Improvements”), Franchisee shall fully disclose the Improvements to Franchisor without disclosure of the Improvements to others and shall obtain Franchisor’s

written approval prior to the use of such Improvements. Any such Improvement approved by Franchisor may be used by Franchisor and all other franchisees of Franchisor without any liability or obligation to Franchisee for royalties or other compensation. Franchisee shall assign to Franchisor, and hereby does assign to Franchisor, without charge, all rights to such Improvements, together with the goodwill associated with the Improvements, including the right to grant sublicenses to any such Improvements. Franchisor, at its discretion, may make application for and own copyrights, trade names, trademarks and service marks relating to any such Improvements. Franchisor also may consider such Improvements as the property and trade secrets of Franchisor. Franchisor shall authorize Franchisee to utilize any Improvement authorized generally for use by other franchisees.

17.) RESTRICTIVE COVENANTS

(a) Covenants - Franchisee acknowledges Franchisor must be protected against the potential for unfair competition by Franchisee's use of Franchisor's training, assistance and trade secrets in direct competition with Franchisor. Franchisee therefore agrees that it shall not:

- (i) During the Term of the Franchise, either directly or indirectly: (a) operate, own, manage, or be employed by or consult with, any Competitive Business, other than one operated under a valid franchise agreement with Franchisor, or any business or other venture offering or selling franchises or licenses for a Competitive Business;(b) divert or attempt to divert any client or potential client to any competitor of Franchisor, or a competitor of a franchisee or of an affiliate of Franchisor; or (c) otherwise interfere with the business activities of Franchisor or any affiliate or any other franchisee of Franchisor.
- (ii) For a period of two (2) years following the expiration, termination or assignment of this Agreement, either directly or indirectly: (a) operate, own, manage, be employed by or consult with: (1) any Competitive Business, other than one operated under a valid franchise agreement with Franchisor, that is located or doing business in the Restricted Area; or (2) any business or other venture located in or doing business in the Restricted Area that is offering or selling franchises or licenses for the operation of a Competitive Business, or any business or other venture located outside of the Restricted Area that is offering or selling franchises for Competitive Businesses located in, or to be located in, the Restricted Area; or (b) otherwise interfere with the business activities of Franchisor or any affiliate or any other franchisee of Franchisor, including diversion or attempt to divert any client or potential client to any competitor of Franchisor, or a competitor of a franchisee or of an affiliate of Franchisor.
- (iii) In the event of the violation of Section 17(a)(ii) above by Franchisee following expiration, termination or assignment of this Agreement, the period of time Franchisee shall be required to abide by the breached

obligation shall be extended to a period of two (2) years after Franchisee is no longer in breach of such obligation.

(b) Franchisee Acknowledgments - Franchisee agrees that the restrictions contained in this Section 17 are reasonable and necessary to protect the interests of Franchisor and other franchisees of Franchisor. Franchisee further acknowledges that because of the narrow scope of the limitations, the foregoing restrictions do not unduly restrict Franchisee's ability to engage in gainful employment. If Franchisee violates these restrictions, then in addition to damages incurred by Franchisor for which Franchisee shall be liable, Franchisor shall be entitled to injunctive relief to prevent the continuation of such breach.

18.) ASSIGNMENT

(a) By Franchisor - This Agreement is fully assignable by Franchisor, and shall inure to the benefit of any assignee or other legal successor in interest of Franchisor.

(b) General Prohibition on Franchisee Assignment - No Franchisee, partner (if Franchisee assigns this Agreement to a partnership), shareholder (if Franchisee assigns this Agreement to a corporation), or member (if Franchisee assigns this Agreement to a limited liability company), without the prior written consent of Franchisor, by operation of law or otherwise, shall sell, assign, transfer, convey, give away, lease, have redeemed or encumber to any person, trust, firm, corporation, partnership or company, its interest in this Agreement or its interest in the Franchise granted hereby or its interest in any proprietorship, partnership, corporation, or limited liability company which, directly or indirectly, owns any interest in the Franchise, its interest in the Franchised Business or the assets of the Franchised Business, or the property upon which the Franchised Center is located, whether owned by Franchisee or an affiliate. Any purported assignment not having the necessary consent shall be null and void and shall constitute a material default hereunder.

(c) Conditions to Franchisee Assignment - Franchisor shall not unreasonably withhold its consent to any assignment provided the following conditions and requirements shall first be satisfied:

(i) If Franchisee desires to assign or transfer all of its rights under this Agreement to a partnership, corporation, or limited liability company controlled by Franchisee:

(a) the transferee shall be newly organized, and its charter shall provide that its activities are confined exclusively to operating the Franchised Business;

(b) Franchisee shall be and shall remain the owner of all of the issued and outstanding voting stock or membership interests of the transferee corporation or limited liability company or, in the case of a partnership, of the voting control of the transferee partnership;

- (c) Franchisee shall be and shall remain the principal executive officer of the transferee;
 - (d) the transferee shall enter into a written agreement with Franchisee and Franchisor, in a form satisfactory to Franchisor, assuming all of Franchisee's obligations hereunder;
 - (e) all the partners, shareholders, or members of the transferee shall enter into a written agreement in a form satisfactory to Franchisor jointly and severally guaranteeing the full payment and performance of the transferee's obligations to Franchisor and agreeing to be personally bound by all covenants and restrictions imposed upon the transferee under this Agreement;
 - (f) each stock or membership certificate of the transferee corporation or limited liability company, or the partnership agreement of the transferee partnership, shall have conspicuously endorsed upon it a statement that it is held subject to, and that further assignment or transfer of any interest therein is subject to, all restrictions imposed upon assignments by this Agreement;
 - (g) no new voting interest in the transferee shall be issued to any person or entity without obtaining Franchisor's prior written consent; and
 - (h) all accrued money obligations of Franchisee to Franchisor and its subsidiaries, affiliates and assigns shall be satisfied prior to assignment or transfer.
- (ii) If an assignment (other than an assignment as set forth in Section 18(c)(i) above), alone or together with other previous, simultaneous or proposed transfers, would have the effect of transferring control of the Franchise created hereby or the Franchised Business:
- (a) the transferee shall meet Franchisor's then current standards for the issuance of a franchise, including satisfying any licensure requirements imposed by applicable law, be of good moral character and reputation and shall have a good credit rating, financial capabilities and competent business qualifications reasonably acceptable to Franchisor. Franchisee shall provide Franchisor with the information it may reasonably require to make a determination concerning each proposed transferee;
 - (b) the transferee, including all shareholders, members and partners of the transferee, shall jointly and severally execute a new franchise agreement with Franchisor, on the terms then offered by Franchisor to new franchisees, except that all pre-opening obligations of the parties, other than the transferee's obligation to complete the Initial Training Program to Franchisor's satisfaction, shall be waived, including the obligation of the transferee to pay a new initial franchise fee;

(c) if the transferee is a corporation, limited liability company or partnership, each stock or membership certificate, or the partnership agreement, shall have conspicuously endorsed upon it a statement that it is held subject to, and further assignment or transfer of any interest therein is subject to, all restrictions imposed upon assignments by this Agreement;

(d) if the transferee is a corporation, partnership, or limited liability company, the transferee will be newly organized and its charter shall provide that its activities are confined exclusively to operating the Franchised Business, and no new voting interest in the transferee shall be issued to any person or entity without obtaining Franchisor's prior written consent;

(e) Franchisee shall have fully paid and satisfied all of Franchisee's obligations to Franchisor and its affiliates, and Franchisee shall pay to Franchisor a transfer fee equal to the then current franchise fee being charged by Franchisor in connection with the sale of a new franchise; provided, however, if Franchisor is not then selling franchises the fee shall be equal to the franchise fee paid hereunder;

(f) Franchisee shall have executed an agreement in form satisfactory to Franchisor in which it agrees to: (i) release any claims it has against Franchisor and its affiliates; (ii) subordinate any claims it may have against the transferee to any amounts owed by the transferee to Franchisor; (iii) comply with the post-term obligations set forth herein, including the non-competition and confidentiality provisions; and (iv) indemnify Franchisor against all claims brought against Franchisor by the transferee arising out of the transfer for a period of three (3) years following the transfer;

(g) if the transferee is a corporation, limited liability company or partnership, all the shareholders, members, or partners of the transferee shall enter into a written agreement, in a form satisfactory to Franchisor, jointly and severally guaranteeing the full payment and performance of the transferee's obligations to Franchisor and agreeing to be personally bound by all covenants and restrictions imposed upon the transferee under the terms of this Agreement; and

(h) if the assignment or transfer is caused by the death or incapacity of Franchisee (or in the case of a partnership, corporation or limited liability company, by the death or incapacity of one controlling more than forty-nine percent (49%) of the voting interest of Franchisee), the provisions of this Section 18(c)(ii) must be met with regard to the heir or personal representative of Franchisee succeeding to Franchisee's interest hereunder; provided, however, if the heir or personal representative assigns, transfers or sells its interest in the Franchise within sixty (60) days after the death or incapacity of Franchisee, the person to whom the interest is assigned,

transferred or sold, and not Franchisee's heir or personal representative, must comply with the provisions of this Section 18(c)(ii) as transferee.

(d) Disclosure - Franchisee consents to Franchisor releasing to any proposed transferee any information concerning the Franchised Business which Franchisee has reported to Franchisor.

(e) No Single or Partial Transfer - Notwithstanding anything set forth herein to the contrary, Franchisee may not transfer a portion of its rights or obligations hereunder or a portion of the Franchised Business, if such transfer would result in the division of the Franchised Business.

19.) RIGHT OF FIRST REFUSAL/PURCHASE OPTION

(a) Right of First Refusal - If, at any time during the term hereof, Franchisee receives a bona fide offer to purchase or lease the Franchised Business, including the Franchised Center or the property upon which the Franchised Center is located whether owned by Franchisee or an affiliate, or any owner of Franchisee receives an offer to purchase any interest in Franchisee, either directly or indirectly, which offer Franchisee, an affiliate or such owner is willing to accept, Franchisee shall communicate in writing to Franchisor the full terms of the offer and the name of the offeror. Franchisor may elect to purchase or lease the business, the property or the interest, as applicable, on the terms set forth in the offer. If Franchisor elects to exercise such option, it shall give Franchisee written notice of the election within thirty (30) days after Franchisor receives Franchisee's communication of the offer. If Franchisor fails to give written notice of election within thirty (30) days, Franchisee or the owner, as the case may be, may sell or lease to the offeror on the terms offered, subject to the provisions relating to assignment. The sale or lease must, however, be completed within sixty (60) days of the termination of the thirty (30) day period during which Franchisor may give written notice of election to purchase or lease; otherwise, an additional notice must be given to Franchisor and an additional option period must expire prior to any such transfer. If Franchisor elects to exercise its rights hereunder, it shall have the right to substitute equivalent cash for any noncash consideration included in the bona fide offer and Franchisor and Franchisee, an affiliate or Franchisee's owner, as the case maybe, will use their best efforts to complete the transaction within sixty (60) days from the date of Franchisor's notice of election to exercise its rights hereunder. The failure of Franchisor to exercise its rights under this Section 19 (a) shall not affect Franchisor's rights to approve or disapprove an assignment as set forth in Section 18 above.

(b) Purchase Option

(i) Option to Purchase/Lease - Not earlier than ninety (90) days prior to, but in no event later than thirty (30) days following, the expiration or termination of this Agreement for any reason (the "Option Period"), Franchisor may, at its sole option, give notice to Franchisee that it intends to purchase from

Franchisee or any of its affiliates any or all of the assets relating to or used in the Franchised Business, including the property upon which the Franchised Center is located (and any improvements to such real property), and all materials, furniture, equipment, inventories, and supplies relating to or used in the Franchised Business, including the Franchised Center (collectively, the "Center Assets"). Center Assets shall not include, however, any goodwill of the Franchised Business, including any goodwill of the Franchised Center, the value of any sublease or lease under which Franchisee leases the premises for the Franchised Center or any Center Assets which Franchisor, in its sole opinion, deems to be unusable or obsolete. The site of the Franchised Center, including the real property and improvements to the real property (collective, the "Real Property") shall be included in the Center Assets only if such Real Property is owned by Franchisee or any of its affiliates at the time of the expiration or termination of this Agreement. Franchisee agrees to provide Franchisor with any information Franchisor reasonably requires, and to allow Franchisor to inspect the Franchised Center and the assets of the Franchised Business, to determine whether to exercise its option under this Section 19.

- (ii) Purchase Price - The purchase price for the Center Assets shall be equal to the sum of (i) the average fair market value as determined by three qualified independent appraisers, one selected by Franchisor, the second selected by Franchisee, and the third selected by the other two appraisers (net of all liens and/or encumbrances which the Center Assets shall be conveyed subject to), of the Real Property included in the Center Assets, if any, plus (ii) the lesser of Franchisee's or its affiliate's depreciated cost or fair market value of all of the personal property included in the Center Assets (with fair market value of personal property determined in the same manner as in (i) above). For purposes of the determination by such appraisers of the fair market value of the Real Property included in the Center Assets, such fair market value shall be the amount of cash which would be realized by Franchisee or its affiliate if such Real Property were sold by a willing seller to a willing buyer to be used as a Casa de Corazon center as contemplated in this Agreement. Any determination of the fair market value of the Center Assets shall not include any goodwill. Within seven (7) days after the determination of the purchase price, Franchisor may elect upon written notice to Franchisee to not complete the purchase. However, failure by Franchisor not to complete the purchase shall not affect any other rights of Franchisor under this Agreement and shall not relieve Franchisee from any of its obligations under this Agreement.
- (iii) Deductions from Purchase Price - Franchisor shall have the right to deduct from the purchase price: (i) any amounts owing, as of the date of the closing, from Franchisee and/or its affiliates to Franchisor and any of its affiliates under or in connection with this Agreement or any other agreements to which Franchisor or any of its affiliates and Franchisee or any of its affiliates are parties; (ii) any sums expended by Franchisor to cure

any defaults by Franchisee or any affiliate under any agreements affecting the Center Assets or any sums expended by Franchisor to obtain the release of any liens or other encumbrances affecting the Center Assets.

