

FRANCHISE DISCLOSURE DOCUMENT



Sylvan Learning, LLC,
a Delaware limited liability company
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Bedford, TX 76022
888.338.2283
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www.sylvanlearning.com
www.sylvanfranchise.com

The franchisee will operate a short-term or permanent learning center and electronic learning environment with a system designed for specialized assessment and teaching of individualized educational programs for children in the principal areas of reading, mathematics, writing, and test preparation under the SYLVAN, SYLVAN LEARNING, SYLVAN SYNC, and other SYLVAN trademarks and system (each a “Center”). The franchises offered are for the operation of retail Centers under an individual franchise agreement or for development of Centers in multiple territories under a development agreement.

The total investment necessary to begin operation of a Sylvan Learning franchised business is \$117,600 to \$288,400. This includes \$56,900 to \$61,900 that must be paid to us or an affiliate.

We may offer to enter into a development agreement to establish and operate two to three Sylvan franchised businesses at specific locations under individual franchise agreements. The total initial investment necessary under the development agreement for two to three Sylvan Centers ranges from \$163,310 to ~~\$246,500~~\$373,130. This includes \$99,110 to \$141,630 that must be paid to us or an affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Joshua Wall, Chief Operating Officer, Unleashed Services, LLC, 2350 Airport Freeway, Suite 505, Bedford, Texas 76022, 877.203.2192 or by email at franchising@unleashedbrands.com.

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

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

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

Issuance Date: April 24, 2026.

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by arbitration and/or litigation only in Texas. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with the franchisor in Texas than in your own state.
2. **Mandatory Minimum Payment.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
3. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.
4. **Unopened Franchises.** The franchisor has signed a significant number of franchise agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you also may experience delays in opening your own outlet.

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

ITEM 6: OTHER FEES

FRANCHISE AGREEMENT

Type of Fee ¹	Amount	Due Date	Remarks
Royalty Fee	<p>11% of Gross Sales generated from all services other than Sylvan Edge and ACE IT! programs, subject to a quarterly minimum.</p> <p>Sylvan Edge and ACE IT!: 12% of Gross Sales generated under the Sylvan Edge and ACE IT! programs.</p>	Monthly on the 15 th of the month, or the next business day	See <u>Note 2</u> for definition of “Gross Sales.” The quarterly minimum Royalty Fee to be assessed is \$5,500, and the Royalty Fee from Sylvan Edge and ACE IT! are credited towards meeting the minimum Royalty Fee assessment. The minimum Royalty Fee assessment is waived for the first six months after grand opening of the Primary Center.
NAF Contribution ³	<p><u>Up to 5% of monthly Gross Sales generated from all services other than ACE IT! and Sylvan Edge programs; currently 5% of monthly Gross Sales generated from all services other than ACE IT! and Sylvan Edge programs</u></p> <p>Revenue derived from Sylvan Edge and ACE IT!! are excluded from the Gross Sales upon which the NAF Contribution is assessed.</p>	Monthly on the 15 th of the month.	We may modify the NAF Contribution periodically by providing you at least 30 days’ notice.
Local Marketing Expenditure ⁴	<p>6% of monthly Gross Sales or \$1,500 per month, whichever is greater; revenue derived from Sylvan Edge and ACE IT! are excluded.</p> <p>Sylvan Edge: 3% of Gross Sales generated under the Sylvan Edge program.</p>	As incurred.	We may modify the Local Marketing Expenditure periodically by providing you at least 30 days’ notice.
Advertising Cooperative (if established) ⁵	Determined by majority vote of cooperative members, <u>not to exceed \$10,000 per year without the consent of a majority of the remaining members.</u>	Monthly.	Contributions to the Advertising Cooperative will be credited toward your Local Marketing Expenditure.
Technology Fee ⁶ (currently called the Hub Technology)	Currently \$114 per Center per month; up to \$750 per month, which is subject to adjustment upward in an amount equal to the	Payable by the 15th day of each month.	The current Technology Fee is for our proprietary technology stack. We have the right to add other

Type of Fee ¹	Amount	Due Date	Remarks
Platform fee)	annual increase in the Consumer Price Index for all urban consumers when measured on January 1 of each year or in an amount equal to any increase passed on by the applicable third-party vendors.		technology systems and/or adjust the Technology Fee on thirty (30) days' notice to franchisees. See Item 11 for more information. Non-refundable.
Dashboard Access License Fee	Waived for the first license; \$10 per month per license after the first license.	Monthly upon invoice.	This fee is payable to us and may be increased by our designated supplier from time-to-time, which is a pass-through fee and does not include any markup or rebate.
Call Center Fee ⁷	Model A (\$700 per month flat fee plus \$10 per inquiry) or Model B (\$350 per month plus \$30 per inquiry), depending on call volume	Monthly on the 15 th of the month.	We have established a call center that you must use for various functions.
Initial Training Fee	None for first 2 individuals; then-current fee (currently, \$500 per day) for each additional person.	Upon invoice.	See Item 11 for more information about our initial training program and training requirements. We reserve the right to charge you \$1,000 (“ <u>Initial Training Fee</u> ”) if you do not timely attend the initial training at the designated timeframe, and we are required to provide out-of-schedule initial training to you and your Designated Manager. The Initial Training Fee compensates us for our costs related to providing training to you separately.
Additional Training	Then-current additional training fee (currently, \$500 per day, <u>not to exceed \$1,000 per day</u>) plus reimbursement of our actual costs.	Upon invoice.	We can require your Designated Manager and other personnel to complete additional and remedial training as we reasonably deem necessary based on, for example, failure to comply with quality and service standards. We may also charge additional training fees if you elect to offer

Type of Fee ¹	Amount	Due Date	Remarks
			certain additional programs within the Sylvan system. We also conduct periodic mandatory trainings for certain topics like sales that require your and your Designated Manager's attendance.
Additional On-Site Assistance ⁸	Then-current additional training fee (currently, \$500 <u>per day, not to exceed \$1,000</u> per day) plus reimbursement of our actual costs such as travel and accommodations.	Upon billing.	Payable if you request us to send a representative to your site for training or other assistance.
Split Territory Fee ⁹	25% of our then-current Initial Franchise Fee.	Upon invoice.	Payable if you desire to split your current Protected Area into two territories in order to develop a second Franchised Location, pursuant to a separate then-current Franchise Agreement.
Conference Fee	Currently \$950 to \$1,350 per attendee, up to \$1,500 per attendee, which is subject to adjustment upward in an amount equal to the annual increase in the Consumer Price Index for all urban consumers when measured on January 1 of each year.	Upon invoice	We require that you attend our annual conference. Your fee depends on whether you register by the early bird date (\$950), by the registration date (\$1,100) or by the late registration date (\$1,350). If you cannot attend and we excuse your absence, you must send your Designated Manager or general manager in your place. If you or your representative do not attend, you must pay us a conference materials fee of \$1,500 (or the maximum allowed in the franchise agreement) and we will provide you with relevant training materials from the

Type of Fee ¹	Amount	Due Date	Remarks
			Sylvan Learning annual conference. The conference fee is not inclusive of your hotel, travel, and wages costs.
Compliance Review Fee	Actual cost of program, including purchases made as part of the mystery shop or audit; currently, \$1,500 to \$3,500 per audit depending on the scope of the audit. (These are pass-through costs determined by a third-party.)	Upon invoice	Payable to us or our designated supplier if we implement a mystery shop, operations audit, customer satisfaction, or similar program. If paid to us, these costs are a pass-through cost reimbursement to the designated supplier with no markup, and may be higher depending on the scope and length of the audit triggered by your record-keeping or response.
Gift Card and Loyalty Program Fees	Currently \$0; amount of administrative fees once instituted.	As incurred.	You must participate in the gift card, loyalty, and other electronic incentive programs (the “ Customer Card Programs ”) that we establish, using vendors that we designate, which may include us or our affiliates. We or our affiliates may charge, or collect on behalf of our vendors, an administrative cost for participating in these programs. If a gift card is redeemed in your Center, we will reimburse the redeemed amount minus the up to 7% administrative fee retained by the vendor or affiliate.
Renewal Fee	\$6,000 plus reimbursement of our legal and professional expenses and our other costs incurred in connection with the renewal.	Upon invoice.	Payable only if you exercise your successor term option and satisfy conditions for a successor term.
Refresh Grand Opening	Minimum of \$10,000, not to exceed \$15,000.	Upon invoice	You are required to conduct a marketing campaign to announce refurbishment or