- (iv) Closing - The closing of any such purchase shall take place at a time and location to be selected by Franchisor; provided, however, that such closing shall not occur any later than ninety (90) days after the purchase price is determined pursuant to Section 19(b)(ii) above. If for any reason the closing is scheduled for a date after the expiration or termination of this Agreement, Franchisor shall have the right to manage the Business until such closing occurs. At such closing, Franchisee or its affiliates shall convey all Center Assets which Franchisor elects to purchase with all warranties of good and marketable title, free and clear of all liens and other encumbrances, except those of which Franchisor notifies Franchisee or its affiliates in writing prior to closing that Franchisor is willing to assume. Franchisee shall execute, and shall cause its affiliates to execute, all documents reasonably required by Franchisor, in such form as is approved by Franchisor, in order to consummate such transaction.
- (v) Operation of Center - If Franchisor notifies Franchisee of Franchisor's intent to exercise the purchase option set forth above in this Section, then Franchisor shall have the right, but not the obligation, to manage the Franchised Center for the period commencing with the expiration or termination of this Agreement until the transaction contemplated by this Section has been consummated. Franchisor shall be entitled to a management fee equal to 5% of Franchisee's Gross Revenues for the period during which Franchisor operates the Franchised Center, plus reimbursement of Franchisor's out-of-pocket expenses. The parties intend that claims resulting from Franchisor's management of the Franchised Center shall be subject to indemnification by Franchisee as provided in this Agreement. If Franchisor exercises this right, Franchisee must execute any agreements required by Franchisor to further document this management arrangement. Franchisee acknowledges and agrees that it, its affiliates, and its owners may not sell, lease, or otherwise dispose of any of the Center Assets until the earlier of: (i) the expiration of the Option Period (unless Franchisor gives notice of its intent to exercise the option within the Option Period); (ii) its receipt from Franchisor of a written notice that Franchisor does not intend to exercise its option; or (iii) the expiration of the option due to Franchisor's failure to comply with the deadlines set in this Section. If Franchisor provides written notice that it will not be exercising its option to purchase certain Center Assets, Franchisee, its affiliates, and its owners may sell, lease, or otherwise dispose of such assets in accordance with and subject to the provisions of this Agreement.
- (vi) Assumption of Lease/Sublease - Franchisor shall also have the separate right, upon termination or expiration of this Agreement, to assume the existing lease or sublease, as applicable, for the Franchised Center for the

remaining term of the lease or sublease, upon the terms and conditions contained in the lease or sublease and Lease Rider as previously approved by Franchisor. If the lessor under the lease or sublease is Franchisee or an affiliate of Franchisee, and the remaining term of the lease or sublease is less than ten (10) years, Franchisor may at its option require Franchisee or its affiliate as the case may be to modify the term of the lease or sublease, to be ten (10) years from assumption or such other term as Franchisor specifies. If the site of the Franchised Center is owned by Franchisee or an affiliate, Franchisor shall have the right and option to require Franchisee or its affiliate, as applicable, to promptly enter into a lease with Franchisor or its designee for the Franchised Center, which lease shall be on commercially reasonable terms, including then-current market rates, and shall be for a term of ten (10) years, unless the parties to the proposed lease agree otherwise. The foregoing right of Franchisor to require a new lease shall apply even if there is a lease or sublease for the Franchised Center between an affiliate of Franchisee and Franchisee. Franchisor shall have the right to assign its rights to a third party or to sublease the premises subject to the lease or sublease without the prior written consent of the lessor.

- (vii) Assignment of Rights by Franchisor; Survival - Without limiting any other rights contained in this Agreement, Franchisor shall have the right to assign or delegate some or all its rights under this Section 19(b) to any other party. For the avoidance of any doubt, this Section 19(b) shall survive the termination or expiration of this Agreement.

20.) PRE-TERMINATION OPTIONS OF FRANCHISOR

(a) Rights in Addition to Termination - Prior to the termination of this Agreement, if Franchisee fails to pay any amounts owed to Franchisor or its affiliates or fails to comply with any term of this Agreement or any other agreement between Franchisor and Franchisee or an affiliate of Franchisor and Franchisee, then in addition to any right Franchisor may have to terminate this Agreement or to bring a claim for damages, Franchisor shall have the option to:

- (i) Remove any listing of the Franchised Business from any Franchisor Identified Social Media Presence;
- (ii) Prohibit Franchisee from attending any meetings or seminars held or sponsored by Franchisor or taking place on the premises of Franchisor;
- (iii) Suspend the provision of any or all of the services provided by Franchisor to Franchisee hereunder; and
- (iv) Require Franchisee to participate in a peer group made up of other franchisees for such time period as Franchisor may require.

(b) Continuation of Franchisor Options - Franchisor's actions, as outlined in this Section 20, may continue until Franchisee has brought its accounts current, cured any

default, and complied with Franchisor's requirements, and Franchisor has acknowledged the same in writing. The taking of any of the actions permitted in this Section shall not suspend or release Franchisee from any obligation that would otherwise be owed to Franchisor or its affiliates under the terms of this Agreement or otherwise nor shall Franchisee assert that the taking of any such actions shall act as an actual or constructive termination of this Agreement.

21.) TERMINATION

(a) By Franchisor - In addition to Franchisor's other termination rights in this Agreement, Franchisor may terminate this Agreement effective immediately upon receipt by Franchisee of notice of termination, if Franchisee:

- (i) Loses a license required by applicable law to operate the Franchised Center, which shall include the loss of a license by any owner of the Franchisee or another center owned by Franchisee or an affiliate losses a license;
- (ii) Defaults under Franchisee's lease or sublease for the premises of the Franchised Center, defaults under any loan, financing or other document related, directly or indirectly, to Franchisee, the Franchised Business or the Franchised Center, including the premises of the Franchised Center, or otherwise loses the right to occupy the Franchised Center's premises;
- (iii) Voluntarily abandons the franchise relationship;
- (iv) Is convicted in a court of competent jurisdiction of an offense directly related to the business conducted pursuant to this Agreement, including any offense that indicates unsuitability for childcare;
- (v) Fails to cure a default under this Agreement which materially impairs the goodwill associated with the Names and Marks after Franchisee has received written notice to cure at least twenty-four (24) hours in advance of the notice of termination;
- (vi) Makes an assignment for the benefit of creditors or an admission of its inability to pay its obligations as they become due;
- (vii) Files a voluntary petition in bankruptcy or any pleading seeking any reorganization, arrangement, composition, adjustment, liquidation, dissolution or similar relief under any law, admits or fails to contest the material allegations of any such pleading filed against it, or is adjudicated a bankrupt or insolvent;
- (viii) Fails to comply with any federal, state, or local law or regulation applicable to the operation of the Franchised Business, including those laws or regulations governing education, child care, health, safety and/or sanitation;

- (ix) Makes an unauthorized assignment or transfer of this Agreement, the Franchised Business, including the Franchised Center or the Franchise;
- (x) Submits to Franchisor two (2) or more sales reports, financial statements, other information or supporting records in any period of twelve (12) consecutive months, which understates by two percent (2%) or more the Gross Revenues of the Franchised Business, or otherwise materially distorts any other material information;
- (xi) Consistently fails to submit when due sales reports or financial statements to Franchisor or Franchisee withholds Franchisor's access to accounting or financial systems or data, revokes any authorization provided to Franchisor to debit Franchisee's bank account, or initiates any stop payment against Franchisor or its affiliates;
- (xii) Fails to pay when due Royalty Fees, Brand Fund Contributions, Technology Fees, or other amounts due to Franchisor and such failure continues for ten (10) days after notice to Franchisee;
- (xiii) Consistently fails to remit when due payments to suppliers or other creditors of the Franchised Business, and such failure continues for ten (10) days after notice to Franchisee;
- (xiv) Has made material misrepresentations on its application for the Franchise;
- (xv) Is in breach of any other agreement with Franchisor or any of its affiliates and such breach continues for thirty (30) days after notice to Franchisee; or
- (xvi) Otherwise materially breaches this Agreement or fails to comply with any provision of this Agreement or any specification, standard or operating procedure prescribed by Franchisor and does not correct such failure within thirty (30) days after notice to Franchisee.

(b) Compliance with Applicable Law - The foregoing notwithstanding, to the extent that the provisions of this Agreement provide for periods of notice less than those required by applicable law, or provide for termination, cancellation, nonrenewal or the like other than in accordance with applicable law, such provisions shall, to the extent such are not in accordance with applicable law, be superseded by said law, and Franchisor shall comply with applicable law in connection with each of these matters.

(c) Actions Upon Expiration, Termination or Assignment - Franchisee agrees, upon expiration or termination of this Agreement or assignment of the Franchise:

- (i) To immediately return to Franchisor all copies of all Confidential Information, including the Confidential Manual(s) and any other material marked as property of Franchisor;

- (ii) To immediately pay to Franchisor such Royalty Fees, Brand Fund Contributions, and other charges as have or will thereafter become due hereunder and are then unpaid including amounts due for printed materials, forms, advertising material, supplies, products and services supplied by Franchisor, upon the request of Franchisor to comply with its obligations under this Agreement related to Franchisor's purchase option and right to assume the lease or sublease for the Franchised Center or enter into a new lease, and to comply, or cause its affiliate to comply, with all provisions of the Declaration for the time period set forth therein;
- (iii) To immediately take such action as may be required to properly cancel all assumed name or equivalent registrations relating to the use of the Names and Marks, and notify the telephone company, any domain name registrar, any internet service provider, and all listing agencies of the termination or expiration of Franchisee's right to use any domain names, profiles, accounts, user names, telephone numbers and classified and other directory listings associated with any Franchisor Identified Social Media Presence, or that include any portion of the Names and Marks, and authorize the telephone company, domain name registrars, internet service providers, and listing agencies to transfer to Franchisor all such telephone numbers, registrations, profiles, accounts, and directory listings, along with access thereto. Franchisee acknowledges that, as between Franchisor and Franchisee, Franchisor has the sole right to and interest in all telephone numbers, directory listings, domain names profiles, user names, and accounts associated with the Names and Marks, or any word, phrase or symbol confusingly similar to any of the Names and Marks, including any Franchisor Identified Social Media Presence, as well as any content thereon. Franchisee authorizes Franchisor, and appoints Franchisor its attorney-in-fact, to direct the telephone company, domain name registrars, internet service providers, and all listing agencies to transfer telephone numbers, domain names, accounts and listings to Franchisor, as well as provide access to Franchisor to any such account or registration;
- (iv) To not indicate directly or indirectly, in any manner, that it is or ever was affiliated with Franchisor in any capacity, identify itself or any business as a member of the Franchisor's system, or as otherwise associated with Franchisor, or use, in any manner or for any purpose, any of the System of Operation, concepts and methods of promotion, or Names and Marks, or any other indicia of a business operated under the Names and Marks;
- (v) To immediately cause all signs using the Names and Marks to be removed. If Franchisee fails to remove such signage, Franchisor shall be entitled to remove and destroy the signage, without prior notice to Franchisee, and Franchisee shall be obligated to reimburse Franchisor for all costs associated with such removal and destruction; and

- (vi) To immediately comply with all provisions of this Agreement which expressly or by their nature survive the expiration or termination of this Agreement or assignment of the Franchise, as set forth in this Agreement.

(d) Survival of Provisions - All obligations of Franchisor and Franchisee that expressly or by their nature survive the expiration, termination or assignment of the Franchise, including the non-competition, confidentiality, purchase option and indemnification provisions herein, shall continue in full force and effect subsequent to and notwithstanding the foregoing until they are satisfied in full or by their nature expire.

(e) Communication with Third Parties - After Franchisor provides Franchisee with notice of any default hereunder, Franchisor can notify any third parties, including any lenders, of the default and communicate with such third parties regarding Franchisee, the Franchised Business, including the Franchised Center and its operations.

(f) Franchisee Termination Right - Franchisee may terminate this Agreement and the Franchise granted hereunder effective ten (10) days after delivery to Franchisor of notice of termination, if Franchisee is in compliance with this Agreement and Franchisor materially breaches this Agreement and fails to cure the breach within thirty (30) days after written notice of the breach is delivered to Franchisor.

22.) ENFORCEMENT

(a) Injunctive Relief; Attorneys' Fees - Either party may apply for injunctive or other equitable relief to: (i) enforce its right to terminate this Agreement for the causes in Section 21; and (ii) prevent or remedy a breach of this Agreement if such breach could materially impair the goodwill of such party's business, including to enforce the obligations of a party to be performed following the termination of this Agreement and enforcement of the non-competition and confidentiality provisions of this Agreement. Each party shall be entitled to the entry of temporary restraining orders and temporary and permanent injunctions enforcing its aforementioned rights. If Franchisor secures any such injunction, or any other relief against Franchisee, or is successful in defending a claim brought against it by Franchisee, Franchisee shall pay Franchisor an amount equal to the aggregate of Franchisor's costs of obtaining such relief and defending such claim, including, reasonable attorneys' fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses.

(b) Mediation - Except with respect to matters for which a party believes it necessary to seek injunctive or equitable relief, Franchisee and Franchisor shall be required to enter into mediation of all disputes involving this Agreement, or any other aspect of the relationship between them, for a minimum of four (4) hours, prior to the initiation of any action or proceeding against the other.