parties. Computers and other equipment may often be leased over several years. Equipment leases typically require you to pay approximately 10% of the “purchase” price at the outset. To the extent that you are able to lease your equipment, you will substantially reduce your initial costs.

NOTE 12: Your expenses for miscellaneous supplies (including, without limitation, markers, buckets, pens, pencils, paper, instructor name tags, incentive gifts for motivational programs, etc.) may differ depending on the number of students you enroll.

NOTE 13: Sylvan requires that franchisees use QuickBooks or equivalent or better accounting software in the operation of the Franchised Business. Any software or service used for accounting or bookkeeping must be approved by Sylvan.

NOTE 14: You are required to obtain certain materials to operate your Sylvan Edge program or ACE IT! Program, and your cost for these materials will vary on the number of sets of materials you chose to purchase. The range provided is the cost of the recommended number of materials you should obtain before providing services under your Sylvan Edge or ACE IT! Program.

NOTE 15: These fees are representative of the costs for engagement of professionals such as attorneys, accountants, and other professionals for the initial review and advisories consistent with the start-up of a Sylvan Learning Center. These fees can vary greatly depending on the hourly rate charged by the professional and the amount of work you request be performed.

NOTE 16: This is a project management fee paid to our designated supplier for management of development of your Sylvan Learning Center.

NOTE 17: This estimates your initial start-up expenses and expenses for the first three-month period. These expenses include business licenses, utility deposits, initial local marketing, payroll costs and required insurance. These figures do not include payroll for the owner. This estimate is based on information provided to us by franchisee.

**YOUR ESTIMATED INITIAL INVESTMENT – DEVELOPMENT AGREEMENT
(Additional Costs to the Above Per Unit Initial Investment)**

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is Made
	Low	High			
Development Fee ¹	\$89,110	\$126,630	Lump Sum	On signing the Development Agreement.	Sylvan
Legal, Accounting and Other Fees ²	\$3,500	\$5,000	Lump Sum	As Incurred	Third parties
Initial Investment for the first Sylvan Learning Center	\$70,700	\$241,500	See table above. The low range is equal to the low range of the total from the above table, less the Initial Franchise Fee, and the high range is equal to the high range of the total from the above table, less the Initial Franchise Fee.		
TOTAL³	\$163,310	\$246,500 <u>373,130</u>			

Provision	Section in Franchise Agreement	Summary
		Franchisor within six months after such death, mental incapacity, or disability. A transfer under these circumstances is still subject to our right of first refusal and to the same conditions as any <i>inter vivos</i> transfer.
q. Non-competition covenants during the term of the franchise	Article 14	Neither you nor any owner may be involved in any Competitive Business anywhere within the United States, its territories or commonwealths, or any other country, province, state, or geographic area in which Franchisor or its affiliates have used, sought registration of, or registered the Proprietary Marks or similar marks (subject to applicable state law) . A Competitive Business means any business or enterprise that is the same or similar to Sylvan Learning businesses, including without limitation any business or enterprise, franchised and non-franchised, that operates or grants franchises or licenses for the operation of businesses specializing in supplemental education tutoring services, grades K-12 learning curriculum, personalized instruction and assessments, test preparation support, academic enrichment programs, and related services and products for children.
r. Non-competition covenants after the franchise is terminated or expires	Article 14	For a two (2) year period following termination or expiration of the franchise, neither you nor any Owner may be involved in any Competitive Business located (1) at the former Franchised Business location, (2) within the former Protected Area, or (3) within a 25-mile radius of any other Sylvan Learning business (subject to applicable state law) .
s. Modification of the agreement	Section 22.B.	The Franchise Agreement may be modified only by a written document signed by both parties. This provision does not limit our right to modify the operations manual or system specifications.
t. Integration/ merger clause	Section 22.A.	Only the terms of the Franchise Agreement are binding (subject to state law). Any other promises or statements may not be enforceable. No claim made in the Franchise Agreement is intended to disclaim the express representations made in this disclosure document.
u. Dispute resolution by arbitration or mediation	Section 23.G.	Except for certain claims, all disputes must be arbitrated in Texas. Subject to state law.
v. Choice of forum	Section 23.G.(4)	Litigation must be instituted and maintained in the state or federal courts serving the district in which we maintain our principal headquarter at the time litigation is initiated (currently Tarrant County, Texas) (subject to governing state law).

INFORMATION REQUIRED BY THE STATE OF MINNESOTA

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document and/or Franchise Agreement, as applicable, the following provisions shall supersede and apply to all franchises offered and sold in the State of Minnesota:

1. The Minnesota cover page is amended to add the following statements:

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

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

2. The following language is added to the end of Items 5 and 7 of the Franchise Disclosure Document:

Based upon our financial condition, the State of Minnesota Department of Commerce has required a financial assurance. Therefore, the initial franchise fee owed by you shall be deferred until we complete our pre-opening obligations under the Franchise Agreement and you have commenced operating your Sylvan Learning franchised business. You must pay us the initial franchise fee in full on the day you begin operating your Sylvan Learning franchised business.

In addition, we will defer your payment of the development fee due to us under the Development Agreement until we have fulfilled all our initial obligations to you and you have commenced operating your first Sylvan Learning franchised business. You must pay us the full development fee on the day you begin operating your first Sylvan Learning franchised business.

3. ~~2-~~Minnesota Rule 2860.4400D (the “Rule”) provides that it is unfair or inequitable to require a franchisee to assent to a release, assignment, novation or waiver that would relieve any person from liability under Minnesota Statutes. To the extent of a conflict between any provision of the Franchise Agreement and the Rule, the Rule shall prevail.

4. ~~3.~~ Minnesota law provides franchisees with certain termination and non-renewal rights. It requires, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement (Minn. Stat. Sec. 80C.14, Subd. 3,4 and 5). Please see Section 1 of the Minnesota Rider to the Franchise Agreement.
5. ~~4.~~ The Minnesota Rider to the Franchise Agreement provides that, to the extent Minnesota law applies, SYLVAN will indemnify you for any damages for which you are held liable due to your use of our "Sylvan System" mark, if you have used the mark properly and notified us within 10 days of your knowledge of a claim against you. SYLVAN must have sole control over any litigation concerning our trademarks. This explanation supplements the information in Item 13 of the Disclosure Document.
6. ~~5.~~ As provided in Section 4 of the Minnesota Rider to the Franchise Agreement, Article 18 of the Franchise Agreement regarding remedies, which provides that SYLVAN may collect liquidated damages in certain circumstances, is deleted in its entirety in accordance with Minnesota Rule 2860.4400J. Therefore, the corresponding portions of Item 6 titled "Liquidated Damages for Breach" and paragraph (i) of Item 17 in this Disclosure Document do not apply.
7. ~~6.~~ As provided by Section 5 of the Minnesota Rider to the Franchise Agreement, to the extent Minnesota law applies, Section 20 of the agreement, which states that you must sue in Texas, does not affect your rights under the Minnesota Franchise Law (Minnesota Statutes 1992, Chapter 80C), including any rights to bring suit against SYLVAN in Minnesota.
8. ~~7.~~ No release language set forth in the Franchise Agreement shall relieve Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Minnesota.
9. ~~8.~~ Minn. Rule 2860.4400J prohibits waiver of a jury trial. Accordingly, Item 17 of the Franchise Disclosure Document and Section 28 of the Franchise Agreement are amended as follows:
- "Nothing contained herein shall limited Franchisee's right to submit matters to the jurisdiction of the courts of Minnesota to the full extent required by Minn. Rule 2860.4400J."
10. ~~9.~~ Item 17 of the Franchise Disclosure Document and Section 21 of the Franchise Agreement are amended as follows:
- "Nothing contained herein shall limited Franchisee's right to submit matters to the jurisdiction of the courts of Minnesota to the full extent required by Minn. Rule 2860.4407J."
11. ~~10.~~ These states have statutes which limit the franchisor's ability to restrict your activity after the Franchise Agreement has ended: California Business and Professions Code Section 16,600, Florida Statutes Section 542.33, Michigan Compiled Laws Section 445.771 *et seq.*, Montana Codes Section 30-14-201, North Dakota Century Code Section 9-08-06, Oklahoma Statutes Section 15-217-19, Washington Code Section 19.86.030. Other states have court decisions limiting the franchisor's ability to restrict your activity after the Franchise Agreement has ended.