- (i) Upon written notice by either party to the other of the initiating party's desire to mediate, the party receiving the notice shall select an independent entity that regularly provides mediation services to franchisors and franchisees to serve as mediator in the proceeding. If the party receiving

the notice of intent to mediate does not provide the name of such an organization within ten (10) business days from the date the notice of intention to mediate is received, then the other party may forego mediation of the issue(s) and commence legal action or, at its option, make the selection of the organization to provide mediation services. If one party selects an organization that is unwilling to serve as mediator or does not meet the requirements of this Section 22(b)(i), then the other party may select the organization. Once the organization is designated and agrees to accept appointment as mediator, the organization shall be directed to schedule a mediation proceeding at a time mutually convenient to Franchisor and Franchisee. The mediation shall be held within thirty (30) days following receipt by the mediation organization of notification that its services are requested. If the parties cannot agree on a date for mediation, then the mediation organization shall select a date it believes is reasonable for the parties, given all of the alleged conflicts in dates. The actual mediator shall either be a retired judge, or a person who has had at least ten (10) years of experience as either franchisee or franchisor (or as an officer of such an entity), or in franchise law.

- (ii) The parties shall equally share the cost of the mediator. The mediator shall select the location for the mediation, giving due consideration to the location that will minimize the total expenses of the mediation; provided, however, that unless agreed to by both Franchisor and Franchisee, the mediation shall be held in a metropolitan area having a population of at least two hundred fifty thousand (250,000) persons that is not located within two hundred (200) miles of the Franchised Center or the principal office of Franchisor.
- (iii) Except with respect to matters for which a party is permitted to seek injunctive or equitable relief, if either party initiates litigation without complying with their obligation to mediate in accordance with this Section 22(b) (unless the other party has failed to respond on a timely basis or has indicated it will not engage in mediation in accordance with the provisions of this Section 22(b)), then upon petition of any party named as a defendant in such litigation, the court shall dismiss the action without prejudice, and award attorneys' fees and costs to the party seeking dismissal in an amount equal to such party's attorneys' fees and costs incurred in seeking dismissal. If the court refuses for any reason to dismiss the action, then regardless of the outcome of such action, or of any award given by the court in such action, the party initiating the action shall be responsible for all attorneys' fees and costs incurred throughout the action by the other party as damages for failing to comply with the provisions of this Section 22(b).

(c) Continued Performance - Unless this Agreement is terminated in accordance with the provisions of Section 21, during the pendency of any litigation, Franchisee and Franchisor shall each perform their obligations under this Agreement.

(d) Waiver of Certain Damages - Franchisor and Franchisee (and Franchisee's owners and guarantors) hereby waive, to the fullest extent permitted by law, any right to, or claim for, any punitive, consequential, special or exemplary damages against the other and any affiliates, owners, employees or agents of the other and agree that in the event of a dispute between or among any of them, each shall be limited to the recovery of any actual damages sustained by it and any equitable relief to which it might be entitled.

(e) Venue - Franchisor and Franchisee (and Franchisee's owners and guarantors) each agree that if litigation is commenced, the sole forum for resolving disputes under this Agreement or any aspect of the relationship between the parties shall be the state and federal courts of Minnesota. Such actions shall be exclusively venued in the state or federal courts located in Hennepin County, Minnesota, and the parties waive any objections they may have to either the jurisdiction or the venue in such courts and hereby consent to personal jurisdiction and venue in such courts. The only exception to the foregoing shall be: (1) if the courts of Minnesota would have no jurisdiction over a named party in the litigation, and such party's involvement in the litigation is integral to the underlying claims and not principally for the purpose of circumventing the intent of the parties to name Minnesota as the exclusive venue for any actions, then the action may be venued in any court having jurisdiction over all the parties and a significant nexus to the parties; and (2) to the extent that either party believes it is necessary to seek injunctive relief against the other, the party seeking relief may initiate that action in the county in which the other party has its principal office (which in the case of an action against Franchisee, shall be the county in which Franchisee is domiciled, or the county in which the Franchised Center is located).

(f) WAIVER OF JURY TRIAL - TO THE EXTENT EITHER PARTY MAY PROCEED BY JUDICIAL PROCESS, EACH OF THE PARTIES WAIVES ITS RIGHT TO A JURY TRIAL WITH RESPECT TO THE ENFORCEMENT OR INTERPRETATION OF THIS AGREEMENT, AND ALLEGATIONS OF STATE OR FEDERAL STATUTORY VIOLATIONS, FRAUD, MISREPRESENTATION, OR OTHER CAUSES OF ACTION, IN CONNECTION WITH ANY LEGAL ACTION.

(g) Waiver of Collateral Estoppel - The parties agree they should each be able to settle, mediate, litigate, or compromise disputes in which they are involved with third parties, without having the disposition of such disputes directly affect the contract or relationship between Franchisor and Franchisee. Franchisor and Franchisee therefore each agree that a decision of an arbitrator or court of law in a dispute to which one of them is not a party shall not in any manner prevent the person that was a party to such action from making similar arguments, or taking similar positions, in any subsequent action between Franchisor and Franchisee. The parties therefore waive the right to assert that principles of collateral estoppel prevent either of them from raising any claim or defense in an action between them as a result of such party having lost a similar claim or defense in another action.

(h) Waiver of Class Action Rights - Franchisee waives its right to bring, join or participate in, and is barred from bringing, joining or participating in, any class action suit. The parties agree that any proceeding shall be conducted on an individual, not a class-wide, basis and that any proceeding between Franchisor and Franchisee (or any owner or

guarantor of Franchisee) may not be consolidated with another proceeding between Franchisor and any other entity or person. Franchisee further agrees that the foregoing shall not limit the ability of Franchisee to obtain a remedy for any particular claim that it may assert against Franchisor.

23.) INDEPENDENT CONTRACTORS/INDEMNIFICATION

(a) Independent Contractor - Franchisee is a franchisee of Franchisor. Franchisee shall be conspicuously identified at the premises of the Franchised Business, and in all dealings with clients, prospective clients, and others, as a franchisee. Franchisee shall not represent or imply to any person that this Agreement authorizes Franchisee to act as agent for Franchisor. Neither Franchisor nor Franchisee shall be obligated by any agreement, representation or warranty made by the other, nor shall Franchisor be obligated for damages to any person or property directly or indirectly arising out of the operation of the Franchised Business, or caused by Franchisee's negligence, willful action or failure to act.

(b) Evidence of Relationship – Franchisee shall at all times hold itself out to the public as an independent contractor of Franchisor. Franchisee shall, without limitation: (i) clearly identify itself in all dealings with third parties as a franchised, independently owned and operated entity, including on all public records, checks, stationery, enrollment forms, receipts, marketing materials, envelopes, letterhead, business cards, employment applications or other employment documents, invoices and other communications, electronic or otherwise; (ii) display a sign in the reception area of the Franchised Center so as to be clearly visible to the general public indicating that the Franchised Center is independently owned and operated as a franchised business; and (iii) maintain a notice on the employee bulletin board clearly visible to employees at the Franchised Center, identifying the correct name of their employer and clearly stating that neither Franchisor nor any of its affiliates is the employer and if required by Franchisor, obtaining from each of its employees an acknowledgment acknowledging that their employer is Franchisee and not Franchisor. Neither Franchisee, nor any of its owners, employees or other personnel, are officers, directors, managers, members, shareholders, other owners or employees of Franchisor, its affiliates or the “Casa de Corazon” brand. Franchisee its owners, employees and all others associated with Franchisee shall never hold themselves out otherwise.

(c) Franchisee Indemnification - Franchisee agrees to indemnify Franchisor against, and to reimburse Franchisor for, all obligations and damages for which Franchisor is liable and for all costs reasonably incurred by Franchisor in the defense of any such claim brought against it, or in any such action in which it is named as a party, arising out of any act or omission of Franchisee, or as a result of any activities occurring at, by or through the Franchised Business, including the Franchised Center, or otherwise. Such indemnification shall include, reasonable attorneys' fees, costs of investigation or proof of facts, court costs, other litigation expenses and travel and living expenses (collectively, “Costs”). Franchisor shall have the right to defend any such claim against it.

(d) Franchisor Indemnification - Franchisor agrees to indemnify Franchisee against, and to reimburse Franchisee for, any obligation or liability for damages payable to persons other than Franchisee or its owners caused by the negligent or willful action of Franchisor,

and for Costs reasonably incurred by Franchisee in the defense of any claim brought against it as a result of the foregoing or in any such action in which it is named as a party. Franchisor shall have the right to participate in and to control any litigation or proceeding which might result in liability of or expense to Franchisee subject to indemnification by Franchisor.

24.) FRANCHISEE REPRESENTATIONS

To induce Franchisor to accept Franchisee's application for a Franchise and to execute this Agreement, Franchisee hereby represents and warrants to Franchisor as follows:

(a) Standards for Service - Franchisee recognizes and acknowledges the importance of maintaining Franchisor's standards for service, and further recognizes and acknowledges the importance of following the System of Operation;

(b) Disclosure Document - Franchisee has received a copy of Franchisor's Franchise Disclosure Document, together with copies of all contracts relating to the sale of the Franchise, at least fourteen (14) days prior to the execution of this Agreement and at least fourteen (14) days prior to its payment of any money to Franchisor. Franchisee has read and understands all such documents;

(c) Business Risks - Franchisee has the entire control and direction of the Franchised Business, subject only to the conditions and covenants established by this Agreement. Franchisee further acknowledges that the business to be operated under this Agreement involves business risks, and that Franchisee's success shall be largely determined by its own skill and efforts as an independent business person. Franchisee further acknowledges that if it fails at any tasks that are vital to the operation of the Franchised Business, the Franchised Business will fail and Franchisee shall be solely responsible for any such failure.

(d) Franchisee Advisors - Franchisee has been advised to consult with its own advisors with respect to the legal, financial and other aspects of this Agreement, and that Franchisee has had the opportunity to consult with such advisors and also has had the opportunity to independently investigate the opportunity offered under this Agreement; and

(e) Independent Investigation - Franchisee has entered into this Agreement after making an independent investigation of Franchisor's operations and not upon any representation as to profits which Franchisee might be expected to realize, nor has anyone made any other representation to induce Franchisee to accept the Franchise granted hereunder and to execute this Agreement, which is not expressly set forth herein.

25.) MISCELLANEOUS

(a) Governing Law - Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act; 15 U.S.C. § 1050 et seq.), as amended, this Agreement shall be governed by the laws of the State of Minnesota. The parties agree, however, that if the Franchisee is not a resident of Minnesota, or if the Franchisee is a corporation, limited liability company or partnership and is not organized or incorporated under Minnesota law,

and in either case, the Franchised Center is not located in Minnesota, then the parties hereby waive the provisions of the Minnesota Franchise Act and the regulations promulgated thereunder. If the Minnesota Franchise Act does not apply to the Franchise relationship created hereby, but there is a statute in the state in which the Franchised Center is situated that specifically governs relationships between franchisees and franchisors and that law would otherwise apply, then that particular law shall apply in lieu of the foregoing.

(b) Binding Effect - This Agreement is binding upon the parties hereto, their respective heirs, assigns and successors in interest.

(c) Entire Agreement - The introduction, Rider and Statement of Ownership and Management hereto are a part of this Agreement, which constitutes the entire agreement of the parties, and at the time of this Agreement, there are no other oral or written understandings or agreements between Franchisor and Franchisee relating to the subject matter of this Agreement, other than any Guaranties; provided, however, nothing in this or in any related agreement is intended to disclaim the representations Franchisor made in the Franchise Disclosure Document furnished to Franchisee.

(d) Headings; Franchisee References; Liability - The Section headings are for convenience only and do not define, limit or construe the contents thereof. The term “Franchisee” as used herein is applicable to one (1) or more persons, a corporation, limited liability company, or a partnership, as the case may be, and the singular usage includes the plural and the masculine and feminine usages include the other. If there is more than one signatory as “Franchisee”, all of Franchisee’s obligations hereunder and under any other agreement with Franchisor or its affiliates shall be joint and several in each and every respect and fully enforceable against each signatory. References in this Agreement to the termination of this Agreement, or the termination of the “Term of the Franchise”, shall be deemed to include the expiration of this Agreement without renewal.

(e) Construction - Franchisor and Franchisee agree that if any provision of this Agreement is capable of two (2) constructions, one of which would render the provision illegal or otherwise voidable or unenforceable and the other of which would render the provision valid and enforceable, the provision shall have the meaning which renders it valid and enforceable. The language of each provision of this Agreement shall be construed simply according to its fair meaning and not strictly against Franchisor or Franchisee.

(f) Invalid Provisions - It is the desire and intent of Franchisor and Franchisee that the provisions of this Agreement be enforced to the fullest extent possible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any provision of this Agreement is adjudicated to be invalid or unenforceable, such adjudication is to apply only with respect to the operation of such provision in the particular jurisdiction in which such adjudication is made. All provisions of this Agreement are severable and this Agreement shall be interpreted and enforced as if all completely invalid and unenforceable provisions were not contained herein, and partially valid and enforceable provisions shall be enforced to the extent valid and enforceable. Franchisor and Franchisee shall substitute a valid and enforceable provision for any specification,

standard, operating procedure, rule or other obligation of Franchisee or Franchisor which is determined to be invalid or unenforceable and is not waived by the other.

(g) Waiver - Franchisor and Franchisee, by written instrument signed by both parties, may unilaterally waive any obligation of or restriction upon the other under this Agreement. No acceptance by Franchisor of any payment by Franchisee and no failure, refusal or neglect of Franchisor or Franchisee to exercise any right under this Agreement or to insist upon full compliance by the other with its obligations hereunder or with any specification, standard or operating procedure shall constitute a waiver of any provision of this Agreement or any specification, standard or operating procedure; provided, however, if a party fails to notify the other in writing of an alleged misrepresentation, violation of law, deficiency, or breach of this Agreement within one (1) year from the date such party has knowledge of, believes, determines or is of the opinion that there has been a misrepresentation, violation of law, deficiency or breach by the other party, then the alleged misrepresentation, violation of law, deficiency or breach will be considered waived, but such waiver of any prior deficiency or breach of any provision of this Agreement shall not affect the obligation of the party to comply with the obligation or provision in the future; provided, however, that: (i) this waiver will not apply to Franchisee's underreporting of Gross Revenues, or under payment of any fees Franchisee owes Franchisor that are tied to the amount of Gross Revenues; and (ii) the foregoing shall not otherwise extend or lengthen any statute of limitations provided by applicable law.

(h) Remedies Cumulative - All remedies provided to Franchisor under this Agreement are cumulative. No exercise or enforcement by Franchisor or Franchisee of any right or remedy hereunder shall preclude the exercise or enforcement by Franchisor or Franchisee of any other right or remedy hereunder or which Franchisor or Franchisee is entitled by law to enforce.

(i) Modifications - No modification of this Agreement shall be valid unless such modification is in writing and signed by Franchisee and Franchisor; provided, however, Franchisor may unilaterally modify or otherwise change the Confidential Manual(s).

(j) Notices - All written notices permitted or required to be delivered by the provisions of this Agreement shall be deemed so delivered: (i) when delivered by hand; (ii) three (3) days after placed in the United States mail by registered or certified mail, return receipt requested, postage prepaid; or (iii) one (1) business day after placed in the hands of an overnight courier, for next day delivery, and in the case of delivery under clauses (ii) or (iii), addressed to the party to be notified at its most current principal business address of which the notifying party has been notified.

(k) Patriot Act Representations - Franchisee represents and warrants that to its actual and constructive knowledge: (i) neither it (including its directors, officers and managers), nor any of its affiliates, or any funding source for the Franchised Business, are identified on the list at the United States Treasury's Office of Foreign Assets Control; (ii) neither it nor any of its affiliates is directly or indirectly owned or controlled by the government of any country that is subject to an embargo imposed by the United States government; (iii) neither it nor any of its affiliates is acting on behalf of the government of, or is involved

in business arrangements or other transactions with, any country that is subject to such an embargo; (iv) neither it nor any of its affiliates are on the U.S. Department of Commerce Denied Persons, Entities and Unverified Lists, the U.S. Department of State's Debarred Lists, or on the U.S. Department of Treasury's Lists of Specialty Designated Nationals, Specialty Designated Narcotics Traffickers or Specialty Designated Terrorists, as such lists may be amended from time to time (collectively, the Lists); (v) neither it nor any of its affiliates, during the term of this Agreement, will be on any of the Lists; and (vi) during the term of this Agreement, neither it nor any of its affiliates will sell products, goods or services to, or otherwise enter into a business arrangement with, any person or entity on any of the Lists. Franchisee agrees to notify Franchisor in writing immediately upon the occurrence of any act or event that would render any of these representations incorrect.

(l) Variances - Because complete and detailed uniformity under many varying conditions may not be possible or practical, Franchisor specifically reserves the right and privilege, at its sole discretion and as it may deem in the best interests of all concerned in any specific instance, to vary standards for any franchise owner based upon the peculiarities of a particular site or circumstance, density of population, business potential, population of trade area, existing business practices or any other condition which Franchisor deems to be of importance to the successful operation of such franchise owner's business. Franchisee shall not complain on account of any variation from standard specifications and practices granted to any other franchise owner and shall not be entitled to require Franchisor to grant to Franchisee a like or similar variation thereof.

(m) Exercise of Business Judgment - Except as otherwise expressly stated in this Agreement, any consent or approval required to be obtained from Franchisor, or decision to be made by Franchisor, may be granted or made by Franchisor in its sole and exclusive business judgment, which may take into account Franchisor's assessment of, among other things, the long-term interests of Franchisor, the System of Operation and the Names and Marks, without regard to its effect on any individual franchisee or location. Franchisor's judgment shall prevail even in cases where other alternatives may be reasonable, so long as Franchisor is intending to benefit or is acting in a way that could benefit the System of Operation, enhance the value of the Names and Marks, increase client satisfaction, or minimize possible consumer, brand or location confusion. If Franchisor's activities or decisions are supported by its business judgment, no court or judge or trier of fact, or any other person reviewing those activities or decisions may substitute his, her or its judgment for Franchisor's judgment, in recognition of the fact that the long-term goals of a franchise system, and the long-term interests of both Franchisor and its franchisees taken together, require that Franchisor have the latitude to exercise its business judgment in administering, managing and overseeing the System of Operation.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

If corporation, limited liability company, or partnership:

FRANCHISEE:

[INSERT FRANCHISEE NAME]

By: _____
Name: _____
Title: _____

If individual:
FRANCHISEE:

Name: _____

FRANCHISOR:

CASA FRANCHISING, LLC

By: _____
Title: _____
Date: _____

[THIS AGREEMENT CONTINUES WITH A RIDER WHICH IS A PART OF THIS AGREEMENT.]

RIDER TO CASA DE CORAZON FRANCHISE AGREEMENT

THIS RIDER is a part of the Franchise Agreement dated the _____ day of _____, 20__, by and between CASA FRANCHISING, LLC (“Franchisor”) and _____ (“Franchisee”).

1.) The Search Area the Franchised Center shall be located in is: _____

2.) The Designated Territory for the Franchised Business shall be: _____

3.) The address of the site from which the Franchised Center shall be operated is: _____

4.) The Initial Franchise Fee is: \$_____.

IN WITNESS WHEREOF, the parties have executed this Rider as of the date indicated above.

If corporation, limited liability company, or partnership:

FRANCHISEE:
[INSERT FRANCHISEE NAME]

FRANCHISOR:
CASA FRANCHISING, LLC

By: _____

By: _____

Name: _____

Title: _____

Title: _____

Date: _____

If individual:

FRANCHISEE:

Name: _____

GUARANTY

IN CONSIDERATION of the **[INSERT ONE/DELETE REMAINING ONE]** [grant by Casa Franchising, LLC (“Franchisor”) of a Casa de Corazon franchise to the party named as Franchisee in the Franchise Agreement (the “Franchisee”) to which this Guaranty is attached (the “Franchise Agreement”)] **OR** [consent by Casa Franchising, LLC (“Franchisor”) to the assignment of the Franchise Agreement to which this Guaranty is attached (the “Franchise Agreement”) to the assignee and party named as the Franchisee in the Franchise Agreement (“Franchisee”)], and for other good and valuable consideration, receipt of which is hereby acknowledged, the undersigned hereby guarantee to Franchisor and to Franchisor’s successors and assigns: (a) the payment of all amounts to be paid to Franchisor or its affiliates by the Franchisee, whether such amounts are provided for in the Franchise Agreement or under any other agreement between Franchisee and Franchisor or an affiliate of Franchisor; and (b) the performance by Franchisee of all its obligations under all such agreements, and under all manuals and operating procedures of Franchisor’s business system. The undersigned further specifically agree to [be/remain] individually bound by all covenants, obligations and commitments of Franchisee contained in the Franchise Agreement and such other agreements [to the same extent as if each of the undersigned had individually been named as Franchisee in the Franchise Agreement and such other agreements, and the undersigned had individually executed the Franchise Agreement and such other agreements].

The undersigned understand and agree that any modification of the Franchise Agreement or any other agreement, including any addendum or addenda thereto, or waiver by Franchisor of the performance by Franchisee of its obligations thereunder, or the giving by Franchisor of any extension of time for the performance of any of the obligations of Franchisee thereunder, or any other forbearance on the part of Franchisor or any failure by Franchisor to enforce any of its rights under the Franchise Agreement or any other agreement, including any addendum or addenda thereto, shall not in any way release the undersigned from liability hereunder or terminate, affect or diminish the validity of this Guaranty, except to the same extent, but only to such extent, that the liability or obligation of Franchisee is so released, terminated, affected or diminished. Notice to the undersigned of any such modification, waiver, extension or forbearance under the terms thereof being hereby waived. The undersigned further understand and agree that no bankruptcy or reorganization of Franchisee shall release or otherwise affect the obligations of the undersigned to pay all fees provided for in all agreements between Franchisee and Franchisor or its affiliates, or otherwise owing to Franchisor or its affiliates, and to perform all the provisions of such agreements, as well as all manuals and operating procedures of Franchisor’s business system, nor does the same release the undersigned from being individually bound to perform all covenants, obligations, and commitments of Franchisee contained in the Franchise Agreement or any other agreement to the same extent as if each of the undersigned had individually executed the Franchise Agreement and such other agreements.

This Guaranty shall be enforceable upon ten (10) days’ written notice by Franchisor to any of the undersigned of any default by Franchisee of any of its covenants under the terms of the Franchise Agreement and addendum or addenda thereto.

The undersigned hereby waive any and all notice of default on the part of Franchisee; waive exhausting of recourse against Franchisee; and consent to any assignment of the Franchise Agreement and any other agreement, in whole or in part, that Franchisor or its assignees may make.

This Guaranty shall be a continuing Guaranty and may not be revoked without the prior written consent of Franchisor. This Guaranty shall apply to all agreements referenced in this Guaranty, to the renewal of all such agreements, and to any successor agreements thereto. The obligations of the undersigned hereunder in each and every respect are joint and several with one another as well as any other guarantors of Franchisee, whether such guaranties are entered into prior to or after the date hereof.

Dated: _____

Dated: _____

Dated: _____

STATEMENT OF OWNERSHIP AND MANAGEMENT

The undersigned (“Franchisee”) represents and warrants to Casa Franchising, LLC (“Franchisor”) that as of the date set forth below all of the information below is true and complete:

Franchisee: _____
State of Formation/Residency: _____

Form of Franchisee: Corporation
(select one) Limited liability company
 Partnership
 Individual

Franchise Director(s): _____

Ownership <i>(Each owner and their spouse, if any, must sign a Guaranty)</i>		
NAME OF OWNER	NO. OF SHARES/UNITS OWNED	OWNERSHIP PERCENTAGE
		%
		%
		%
		%

Management <i>(List each individual holding a position as board-member or officer)</i>	
NAME OF INDIVIDUAL	ROLE/TITLE

Franchisee acknowledges that this Statement of Ownership and Management applies to the Casa De Corazon Franchise Agreement. Franchisee shall immediately notify Franchisor upon any change in the information contained in this Statement of Ownership and Management, and upon

request of Franchisor, complete an updated or new Statement of Ownership and Management and Guaranty executed by all owners of Franchisee.

If corporation, limited liability company, or partnership:

FRANCHISEE:

Date: _____

By: _____

Name: _____

Title: _____

If individual:

FRANCHISEE:

Date: _____

Name: _____

**FRANCHISE ASSIGNMENT, SALE AND TRANSFER
TO ENTITY OWNED BY ORIGINAL FRANCHISEE**

A. Assignment and Sale

Pursuant to Section 18(c)(i) of the Casa de Corazon Franchise Agreement dated _____, by and between the undersigned and Casa Franchising, LLC (the "Agreement"), I/we hereby transfer, subject to approval by Casa Franchising, LLC (the "Company"), all my/our rights, in the Agreement, effective _____, to the transferee named below. I/we understand that this transfer does not relieve me/us of my/our obligations under the Agreement. To induce the Company to approve this assignment:

(01) I/we agree to subordinate any payment due to me/us from the Transferee (as defined below) to any other obligation the Transferee may have to the Company. If the Company notifies me/us of our default by the Transferee of its obligations to the Company under the Agreement, I/we will not accept any further amounts that may be owed to me/us by the Transferee until the Company has confirmed, in writing, that such defaults have been cured.

(02) I/we release the Company and its officers, directors, and agents, from all actions and claims I/we may have against them arising out of their sale to me/us of the Franchise, or in connection with my/our operation of the Franchise, including, but not limited to, any claims arising under the Agreement.

Name of New Franchisee ("Transferee")

Address of Transferee

City, State and Zip Code

Signature of Original Franchisee ("Transferor")

Date

B. Acceptance of Transfer by New Franchisee

The undersigned entity hereby accepts transfer of the Agreement and agrees to be bound by all of the provisions of the Agreement and to assume all of the obligations required of Franchisee named herein.

_____ (name of new Franchisee)

By: _____ Dated: _____
Signature, Title

C. Approval of Transfer

It is hereby agreed that the transferee named above is approved and accepted as Franchisee for the Franchised Business described in the Agreement and is authorized to exercise all rights and obligations of Franchisee named in the Agreement including the right to renew the Agreement upon expiration thereof, pursuant to the terms of the Agreement.

CASA FRANCHISING, LLC

Dated: _____ By: _____
Its: _____

GENERAL RELEASE
[USED IN EVENT OF TRANSFER]

In consideration of the agreement of Casa Franchising, LLC (“Franchisor”) to consent to the assignment by _____ (“Franchisee”) of its Franchise Agreement dated _____ between Franchisee and Franchisor (the “Agreement”), Franchisee hereby releases and forever discharges Franchisor, and all affiliates of Franchisor, and their respective directors, officers, shareholders, employees and agents, in their corporate and individual capacities, and their respective heirs, personal representatives, successors and assigns, from any and all claims Franchisee may have against such parties, from the beginning of time to the date hereof, known or unknown, whether in law or in equity, including, but not limited to, any claims arising out of the offer or sale of any franchise to Franchisee, and any matters arising under the Agreement.