12. ~~11.~~ A provision in the Franchise Agreement which terminates the franchise upon bankruptcy of the franchise may not be enforceable under Title 11, United States Code Section 101.
13. ~~12.~~ Franchisor will protect the Franchisee's right granted hereby to use the Marks or will indemnify Franchisee from any loss, costs or expenses arising out of any claim, suit, or demand regarding the use of the Marks.
14. ~~13.~~ Section 29 of the Franchise Agreement is amended by adding the following:
- “Any claims pursuant to Minn. Stat. Sec. 80C.17 may be commenced within the time period provided in Minn. Stat. Sec. 80C.17, subd. 5.”
15. ~~14.~~ No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the Franchisor. This provision supersedes any other term of any document executed with the franchise.

**MINNESOTA RIDER
TO SYLVAN LEARNING FRANCHISE AGREEMENT**

This Rider is entered into this ___ day of _____, 20___, by and between Sylvan Learning, LLC (“we,” “us,” or “our”), and _____ (“Franchisee,” “you,” or “your”).

In recognition of the Minnesota Franchises Law, Minn. Stat. §§ 80C.01-80C.22, and the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, the parties agree to modify the Franchise Agreement as follows:

1. Releases. The following sentence is added to Section 2.B.(5) and Section 17.B.(3)

Notwithstanding the foregoing, Franchisee will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22, provided that the foregoing shall not bar the voluntary settlement of disputes.

2. Term and Successor Franchise Agreement; Default and Termination. Sections 2 and 18 are each amended by adding the following:

Notwithstanding anything to the contrary in Sections 2 and 18, Franchisor will comply with Minnesota Statutes Clause 80C.14, Subdivision 3, 4, and 5, which require, except in certain cases, that Minnesota franchisees be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Franchise Agreement.

3. Fees. The following language is added to the end of Section 6.A of the Franchise Agreement:

Based upon our financial condition, the State of Minnesota Department of Commerce has required a financial assurance. Therefore, the initial franchise fee owed by you shall be deferred until we complete our pre-opening obligations under this Agreement and you have commenced operating your Sylvan Learning franchised business. You must pay us the initial franchise fee in full on the day you begin operating your Sylvan Learning franchised business.

4. ~~3.~~ Proprietary Marks and Copyrights. Section 13 is amended by adding the following:

Franchisor will indemnify you against liability to a third party resulting from claims that your use of the Proprietary Marks infringes trademark rights of the third party, provided that your use is in accordance with the requirements of the Franchise Agreement and the System.

5. ~~4.~~ Time Limit on Filing. Section 23.D is amended to add the following:

Notwithstanding anything to the contrary in this Section, any claim or action arising out of or relating to the Minnesota Franchises Law must be commenced within three (3) years from the occurrence of the facts giving rise to the claim or action, or the claim or action is barred.

6. ~~5.~~ Jurisdiction and Venue. Section 23 is amended to add the following:

Under Minnesota Statutes Section 80C.21, this section will not in any way abrogate or reduce any rights of the Franchisee as provided for in Minnesota Statutes, Chapter 80C, including the

right to submit matters to the jurisdiction of the courts in Minnesota. Minnesota Statutes Section 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota.