NOTWITHSTANDING THE FOREGOING, THIS RELEASE DOES NOT RELEASE ANY CLAIMS THE UNDERSIGNED MAY HAVE THAT MAY NOT BE RELEASED PURSUANT TO THE FRANCHISE LAWS WHERE THE UNDERSIGNED IS A RESIDENT OR WHERE THE FRANCHISED BUSINESS IS LOCATED, TO THE EXTENT REQUIRED BY APPLICABLE LAW.

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.

Date _____

LEASE RIDER

THIS LEASE RIDER is attached to and made a part of the Lease Agreement (the "Lease") dated _____, 20____ (the "Lease Execution Date") by and between _____ ("Landlord") and _____ ("Tenant") for certain space (the "Premises") described in the [Lease/Sublease] as being located at _____ (the "Lease"). All capitalized terms shall have the same meanings as in the Lease unless defined otherwise in this Lease Rider. If any of the terms of this Lease Rider conflict with any of the terms of the Lease, the provisions of this Lease Rider shall prevail.

(1) Certain Rights of Franchisor -

(a) Landlord acknowledges that Tenant is a franchisee of Casa Franchising, LLC ("Franchisor"), and that the Casa de Corazon[®] early childhood learning center to be located at the Premises is to be operated under the "Casa de Corazon" franchise system, pursuant to a franchise agreement ("Franchise Agreement") between Tenant and Franchisor.

(b) Tenant and Landlord acknowledge that the Premises will be operated only as a Casa de Corazon[®] early childhood learning center, and that:

- (1) Upon expiration without renewal or termination of the Franchise Agreement for any reason whatsoever, the Landlord will grant Franchisor an option, for thirty (30) days thereafter, to replace Franchisee as lessee and at any time thereafter to assign its interest to Franchisor, an affiliate or another franchisee of Franchisor who would then become the lessee with the approval of lessor, which approval may not be unreasonably withheld;
- (2) Landlord agrees to furnish to Franchisor copies of any and all correspondence and notices sent to Tenant pertaining to the Lease and the Premises at the same time that such correspondence and notices are sent to Tenant. To that end, Landlord shall furnish to Franchisor, contemporaneously with that to Franchisee, written notice of any default in the Lease and the action required to cure such default. In the event of a monetary default, Landlord shall allow Franchisor thirty (30) days after receipt of such notice to escrow the funds necessary to cure such default if Franchisee fails to do so. In the event of a non-monetary default, Landlord shall allow Franchisor thirty (30) days after Franchisor's receipt of such written notice to provide Landlord with a letter of undertaking to cure such default if Franchisee fails to do so. If Franchisee fails to cure either type of default, and Franchisor has escrowed the required funds, or provided the necessary undertaking, as the case may be, Landlord shall take any action necessary to remove Franchisee from the Premises and retake possession of the Premises. Landlord shall then allow Franchisor to cure the default and take possession of the Premises as lessee under the same Lease, and at any time thereafter to assign Franchisor's interest in such Lease to another franchisee of Franchisor;

- (3) Landlord shall accept Franchisor, its affiliate, or Franchisor's franchisee as a substitute under the existing terms of the Lease upon notice from Franchisor that it is exercising its option to replace Franchisee as lessee; and
- (4) Landlord acknowledges that, in all cases, Franchisee is solely responsible for all obligations, payments and liabilities accruing under the Lease unless and until Franchisor exercises its option to become substitute lessee and actually takes possession of the Premises.

(2) Rights of Franchisor to Purchase Premises - As set forth in the Franchise Agreement, the Franchisor has the right under certain circumstances to acquire any or all of the assets relating to or used in the Franchised Business, including the site of the Franchised Center and any improvements to such real property. In such case, the following provisions shall apply:

(a) The closing of any such purchase shall take place at a time and location to be selected by Franchisor; provided, however, that such closing shall not occur any later than ninety (90) days after the purchase price is determined pursuant to Section 19(b)(ii) in the Franchise Agreement. If for any reason the closing is scheduled for a date after the expiration or termination of the Franchise Agreement, Franchisor shall have the right to manage the Franchised Business until such closing occurs.

(b) If Franchisor notifies Franchisee of Franchisor's intent to exercise the purchase option, then Franchisor shall have the right, but not the obligation, to manage the Franchised Center for the period commencing with the expiration or termination of the Franchise Agreement until the transaction contemplated by Section 19(b)(v) has been consummated.

The provisions of this paragraph shall not apply if the Landlord and the Franchisee are not affiliated in any way whatsoever.

(3) Restriction on Use of Premises - In regard to the use of the Premises, during the term of the Franchise Agreement, the Premises may only be used for the operation of the Center and for a period of two (2) years after the Center is no longer operated at the Property, the Property may not be used for the operation of a business or other venture that provides child care services to children five (5) years of age or younger. The provisions of this paragraph shall not apply if the Landlord and the Franchisee are not affiliated in any way whatsoever.

(4) Assumption of Lease - Franchisor shall also have the separate right, upon termination or expiration without renewal of the Franchise Agreement, to assume the Lease for the Premises for the remaining term of the Lease, upon the terms and conditions contained in the Lease as previously approved by Franchisor. The foregoing right of Franchisor to require a new lease shall apply even if there is a lease or sublease for the Premises between an affiliate of Franchisee and Franchisee. Franchisor shall have the right to assign its rights to a third party or to sublease the Premises subject to the lease or sublease without the prior written consent of the lessor.

(5) Third Party Beneficiary - Landlord and Franchisee acknowledges that Franchisor is an intended third-party beneficiary to the Lease, and as such, the Lease may not be amended or cancelled so as to affect any of the provisions of this Lease Rider, or the intent of the same, without the prior written approval of Franchisor.

(6) Right to Enter Premises – Franchisor shall have the right to enter the Premises to make any modification or alteration necessary to protect the Casa de Corazon franchise system and marks or to cure any default under the Franchise Agreement or under the Lease, without being guilty of trespass or any other crime or tort. Landlord shall not be responsible for any expenses or damages arising from any such action by Franchisor. Tenant hereby releases, acquits and discharges Franchisor and Landlord, their respective subsidiaries, affiliates, successors and assigns and the officers, directors, shareholders, partners, employees, agents and representatives of each of them, from any and all claims, demands, accounts, actions and causes of action, known or unknown, vested or contingent, which any of them may have, ever had, now has, or may hereafter have by reason of any event, transaction or circumstance arising out of or relating to the exercise of Franchisor’s rights pursuant to this Lease Rider.

(7) Notices – All notices sent pursuant to this Lease Rider shall be sent in the manner set forth in the Lease, and delivery of such notices shall be effective as of the times provided for in the Lease. For purposes of notice under the Lease, Franchisor’s mailing address shall be 6301 Wayzata Blvd. St. Louis Park, MN 55416, which address may be changed by written notice to Landlord in the manner provided in the Lease.

(8) Successors and Assigns – This Lease Rider shall be binding upon and inure to the benefit of the undersigned, their legal representatives, successors and assigns. Nothing contained herein shall, however, authorize or entitle the Franchisee to assign any of its rights or privileges under the Franchise Agreement, which rights of the Franchisee are only as set forth in the Franchise Agreement.

(9) Entire Agreement – Insofar as the matters relating to the Landlord and the Premises are concerned, this Lease Rider sets forth the complete agreement with the Landlord and the Franchisor.

(10) Counterparts – This Lease Rider may be executed in one or more counterparts, each of which shall be deemed an original and together which shall constitute one and the same instrument.

[Signature page to follow]

LANDLORD:

TENANT:

BY: _____
TITLE: _____
DATE: _____

BY: _____
TITLE: _____
DATE: _____

FRANCHISOR:

CASA FRANCHISING, LLC

BY: _____
TITLE: _____
DATE: _____

When recorded, return to:
Larkin Hoffman Daly & Lindgren, Ltd
8300 Norman Center Drive
Suite 1000
Minneapolis, MN 55437-1060

**DECLARATION OF RESTRICTIONS,
NOTICE OF OPTION**

THIS DECLARATION OF RESTRICTIONS, NOTICE OF OPTION ("Declaration")
is made and entered into this ____ day of _____, 20____ by:

_____ located at

 ("Declarant").

WITNESSETH:

WHEREAS, Declarant is the fee simple owner of the property located in _____
County at _____, and more particularly described on Exhibit A attached hereto (the
"Property");

WHEREAS, _____ ("Franchisee") is entering into that certain Franchise
Agreement (the "Franchise Agreement") of even date herewith with Casa Franchising, LLC,
a Minnesota limited liability company (the "Company") pursuant to which the Company is
granting a license to the Franchisee to operate a Casa de Corazon intercultural early childhood
learning center at the Property (the "Center") pursuant to the terms of the Franchise
Agreement;

WHEREAS, the Franchise Agreement requires, among other matters, that (i) during
the term of the Franchise Agreement, the Property may only be used for the operation of the Center;
(ii) for a period of two (2) years after the Center is no longer operated at the Property, the
Property may not be used for the operation of a business or other venture that provides child
care services, to children five (5) years of age or younger; and (iii) the Company has the right
to purchase the Center assets and/or the Property;

WHEREAS, Declarant and Franchisee are affiliated entities;

WHEREAS, Declarant and Franchisee are entering into a Lease Agreement of even
date herewith for the development and operation of the Center at the Property (the "Lease
Agreement"); and

WHEREAS, the Company requires Declarant to execute this Declaration as a
condition to Company's execution of the Franchise Agreement, and Declarant is willing to
execute this Declaration and bind and restrict the Property as set forth herein, as Declarant

and Franchisee are affiliated parties who will each benefit from the operation of the Center at the Property.

NOW, THEREFORE, Declarant does hereby declare and impose upon the Property the following:

1. **RECITALS.** The foregoing recitals are true and correct and incorporated herein by this reference.

2. **NOTICE OF FRANCHISE AGREEMENT.** Notice is hereby given of the execution of the Franchise Agreement and of all the terms and conditions therein which affect the Property. Copies of the Franchise Agreement may be obtained from the Company at the following address:

6301 Wayzata Blvd.
St. Louis Park, MN 55416

3. **RESTRICTIONS ON USE OF PROPERTY.** The Property is hereby subjected to all restrictions contained in the Franchise Agreement, including without limitation, the following:

(a) During the term of the Franchise Agreement, the Property may only be used for the operation of the Center; and

(b) For a period of two (2) years after the Center is no longer operated at the Property, the Property may not be used for the operation of a business or other venture that provides child care services to children five (5) years of age or younger.

4. **NOTICE OF OPTION TO PURCHASE.** Under the Franchise Agreement, the Company has the right, under certain circumstances, to purchase the Center assets and the Property. Notice is hereby given of said right.

5. **AMENDMENT.** This Declaration may not be amended or modified in any way whatsoever without the written joinder thereto of the Company.

IN WITNESS WHEREOF, Declarant has executed this Declaration as of the date and year first above written.

Signed, sealed and delivered
in the presence of:

(Signature of Witness)

(Print Name of Witness)

Name:
Its:

(Signature of Witness)

(Print Name of Witness)

As to the "Declarant"

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me this ____ day of _____,
202_ by _____, as _____ of _____,
a _____, on behalf of the _____.

Signature of Notary Public

Print, type or stamp commissioned name of
Notary personally known ____ OR
Produced Identification ____
Type of Identification Produced: _____

Exhibit A

LEGAL DESCRIPTION

**ADDENDUM TO FRANCHISE AGREEMENT
FOR THE STATE OF ILLINOIS**

Notwithstanding anything to the contrary set forth in the Casa de Corazon Franchise Agreement, the following provisions shall supersede any inconsistent provisions and apply to all Casa de Corazon franchises offered and sold in the State of Illinois or if the Casa de Corazon business will be located in the State of Illinois.

This Illinois Addendum is only applicable if the Franchisee is a resident of Illinois or its Franchised Center will be located in Illinois.

1. Illinois law governs the Franchise Agreement.
2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
3. Your rights upon Termination and Non-Renewal of an agreement are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.
4. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or **any other law of Illinois** is void. This Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.
5. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
6. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to this Addendum.

IN WITNESS WHEREOF, the parties have executed this Addendum as of the date first set forth below.

IF CORPORATION, LLC,
OR PARTNERSHIP:

FRANCHISOR:

CASA FRANCHISING, LLC

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISEE:

By: _____
Name: _____
Title: _____
Date: _____

IF INDIVIDUAL:

FRANCHISEE:

Name: _____
Date: _____

**ADDENDUM TO FRANCHISE AGREEMENT
FOR THE STATE OF MINNESOTA**

Notwithstanding anything to the contrary set forth in the Casa de Corazon Franchise Agreement, the following provisions shall supersede any inconsistent provisions and apply to all Casa de Corazon franchises offered and sold in the state of Minnesota.

This Minnesota Addendum is only applicable if Franchisee is a resident of Minnesota or its Franchised Center will be located in Minnesota.

1. **THIS FRANCHISE HAS BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.**
2. **THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.**
3. Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
4. With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.
5. To the extent required by the Minnesota Franchise Act, the franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols related to the trademarks or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the trademarks, provided the franchisee is using the names in marks in accordance with the Franchise Agreement.
6. Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

7. The Limitations of Claims section is hereby revised to comply with Minnesota Statutes, Section 80C.17, Subd. 5.
8. No statement, questionnaire, or acknowledgment signed or agreed to by the 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 the Franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of the Franchise Agreement or Exhibits or Attachments thereto, the terms of this Addendum shall govern.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date first set forth below.

IF CORPORATION, LLC,
OR PARTNERSHIP:

FRANCHISOR:

CASA FRANCHISING, LLC

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISEE:

By: _____
Name: _____
Title: _____
Date: _____

IF INDIVIDUAL:

FRANCHISEE:

Name: _____
Date: _____

EXHIBIT G

**DEVELOPMENT AGREEMENT AND RELATED
DOCUMENTS**

CASA DE CORAZON DEVELOPMENT AGREEMENT

This **DEVELOPMENT AGREEMENT** (“Agreement”) is made as of the “Effective Date” set forth on the Rider attached hereto (the “Rider”), by and between CASA FRANCHISING, LLC, a Minnesota limited liability company (“Franchisor”), and the “Developer” set forth on the Rider (“Developer”)

INTRODUCTION

Franchisor and its affiliates have developed certain policies, procedures and techniques for the operation of Spanish immersion intercultural early childhood learning centers under the Casa de Corazon service mark that provide educational programs to children from six weeks to five years of age. These centers are identified by their Spanish immersion curriculum in all classes as well as their natural organic meals made on-site for the students from Franchisor’s proprietary recipes. Developer has applied to Franchisor for development rights to develop and operate two (2) or more Franchised Businesses (as defined below) within the Development Territory (as defined below), and the application has been approved by Franchisor in reliance on all the representations made in the application.

NOW, THEREFORE, in consideration of the mutual promise of the parties hereto, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1 DEFINITIONS

- (a) “Affiliate” shall mean any corporation, limited liability company, partnership, or other business entity of which Developer or one or more of Developer’s majority owners owns at least fifty percent (50%) of the total authorized ownership interests, as long as Developer or such owner(s) have the right to control the management of the corporation, limited liability company, partnership, or other business entity, and in each case approved by Franchisor.
- (b) “Competitive Business” shall mean any business that provides educational services, including child care services, to children of any age between the ages of six weeks and 5 years or any business that is developing such businesses.
- (c) “Confidential Information” means the methods, techniques, formats, marketing and promotional techniques and procedures, specifications, information, recipes, operations manuals, systems, and knowledge of and experience in the operation, development and franchising of Franchised Businesses that Franchisor communicates to Developer or that Developer otherwise acquires in operating the Development Business or Franchised Business described herein. Confidential Information does not include information, processes or techniques that are generally known to the public, other than through disclosure (whether deliberate or inadvertent) by Developer.
- (d) “Development Business” shall mean the business to be operated under this Agreement to develop Franchised Businesses in the Development Territory.

(e) “Franchised Business” shall mean the business franchised under a franchise agreement with Franchisor that will operate an early childhood learning center utilizing the System of Operation and the Names and Marks.

(f) “Names and Marks” shall mean the commercial trade names, trademarks, service marks, domain names, and other commercial symbols, including associated logos, now or hereafter selected, used, or promoted by Franchisor and licensed to Developer or its Affiliates under a franchise agreement for use in connection with the System of Operation and the operation of Franchised Businesses.

(g) “System of Operation” shall mean the business plans and methods developed by Franchisor and its affiliates to be used in connection with a Spanish immersion intercultural early childhood learning center providing educational programs to children from six weeks to five years of age through a Spanish immersion curriculum meeting Franchisor’s standards that provides natural organic meals made on-site for the students from the Franchisor’s proprietary recipes or recipes otherwise meeting Franchisor’s standards. The “System of Operation” includes standards, specifications, methods, procedures, techniques, and management systems, all of which may be changed, improved and further developed from time to time by Franchisor, but specifically excludes any employee policies or procedures that Franchisor may make available to Developer (or its Affiliate) for its optional use.

2 GRANT OF DEVELOPMENT RIGHTS

(a) **Development Rights.** Subject to the terms and conditions of this Agreement, and provided that Developer is in full compliance with this Agreement, Franchisor grants Developer the right to develop the number of Franchised Business(es) set forth on and pursuant to the development schedule included on the Rider attached hereto (the “Development Schedule”), within the geographic area described on the Rider attached hereto (the “Development Territory”). Time is of the essence for the development of each Franchised Business in accordance with the Development Schedule.

(b) **Exclusions to Development Schedule.** Developer acknowledges and agrees that the following shall not be added or count towards the calculation to determine whether Developer has satisfied any cumulative number of Franchised Businesses required to be opened as provided in the Development Schedule:

(1) any business that operates under any marks or names other than Casa de Corazon;

(2) any Casa de Corazon early childhood learning center developed outside of the Development Territory; or

(3) any Franchised Business Developer (and/or its Affiliate) owns that is located inside of the Development Territory that is closed within six (6) months of the date it opens (regardless of the reason for such closure). Developer (and/or its Affiliate) may not close any Franchised Business without Franchisor’s prior written consent.

(c) **Development Territory.** Provided Developer and its Affiliates are in full compliance with this Agreement (including with respect to the cumulative number of Franchised Businesses opened and in operation as required by the Development Schedule) and all other agreements between Developer (or any of its Affiliates) and Franchisor (or any of Franchisor's affiliates), including any franchise agreement between any of the foregoing parties, then, during the Term only, except as otherwise provided in this Agreement, neither Franchisor nor any of its affiliates will operate, or authorize any other party to operate, a Spanish immersion intercultural early childhood learning center under the Casa de Corazon mark, that is physically located within the Development Territory. Developer acknowledges that the foregoing restrictions do not prevent Franchisor or its affiliates from any activity not specifically set forth in the foregoing restrictions, including:

- (1) Operating, or allowing others to operate, similar or identical businesses located outside the Development Territory, whether under the Names and Marks or other trade or service marks, even if the businesses compete with Developer's or its Affiliate's Franchised Business(es);
- (2) Operating, or allowing others to operate, businesses inside the Development Territory under the Names and Marks or other trade or service marks that do not provide the same or substantially similar services to those provided under a franchise agreement with Franchisor;
- (3) Selling products to third parties even if such products are sold or provided to Developer or its Affiliates for use in Developer's or its Affiliate's Franchised Business(es), whether located in the Development Territory or otherwise and whether under the Names and Marks or other trade or service marks;
- (4) Selling goods or services, or granting others the right to sell goods or services, similar to or competitive with those sold by Developer's or its Affiliate's Franchised Business(es), whether using the Names and Marks or other trade or service marks, through other distribution channels (including the Internet, catalog sales, telemarketing, or other direct marketing) both inside and outside the Development Territory;
- (5) Acquiring businesses that are similar to Developer's or its Affiliate's Franchised Business(es); or
- (6) The sale of Franchisor or substantially all of its assets to, or merger of Franchisor with, any third party regardless of whether such third party operates, or franchises the operation of, businesses similar to Developer's or its Affiliate's Franchised Business(es).

After the Term, Franchisor and its affiliates may engage, and allow others to engage, in any activities Franchisor or its affiliates desire within and outside the Development Territory without any restrictions whatsoever, subject only to Developer's (or any Affiliate's) rights under franchise agreements with Franchisor then in effect.

(d) **Development Fee.** In consideration for the grant of the development rights to Developer, Developer shall pay to Franchisor the “Development Fee” set forth on Schedule A. The Development Fee shall be due and payable upon execution of this Agreement. The Development Fee shall be deemed to have been earned by Franchisor at the time it is due, and shall not be refundable, except that Franchisor will credit a pro rata portion of the Development Fee paid under this Agreement towards the initial franchise fee due under each franchise agreement Developer or its Affiliate signs with Franchisor pursuant to this Agreement. Any remaining Development Fees paid under this Agreement upon termination or expiration of this Agreement shall be retained by Franchisor.

(e) **No Rights to System of Operation or Names and Marks.** This Agreement does not grant Developer or its Affiliates the right to use the System of Operation or the Names and Marks, such rights being exclusively governed by the applicable franchise agreement entered into by Developer or its Affiliate and Franchisor.

3 DEVELOPMENT OBLIGATIONS

(a) **Development Obligations.** Developer (and/or its Affiliate) shall develop, open for business, and continuously operate the agreed-upon cumulative number of Franchised Business(es) within the Development Territory by the dates set forth on the Development Schedule. Developer or its Affiliate will develop, open, and operate each Franchised Business under a separate franchise agreement (and related documents) with Franchisor. The franchise agreement (and related documents) that Developer or its Affiliate will sign for each Franchised Business will be Franchisor’s then-current form of franchise agreement and related documents, including, without limitation, personal guarantees (collectively, the “Franchise Documents”) in effect and being used by Franchisor for the granting of new franchises, any or all of the terms and conditions of which may differ substantially from the terms and conditions contained in the form of franchise agreement currently used by Franchisor as of the Effective Date. On the date this Agreement is executed by Developer, Developer shall also execute a franchise agreement for its first Franchised Business.

(b) **Franchise Approval.** Developer acknowledges and agrees that franchise agreements are granted by Franchisor only after submission and approval of a formal application for a Casa de Corazon franchise based on Franchisor’s then-current requirements for franchisees and provided that Developer (and/or its Affiliate) supplies all information requested by Franchisor and pays all required fees. Franchisor may, in its sole discretion, choose to grant or deny applications for franchise agreements. Developer shall comply in all respects with Franchisor’s franchise application policies and procedures in force at such time as Developer (and/or its Affiliate) may apply for a franchise agreement. Developer understands and agrees that any activities undertaken in reliance on this Agreement or the potential grant of a franchise hereunder prior to signing a franchise agreement with Franchisor are at Developer’s own risk and expense.

(c) **Franchise Documents.** Within twenty (20) days after Franchisor approves Developer’s (or its Affiliate’s) application for a Franchised Business and the issuance of

Franchisor's then-current Franchise Disclosure Document and other Franchise Documents, Developer (and/or its Affiliates), and their respective owners to the extent required, must sign all Franchise Documents requested by Franchisor for the Franchised Business proposed to be developed. If Developer (and/or its Affiliate), or any of their respective owners, do not do so, then Franchisor may withdraw its approval of such application for a Franchised Business. After Developer (and/or its Affiliate) sign the Franchise Documents for a particular Franchised Business, the terms and conditions of those Franchise Documents will control the further development and operation of that Franchised Business.

(d) **Site Approval.** Developer (and/or its Affiliate) shall be solely responsible for locating appropriate sites for the construction of each Franchised Business and taking all other actions necessary to finance, build, and construct such Franchised Business(es). Developer understands and agrees that all proposed sites are subject to Franchisor's prior approval in its sole discretion.

(e) **Opening.** Developer (and/or its Affiliate) shall open each Franchised Business by the date set forth in the applicable Franchise Documents, subject to satisfaction of all condition precedents to opening in the Franchise Documents.

(f) **Confidential Information.** Developer, on behalf of itself and Affiliates, acknowledges and agrees that it shall not acquire any interest in the Confidential Information, other than the right to use it in developing Franchised Businesses pursuant to this Agreement, and that the use or duplication of the Confidential Information in any other business or other venture constitutes an unfair method of competition. Developer, on behalf of itself and its Affiliates, acknowledges and agrees that the Confidential Information is proprietary and is a trade secret of Franchisor and is disclosed to Developer solely on the condition that Developer: (i) will not use the Confidential Information in any other business or other venture; (ii) will maintain the absolute confidentiality of the Confidential Information during and after the Term; (iii) will not make unauthorized copies of any portion of the Confidential Information disclosed in written form; and (iv) will adopt and implement all procedures Franchisor directs to prevent unauthorized use or disclosure of the Confidential Information. The restrictions on Developer's disclosure and use of the Confidential Information will not apply to disclosure of Confidential Information in judicial or administrative proceedings to the extent Developer is legally compelled to disclose this information, if Developer provides Franchisor the opportunity to obtain an appropriate protective order or other assurance of confidential treatment for the information required to be so disclosed.

4 ASSIGNMENT

(a) **By Franchisor.** This Agreement is fully assignable by Franchisor without the consent of Developer or any of its Affiliates, and shall inure to the benefit of any assignee or other legal successor in interest of Franchisor.

(b) **General Prohibition on Developer Assignment.** Developer (and each of its owners) acknowledges that Franchisor granted Developer the rights under this Agreement

because of Developer's (and its owners') individual and collective character, skill, business acumen, financial capability, and ability to develop, open, and operate Franchised Businesses according to Franchisor's standards. These rights are personal to Developer's and its owners. Therefore, Developer may not, and Developer may not permit any of its owners to, transfer, assign, or otherwise encumber this Agreement, or any portion of this Agreement or part of any Development Territory, or any of ownership interests in Developer (whether directly or indirectly).

(c) **Statement of Ownership and Management.** At the time this Agreement is executed by Developer, Developer shall also complete the Statement of Ownership and Management attached hereto, and, if Developer is a corporation, partnership, or limited liability company, each owner of Developer as of the date hereof, as well as any future owners of Developer, must sign Franchisor's then-current Guaranty at the time such individual becomes an owner of Developer. Developer shall immediately notify Franchisor of any change in any of the information in the Statement of Ownership and Management last submitted to Franchisor. Further, upon request of Franchisor, Developer shall provide Franchisor with an updated Statement of Ownership and Management.

5 TERM

Unless otherwise terminated, this Agreement's term begins on the Effective Date and ends on the earlier of: (a) the date the last Franchised Business under the Development Schedule opens for business; or (b) the latest date for opening Franchised Businesses under the Development Schedule (the "Term").