7. ~~6.~~ Entire Agreement. Section 22.A is amended by adding the following:

Pursuant to Minn. Stat. § 80C.21 and Minn. Rule Part 2860.4400J, nothing in the Agreement shall in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80

8. ~~7.~~ This Rider will have effect only if the Franchise Agreement and/or the relationship between you and Franchisor satisfy all of the jurisdictional requirements of Minnesota Statutes §§ 80C.01 - 80C.22. Except as expressly modified by this Rider, the Franchise Agreement remains unmodified and in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Rider to the Franchise Agreement on the date stated on the first page.

FRANCHISOR:
SYLVAN LEARNING, LLC,
a Delaware limited liability company

FRANCHISEE:
[_____] ,
a [_____]

By: _____
Susan Valverde, President

By: _____
[_____] , its [_____]

**MINNESOTA RIDER
TO SYLVAN DEVELOPMENT AGREEMENT**

This Rider is entered into this ___ day of _____, 20___, by and between Sylvan Learning, LLC (“we,” “us,” or “our”), and _____ (“Developer,” “you,” or “your”).

In recognition of the Minnesota Franchises Law, Minn. Stat. §§ 80C.01-80C.22, and the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, the parties agree to modify the Development Agreement as follows:

1. Fees. The following language is added to the end of Section 3 of the Development Agreement:

Based upon our financial condition, the State of Minnesota Department of Commerce has required a financial assurance. Therefore, we will defer your payment of the development fee due to us under this Agreement until we have fulfilled all our initial obligations to you and you have commenced operating your first Sylvan Learning franchised business. You must pay us the full development fee on the day you begin operating your first Sylvan Learning franchised business.

2. ~~1-Release~~. The following sentence is added to Section 4.5.4(3) and Section 8:

Notwithstanding the foregoing, Developer will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22, provided that the foregoing shall not bar the voluntary settlement of disputes.

3. ~~2-Term and Successor Development Agreement; Default and Termination~~. Sections 2 and 9 are each amended by adding the following:

Notwithstanding anything to the contrary in Sections 2 and 9, Franchisor will comply with Minnesota Statutes Clause 80C.14, Subdivision 3, 4, and 5, which require, except in certain cases, that Minnesota franchisees be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Development Agreement.

4. ~~3-Time Limit on Filing~~. Section 11.8 is amended to add the following:

Notwithstanding anything to the contrary in this Section, any claim or action arising out of or relating to the Minnesota Franchises Law must be commenced within three (3) years from the occurrence of the facts giving rise to the claim or action, or the claim or action is barred.

5. ~~4-Jurisdiction and Venue~~. Section 11 is amended to add the following:

Under Minnesota Statutes Section 80C.21, this section will not in any way abrogate or reduce any rights of the Developer as provided for in Minnesota Statutes, Chapter 80C, including the right to submit matters to the jurisdiction of the courts in Minnesota. Minnesota Statutes Section 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota.

6. ~~5.~~ Entire Agreement. Section 13.1 is amended by adding the following:

Pursuant to Minn. Stat. § 80C.21 and Minn. Rule Part 2860.4400J, nothing in the Agreement shall in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80

7. ~~6.~~ This Rider will have effect only if the Development Agreement and/or the relationship between you and Franchisor satisfy all of the jurisdictional requirements of Minnesota Statutes §§ 80C.01 - 80C.22. Except as expressly modified by this Rider, the Development Agreement remains unmodified and in full force and effect.

The Minnesota Franchise Act prohibits a franchisor from imposing upon a franchisee by contract or rule, whether written or oral, any standard of conduct that is unreasonable. This addendum does not act as a release or waiver by the franchisee of an otherwise application provision of the Minnesota Franchise Act that is omitted, misstated, or whose legal effect is misconstrued.

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

IN WITNESS WHEREOF, the parties have executed this Rider to the Development Agreement on the date stated on the first page.

FRANCHISOR:
SYLVAN LEARNING, LLC,
a Delaware limited liability company

DEVELOPER:
[_____] ,
a [_____]

By: _____
Susan Valverde, President

By: _____
[_____] , its [_____]