6 RESTRICTIVE COVENANTS

(a) **Covenants.** Developer acknowledges Franchisor must be protected against the potential for unfair competition by Developer's use of Franchisor's training, assistance and trade secrets in direct competition with Franchisor. Developer therefore agrees that it shall not:

(1) During the Term, either directly or indirectly: (i) operate, own, manage, or be employed by or consult with, any Competitive Business; (ii) offering or selling franchises or licenses for a Competitive Business; (iii) divert or attempt to divert any client or potential client to any competitor of Franchisor, or a competitor of a franchisee or of an affiliate of Franchisor; or (iv) otherwise interfere with the business activities of Franchisor or any affiliate or any other franchisee of Franchisor.

(2) For a period of two (2) years after the Term, either directly or indirectly: (i) operate, own, manage, be employed by or consult with: (A) any Competitive Business located in, or to be located in, the Development Territory, other than one operated under a valid franchise agreement with Franchisor; or (B) any business or other venture located in or doing business in the Development Territory that is offering or selling franchises or licenses for the operation of Competitive

Businesses where located, or any business or other venture located outside of the Development Territory that is offering or selling franchises for Competitive Businesses located in, or to be located in, the Development Territory; or (ii) otherwise interfere with the business activities of Franchisor or any affiliate or any other franchisee of Franchisor, including diversion or attempt to divert any client or potential client to any competitor of Franchisor, or a competitor of a franchisee or of an affiliate of Franchisor.

(3) In the event of the violation of Section 6(a)(2) above by Developer following the Term, the period of time Developer shall be required to abide by the breached obligation shall be extended to a period of two (2) years after Developer is no longer in breach of such obligation.

(b) **Reasonableness.** Developer agrees that the restrictions contained in this Section 6 are reasonable and necessary to protect the interests of Franchisor and other franchisees of Franchisor. Developer acknowledges that because of the narrow scope of the limitations, the foregoing restrictions do not unduly restrict Developer's ability to engage in gainful employment. If Developer violates these restrictions, then in addition to damages incurred by Franchisor for which Developer shall be liable, Franchisor shall be entitled to injunctive relief to prevent the continuation of such breach.

7 TERMINATION

Franchisor may terminate this Agreement and Developer's right to develop additional Franchised Business(es) within the Development Territory, and Franchisor shall retain any Development Fees paid by Franchisee, at any time, effective upon delivery of written notice of termination, if:

(a) Developer fails to satisfy either its development obligations under the Development Schedule or any other obligation under this Agreement, which defaults Developer shall have no right to cure;

(b) Developer is convicted in a court of competent jurisdiction of an offense directly related to the Franchised Businesses;

(c) Developer makes an assignment for the benefit of creditors or an admission of its inability to pay its obligations as they become due, or Developer files a voluntary petition in bankruptcy or any pleading seeking any reorganization, arrangement, composition, adjustment, liquidation, dissolution, or similar relief under any law, admits or fails to contest the material allegations of any such pleading filed against it, or is adjudicated bankrupt or insolvent;

(d) Developer (or its Affiliate) makes an unauthorized assignment or transfer of this Agreement, the Development Territory, any Franchised Business, or any ownership interest in Developer (or its Affiliate);

(e) Developer has made material misrepresentations on its application for the development rights hereunder or in connection with any application for a Franchised Business; or

(f) Otherwise breaches this Agreement, any other agreement between Franchisor and Developer (and/or Affiliate) or any specification, standard, or operating procedure prescribed by Franchisor and does not correct such failure within the time, if any, set forth in the applicable agreement.

Upon expiration or termination of this Agreement for any reason: (a) Developer's development rights and rights to develop, open, and operate Franchised Businesses shall automatically terminate and expire; (b) Developer's (and/or its Affiliate's) rights to use the System of Operation and Names and Marks shall be limited to those Franchised Businesses currently open or operating pursuant to effective franchise agreements which Franchisor executed and delivered prior to such expiration or termination of this Agreement; (c) Developer shall immediately cease using Confidential Information and return to Franchisor all documents in Developer's possession that contain Confidential Information; and (d) Developer shall comply with all other applicable provisions of this Agreement, including the non-compete provisions.

8 DEVELOPER REPRESENTATIONS

To induce Franchisor to execute this Agreement, Developer hereby represents and warrants to Franchisor as follows:

(a) **Standards for Service.** Developer recognizes and acknowledges the importance of maintaining Franchisor's standards for service, and further recognizes and acknowledges the importance of following the System of Operation in connection with each Franchised Business;

(b) **Disclosure Document.** Developer has received a copy of Franchisor's Franchise Disclosure Document, together with copies of all contracts relating to the sale of the franchise, at least fourteen (14) days prior to the execution of this Agreement and at least fourteen (14) days prior to its payment of any money to Franchisor. Developer has read and understands all such documents;

(c) **Business Risks.** Developer on its own behalf, and on behalf of its Affiliates, acknowledges that: (1) Developer has the entire control and direction of the Development Business; (2) the Development Business involves business risks, and that Developer's success shall be largely determined by its own skill and efforts as an independent business person; and (3) if Developer fails at any tasks that are vital to the operation of the Development Business, the Development Business will fail and Developer shall be solely responsible for any such failure; and

(d) **Developer Advisors; Independent Investigation.** Developer has been advised to consult with its own advisors with respect to the legal, financial, and other aspects of this Agreement, and that Developer has had the opportunity to consult with such advisors and also has had the opportunity to independently investigate the opportunity offered

under this Agreement. Developer has entered into this Agreement after making an independent investigation of Franchisor's operations.

(e) **Costs.** The costs to open a Franchised Business as set forth in the Franchise Disclosure Document referenced in Section 2 (b) above apply only to the Franchised Businesses opened while that Franchise Disclosure Document is in effect. The costs to open subsequent Franchised Businesses shall be set forth in the Franchise Disclosure Document provided to the Franchisee or its affiliate in connection with the execution of the Franchise Agreement for each such Franchised Business.

9 MISCELLANEOUS

(a) **Compliance with Laws.** Developer (and/or its Affiliates) shall comply with all laws applicable to the Development Business.

(b) **Business Judgment.** Except as otherwise expressly stated in this agreement, any consent or approval required to be obtained from Franchisor, or decision to be made by Franchisor, may be granted or made by Franchisor in its sole and exclusive business judgment, which may take into account Franchisor's assessment of, among other things, the long-term interests of Franchisor, the System of Operation, and the Names and Marks, without regard to its effect on any individual developer, franchisee, or Franchised Business. Franchisor's judgment shall prevail even in cases where other alternatives may be reasonable, so long as Franchisor is intending to benefit or is acting in a way that could benefit the System of Operation, enhance the value of the Names and Marks, increase customer satisfaction, or minimize possible consumer, brand, or location confusion. If Franchisor's activities or decisions are supported by its business judgment, no court, arbitrator, or judge or trier of fact, or any other person reviewing those activities or decisions may substitute his, her, or its judgment for Franchisor's judgment, in recognition of the fact that the long-term goals of a franchise system, and the long-term interests of both Franchisor and its Developers and franchisees taken together, require that Franchisor have the latitude to exercise its business judgment in administering, managing and overseeing the System of Operation.

(c) **Governing Law.** Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act; 15 U.S.C. § 1050 et seq.), as amended, this Agreement shall be governed by the laws of the State of Minnesota. The parties agree, however, that if Developer is not a resident of Minnesota, or if the Development Business is not located in Minnesota, then they hereby waive the provisions of the Minnesota Franchise Act, Minn. Stat. Ch. 80C, and the regulations promulgated thereunder. If there is a statute in the state in which the Developer or the Development Territory is situated that specifically governs relationships between franchisees and franchisors and that law would otherwise apply, then that particular law shall apply.

(d) **Dispute Resolution.** Franchisor and Developer agree that all actions arising under this Agreement, other than an action for injunctive relief, shall be submitted to mediation, as described in the most recent franchise agreement executed by Franchisor and Developer (and/or its Affiliate), or if no such franchise agreement has been executed,

then as provided in the form of franchise agreement disclosed to Developer in the most recent Franchise Disclosure Document furnished to Developer.

(e) **Binding Effect.** This Agreement is binding upon the parties hereto, their respective heirs, assigns, and successors in interest.

(f) **Headings; Developer References; Liability.** The section headings are for convenience only and do not define, limit, or construe the contents thereof. The term “Developer” as used herein is applicable to one (1) or more persons, a corporation, limited liability company, or a partnership, as the case may be, and the singular usage includes the plural and the masculine and feminine usages include the other. If there is more than one signatory as “Developer”, all of Developer’s obligations hereunder and under any other agreement with Franchisor or its affiliates shall be joint and several in each and every respect and fully enforceable against each signatory.

(g) **Construction.** Franchisor and Developer agree that if any provision of this Agreement is capable of two (2) constructions, one of which would render the provision illegal or otherwise voidable or unenforceable and the other of which would render the provision valid and enforceable, the provision shall have the meaning which renders it valid and enforceable. The language of each provision of this Agreement shall be construed according to its fair meaning and not strictly against Franchisor or Developer.

(h) **Invalid Provisions.** It is the desire and intent of Franchisor and Developer that the provisions of this Agreement be enforced to the fullest extent possible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any provision of this Agreement is adjudicated to be invalid or unenforceable, such adjudication is to apply only with respect to the operation of such provision in the particular jurisdiction in which such adjudication is made. All provisions of this Agreement are severable and this Agreement shall be interpreted and enforced as if all completely invalid and unenforceable provisions were not contained herein, and partially valid and enforceable provisions shall be enforced to the extent valid and enforceable. Franchisor and Developer shall substitute a valid and enforceable provision for any specification, standard, operating procedure, rule, or other obligation of Developer or Franchisor which is determined to be invalid or unenforceable and is not waived by the other.

(i) **Waiver.** Franchisor’s waiver of any breach by Developer, or delay or failure to enforce any provision of this Agreement, will not be deemed to be a waiver of any other or subsequent breach or be deemed an estoppel to enforce Franchisor’s rights respecting that or any other breach.

(j) **Modifications.** No modification of this Agreement shall be valid unless such modification is in writing and signed by Developer and Franchisor.

(k) **Notices.** All written notices permitted or required to be delivered by the provisions of this Agreement shall be deemed so delivered: (i) when delivered by hand; (ii) three (3) days after placed in the United States mail by registered or certified mail,

return receipt requested, postage prepaid; or (iii) one (1) business day after placed in the hands of an overnight courier, for next day delivery, and in the case of delivery under clauses (ii) or (iii), addressed to the party to be notified at its most current principal business address of which the notifying party has been notified.

(l) **Variations.** This Agreement is solely between Franchisor and Developer for the development of Franchised Businesses. Developer is aware and fully understands that Franchisor may grant franchise and development agreements to other third parties on terms and conditions which may differ from the terms and conditions set forth in any franchise or development agreement between Franchisor and Developer or its Affiliate and, as such, nothing contained herein or elsewhere grants to Developer or its Affiliates or is any assurance to the Developer or its Affiliates that the terms and conditions contained in any such franchise or development agreement shall be the same or as beneficial as in any other franchise or development agreement granted by Franchisor.

(m) **Entire Agreement.** The introduction and Rider attached hereto are a part of this Agreement, which constitutes the entire agreement of the parties, and at the time of this Agreement, there are no other oral or written understandings or agreements between Franchisor and Developer relating to the development rights, other than any Franchise Documents for any Franchised Business; provided, however, nothing in this or in any related agreement is intended to disclaim any representations Franchisor made in the Franchise Disclosure Document furnished to Developer. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement may be executed and delivered via facsimile, email, or electronic signature, record, process, confirmation, or transmission attached to or logically associated with this Agreement and executed and adopted with the intent to sign.

IN WITNESS WHEREOF, the parties have executed this Development Agreement as of the Effective Date.

FRANCHISOR:

CASA FRANCHISING, LLC

By: _____
Name: _____
Title: _____

**IF CORPORATION, LLC, OR PARTNERSHIP
DEVELOPER:**

By: _____
Name: _____
Title: _____

**IF INDIVIDUAL:
DEVELOPER:**

Name: _____

**CASA DE CORAZON
DEVELOPMENT AGREEMENT**

RIDER

Part 1 (Developer)	
Effective Date:	_____
Developer:	_____
Form of Developer: (SELECT ONE)	<input type="checkbox"/> Corporation formed in the state of _____ <input type="checkbox"/> Limited liability company formed in the state of _____ <input type="checkbox"/> Partnership formed in the state of _____ <input type="checkbox"/> Individual residing in the state of _____
Address of Developer:	_____ _____ _____ _____
[THIS RIDER CONTINUES WITH PART 2]	

**CASA DE CORAZON
DEVELOPMENT AGREEMENT**

RIDER

Part 2 (Development Schedule)	
Development Territory:	<div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 5px;"></div>
Development Schedule:	Developer agrees to open _____ (___) Franchised Businesses within the Development Territory, according to the following Development Schedule:
Date	Cumulative Number of Franchised Businesses to be Opened and Operating by Applicable Anniversary
1st Anniversary of Effective Date	At least __ Casa de Corazon early childhood learning centers currently in operation in the Development Territory.
2nd Anniversary of Effective Date	At least __ Casa de Corazon early childhood learning centers currently in operation in the Development Territory.
3rd Anniversary of Effective Date	At least __ Casa de Corazon early childhood learning centers currently in operation in the Development Territory.
4th Anniversary of Effective Date	At least __ Casa de Corazon early childhood learning centers currently in operation in the Development Territory.
5th Anniversary of Effective Date	At least __ Casa de Corazon early childhood learning centers currently in operation in the Development Territory.
Total Number to be Developed:	
Development Fee:	\$ 10,000 per Franchised Business to be developed
[THIS RIDER CONTINUES WITH PART 3]	

**CASA DE CORAZON
DEVELOPMENT AGREEMENT**

RIDER

Part 3 (Signature Page)

IN WITNESS WHEREOF, the parties have executed this Rider (Parts 1 to 3) as of the Effective Date.

FRANCHISOR:

CASA FRANCHISING, LLC

By: _____
Name: _____
Title: _____

**IF CORPORATION, LLC, OR PARTNERSHIP
DEVELOPER:**

By: _____
Name: _____
Title: _____

**IF INDIVIDUAL:
DEVELOPER:**

Name: _____

**CASA DE CORAZON
DEVELOPMENT AGREEMENT**

STATEMENT OF OWNERSHIP AND MANAGEMENT

The undersigned Developer (“Developer”) represents and warrants to CASA FRANCHISING, LLC (“Franchisor”) that as of the date set forth below all of the information below is true and complete:

Ownership (EACH OWNER MUST SIGN A GUARANTY)		
NAME OF OWNER	NO. OF SHARES/UNITS OWNED	OWNERSHIP PERCENTAGE
		%
		%
		%
		%

Management (LIST EACH INDIVIDUAL HOLDING A POSITION AS BOARD-MEMBER OR OFFICER)	
NAME OF INDIVIDUAL	ROLE/TITLE

Developer acknowledges that this Statement of Ownership and Management applies to the Casa de Corazon Development Agreement. Developer shall immediately notify Franchisor upon any change in the information contained in this Statement of Ownership and Management, and upon request of Franchisor, complete an updated or new Statement of Ownership and Management and Guaranty executed by all owners of Developer.

DEVELOPER:

Date: _____

By: _____

Name: _____

Title: _____

GUARANTY

IN CONSIDERATION of the grant by CASA FRANCHISING, LLC (“Franchisor”) of Casa de Corazon development rights to the party named as Developer (“Developer”) in the Development Agreement to which this Guaranty is attached (the “Development Agreement”), and for other good and valuable consideration, receipt of which is hereby acknowledged, the undersigned hereby guarantee (jointly and severally with one another and all other guarantors of Developer, whether such guaranties are entered into prior to or after the date hereof) to Franchisor and to Franchisor’s successors and assigns: (a) the payment of all costs and fees required to be paid to Franchisor or its affiliates by Developer under the Development Agreement, and (b) the performance by Developer of all its obligations under the Development Agreement. The undersigned further specifically agree to be individually bound by all covenants, obligations, and commitments of Developer contained in the Development Agreement to the same extent as if each of the undersigned had individually been named as Developer in the Development Agreement, and the undersigned had individually executed the Development Agreement.

The undersigned understand and agree that any modification of the Development Agreement, including any addendum or addenda thereto, or waiver by Franchisor of the performance by Developer of its obligations thereunder, or the giving by Franchisor of any extension of time for the performance of any of the obligations of Developer thereunder, or any other forbearance on the part of Franchisor or any failure by Franchisor to enforce any of its rights under the Development Agreement, including any addendum or addenda thereto, shall not in any way release the undersigned from liability hereunder or terminate, affect or diminish the validity of this Guaranty, except to the same extent, but only to such extent, that the liability or obligation of Developer is so released, terminated, affected, or diminished. Notice to the undersigned of any such modification, waiver, extension, or forbearance under the terms thereof being hereby waived.

The undersigned further understand and agree that no bankruptcy or reorganization of Developer shall release or otherwise affect the obligations of the undersigned to pay all costs and fees provided for in the Development Agreement, or otherwise owing to Franchisor or its affiliates, and to perform all the provisions of the Development Agreement, nor does the same release the undersigned from being individually bound to perform all covenants, obligations, and commitments of Developer contained in the Development Agreement to the same extent as if each of the undersigned had individually executed the Development Agreement. This Guaranty shall be enforceable upon ten (10) days’ written notice by Franchisor to any of the undersigned of any default by Developer of any of its covenants under the terms of the Development Agreement and addendum or addenda thereto. The undersigned hereby waive any and all notice of default on the part of Developer; waive exhausting of recourse against Developer; and consent to any assignment of the Development Agreement, in whole or in part, that Franchisor or its assignees may make. This Guaranty shall be a continuing Guaranty and may not be revoked without the prior written consent of Franchisor. This Guaranty shall apply to all agreements referenced in this Guaranty, to the renewal of all such agreements, and to any successor agreements thereto.

Date: _____

Name: _____

Date: _____

Name: _____

**ADDENDUM TO
CASA DE CORAZON DEVELOPMENT AGREEMENT
FOR THE
STATE OF ILLINOIS**

Notwithstanding anything to the contrary set forth in the Casa de Corazon Development Agreement, the following provisions shall supersede any inconsistent provisions and apply to all Casa de Corazon franchises offered and sold in the State of Illinois or if the Casa de Corazon business will be located in the State of Illinois.

This Illinois Addendum is only applicable if Developer is a resident of Illinois or if Developer's business will be located in Illinois.

1. Illinois law governs the Development Agreement.
2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
3. Your rights upon Termination and Non-Renewal of an agreement are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.
4. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or **any other law of Illinois** is void. This Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.
5. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
6. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to this Addendum.

IN WITNESS WHEREOF, the parties have executed this Addendum as of the date first set forth below.

FRANCHISOR:

CASA FRANCHISING, LLC

By: _____
Name: _____
Title: _____
Date: _____

IF CORPORATION, LLC,
OR PARTNERSHIP:

DEVELOPER:

By: _____
Name: _____
Title: _____
Date: _____

IF INDIVIDUAL:

DEVELOPER:

Name: _____
Date: _____

**ADDENDUM TO
CASA DE CORAZON DEVELOPMENT AGREEMENT
FOR THE
STATE OF MINNESOTA**

Notwithstanding anything to the contrary set forth in the Casa de Corazon Development Agreement, the following provisions shall supersede any inconsistent provisions and apply to all Casa de Corazon franchises offered and sold in the State of Minnesota or if the Casa de Corazon business will be located in the State of Minnesota.

This Minnesota Addendum is only applicable if Developer is a resident of Minnesota or if Developer's business will be located in Minnesota.

1. THIS FRANCHISE HAS BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

2. THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

3. Minnesota Statutes, Section 80C.21, and Minnesota Rules 2860.4400(J) prohibit Franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring Developer to consent to liquidated damages, termination penalties, or judgment notes. In addition, nothing in the Development Agreement can abrogate or reduce (a) any of Developer's rights as provided for in Minnesota Statutes, Chapter 80C; or (b) Developer's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

4. With respect to franchises governed by Minnesota law, Franchisor will comply with Minnesota Statutes, Section 80C.14, subd. 3-5, which require (except in certain specified cases) (a) that Developer be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Development Agreement; and (b) that consent to the transfer of the franchise will not be unreasonably withheld.

5. Minnesota Rules 2860.4400(D) prohibits Franchisor from requiring Developer to assent to a general release.

6. Developer cannot consent to Franchisor obtaining injunctive relief. Franchisor may seek injunctive relief. Development Agreement, Section 7(i), is revised to comply with Minnesota Statutes, Section 80C.17, subd. 5.

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

8. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Statutes, Chapter 80C, are met independently without reference to this Addendum.

IN WITNESS WHEREOF, the parties have executed this Addendum as of the date first set forth below.

FRANCHISOR:

CASA FRANCHISING, LLC

By: _____
Name: _____
Title: _____
Date: _____

**IF CORPORATION, LLC, OR PARTNERSHIP
DEVELOPER:**

By: _____
Name: _____
Title: _____
Date: _____

**IF INDIVIDUAL:
DEVELOPER:**

Name: _____
Date: _____

EXHIBIT H

**ELECTRONIC TRANSFER OF FUNDS
AUTHORIZATION**

ELECTRONIC TRANSFER OF FUNDS AUTHORIZATION

The undersigned (“Franchisee”) acknowledges that on or about _____, 202__, Franchisee and Casa Franchising, LLC (“Franchisor”) entered into a Franchise Agreement (“Agreement”) for the operation of a Casa de Corazon early childhood learning center franchise.

To enable the Franchisor to receive automatic payments pursuant to the Agreement, Franchisee authorizes (“Authorization”) Franchisor to withdraw funds from and otherwise initiate debit entries to Franchisee’s bank account, indicated below, and the depository named below (“Depository”), to debit the same to such account.

Depository Name: _____
Branch: _____
City State and Zip: _____

Transit/ABA#: _____
Bank Account Name: _____
Bank Account Number: _____
Tax ID for Account: _____

This Authorization is to remain in full force and effect until the underlying obligations of the Agreement have been satisfied in full or expressly released in writing by Franchisor. Franchisee expressly agrees that this Authorization will apply to any and all depositories and bank accounts that Franchisee opens during the term of the Agreement and any renewal terms. Without limiting the above, Franchisee acknowledges and agrees that if Franchisee closes any bank account, Franchisee will:

- 1) immediately notify Franchisor in writing;
- 2) open or otherwise establish another bank account meeting Franchisor’s requirements;
- 3) execute and deliver to Franchisor all documents necessary for Franchisor to begin and continue making withdrawals from such bank account/depository by ACH debiting or other electronic means.

Both parties subject to this Authorization agree to be bound by the Nacha Operating Rules & Guidelines and United States law. By executing this Authorization, the Franchisee agrees to be bound by the provisions of the Nacha Operating Rules.

Franchisee expressly acknowledges and agrees that this Authorization will be the only written authorization needed from Franchisee in order to initiate debit entries/ACH debit originations to Franchisee’s bank account(s) established with any depository in the future.

Name of Franchisee: _____

Signature: _____
Print Name: _____
Title: _____
Date: _____

EXHIBIT I

FRANCHISEE QUESTIONNAIRE

FORM OF FRANCHISE QUESTIONNAIRE

The purpose of this Certification is to determine whether any statements or promises were made to you that we have not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

1. Have you received and personally reviewed our Franchise Agreement and any attachments to it?
Yes _____ No _____
2. Have you received and personally reviewed our Franchise Disclosure Document (“FDD”)?
Yes _____ No _____
3. Did you sign a receipt for the FDD indicating the date you received it?
Yes _____ No _____
4. Have you discussed the benefits and risks of purchasing a Casa de Corazon center (the “Center”) with an attorney, accountant or other professional advisor?
Yes _____ No _____
If not, do you wish to have more time to do so?
Yes _____ No _____
5. Do you understand that the success or failure of your Center will depend in large part upon your skills and abilities, competition from others and other economic and business factors?
Yes _____ No _____
6. Has any employee or other person speaking on our behalf made any statement or promise concerning the revenues, profits or operating costs of a Casa de Corazon franchise other than as provided in the FDD?
Yes _____ No _____
7. Has any employee or other person speaking on our behalf made any statement or promise regarding the amount of money you may earn in operating a Casa de Corazon franchise other than as provided in the FDD?
Yes _____ No _____
8. Has any employee or other person speaking on our behalf made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Casa de Corazon franchise?
Yes _____ No _____
9. Has any employee or other person speaking on our behalf made any statement, promise or agreement concerning the training or support service or other assistance that we will furnish to you that is contrary to, or different from, the information contained in the FDD?

Yes _____ No _____

10. Have you paid any money to us concerning the purchase of your Casa de Corazon franchise prior to today?

Yes _____ No _____

11. If you have answered "Yes" to any one of questions 6-10, please provide a full explanation of each "Yes" answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.)

12. I signed the Franchise Agreement and Addendum (if any) on _____, 20____, and acknowledge that no Agreement or Addendum is effective until signed and dated by you.

Your responses to these questions are important to us and we will rely on them.

By signing below, you are representing that you have responded truthfully to the above questions.

FRANCHISEE APPLICANT:

Dated: _____

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
Illinois	Pending
Minnesota	Pending
Wisconsin	April 30, 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.

RECEIPT

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

If Casa Franchising, LLC 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.

If Casa Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency identified on Exhibit B.

The franchisor is Casa Franchising, LLC, 6301 Wayzata Blvd, St. Louis Park, MN 55416. Its telephone number is 612-790-9673.

The name, principal business address and telephone number of each franchise seller offering the franchise is _____;

ISSUANCE DATE: April 30, 2026

Casa Franchising, LLC authorizes the respective parties identified on Exhibit B to receive service of process for us in the particular state.

I have received a Disclosure Document with an Issuance Date of April 30, 2026 that included the following Exhibits:

- EXHIBIT A: STATE SPECIFIC ADDENDA TO DISCLOSURE DOCUMENT
- EXHIBIT B: LIST OF STATE AGENCIES AND AGENTS FOR SERVICE OF PROCESS
- EXHIBIT C: TABLE OF CONTENTS OF OPERATIONS BRAND STANDARDS MANUAL
- EXHIBIT D: LIST OF OUTLETS/FORMER FRANCHISEES
- EXHIBIT E: FINANCIAL STATEMENTS
- EXHIBIT F: FRANCHISE AGREEMENT AND RELATED DOCUMENTS
- EXHIBIT G: DEVELOPMENT AGREEMENT AND RELATED DOCUMENTS
- EXHIBIT H: ELECTRONIC TRANSFER OF FUNDS AUTHORIZATION
- EXHIBIT I: FRANCHISEE QUESTIONNAIRE

Please indicate the date on which you received this Disclosure Document, and then sign and print your name below, indicate the date you sign this receipt, and promptly return one completed copy of the Receipt to Casa Franchising, LLC, at 6301 Wayzata Blvd, St. Louis Park, MN 55416. The second copy of the Receipt is for your records.

Date Disclosure Document Received:

Prospective Franchisee's Signature

Date Receipt Signed:

Print Name

Address: _____

RECEIPT

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

If Casa Franchising, LLC 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.

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Date Disclosure Document Received:

Prospective Franchisee's Signature

Date Receipt Signed:

Print Name

Address: _____
